

**Articles of Association of**

**SL Gemini Energy Co., Ltd**

May 2026

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## CHAPTER 1 GENERAL PROVISIONS

**Article 1** To safeguard the legitimate rights and interests of SL Gemini Energy Co., Ltd (hereinafter referred to as the “**Company**”), its shareholders, employees and creditors, and regulate the organisation and acts of the Company, the Articles of Association are formulated by the Company in accordance with the Company Law of the People’s Republic of China (《中華人民共和國公司法》) (hereinafter referred to as the “**Company Law**”), the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (hereinafter referred to as the “**Trial Administration Measures**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (including the interpretation and amendments of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited from time to time) (hereinafter referred to as the “**Hong Kong Listing Rules**”) and other relevant provisions, and referred to the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》).

**Article 2** The Company is a joint stock limited liability company established in accordance with the Company Law and other relevant laws and administrative regulations of the PRC.

The Company is a joint stock limited liability company entirely converted from Wise Living Technology Limited by means of promotion, was registered with Wuxi Administration for Industry and Commerce (無錫市工商行政管理局) on 29 December 2015, and obtained its business licence with a unified social credit code of 91320281561778963L.

The promoters of the Company upon establishment were as follows:

No.	Name of promoters	Number of shares subscribed for (10'000 shares)	Percentage of shareholding (%)
1	Jiangsu Shuangliang Technology Company Limited (江蘇雙良科技有限公司)	15,000	66.37
2	Jiangsu Lichuang New Energy Company Limited (江蘇利創新能源有限公司)	5,100	22.57
3	Li Baoshan (李寶山)	600	2.65
4	Gu Dongsheng (顧東升)	250	1.11
5	Liu Jiansheng (劉建生)	250	1.11
6	Liu Jing (劉竟)	200	0.88
7	Shan Yulin (單昱林)	200	0.88
8	Li Fenglin (李峰林)	200	0.88
9	Liu Guoyin (劉國銀)	200	0.88
10	Wang Xiaosong (王曉松)	200	0.88
11	Geng Ming (耿鳴)	200	0.88
12	Jiang Shaojun (蔣少軍)	200	0.88
	Total	<u>22,600</u>	<u>100%</u>

As approved by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) on 8 November 2022, the Company issued not more than 86,940,000 overseas listed foreign shares (hereinafter referred to as “H Shares”), which were listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange” or “Stock Exchange”) on 10 July 2023.

**Article 3**

The registered name of the Company: 江蘇雙良睿能能源股份有限公司.

Full name in English: SL Gemini Energy Co., Ltd

**Article 4** Domicile of the Company: Room 202, 2/F, No. 15 of Shuangliang Road, Ligang Street, Jiangyin City.

Telephone number: 0510-86850605

Fax number: 0510-86850603

Postal code: 214431

**Article 5** The registered capital of the Company is RMB301,600,000

**Article 6** The Company is a joint stock limited liability company with perpetual existence.

The Company is an independent legal person with independent legal person properties and enjoys the right to legal person property.

**Article 7** The legal representative of the Company shall be a director who perform the company affairs on behalf of the Company. If the director serving as the legal representative resigns, he/she shall be deemed to have resigned as the legal representative at the same time. If the legal representative has resigned, the Company shall determine a new legal representative within 30 days from the date of the resignation of the legal representative.

The legal consequences of civil activities performed by the legal representative in the name of the Company shall be borne by the Company. The limitation of the functions and powers of the legal representative imposed by the Articles of Association or by the shareholders' meeting shall not be against a bona fide counterpart. Where the legal representative causes damage to any other person in the performance of his/her duties, the Company shall assume civil liability for such damage. The Company may, after assuming such civil liability, claim reimbursement from the legal representative at fault in accordance with the laws or the Articles of Association.

**Article 8** Shareholders shall bear liability for the Company to the extent of the shares they subscribe for, and the Company shall bear liability for the debts of the Company with all its assets.

**Article 9**

The Articles of Association shall become effective on the date of their adoption by a special resolution at the shareholders' meeting of the Company. The original Articles of Association of the Company shall be invalidated automatically from the effective date of the Articles of Association.

From the date upon which the Articles of Association come into effect, the Articles of Association constitute a legally binding document regulating the Company's organisation and activities, as well as the rights and obligations between the Company and each shareholder and between the shareholders, with binding effects on the Company, its shareholders, directors and senior management.

**Article 10**

The Articles of Association are binding on the Company and its shareholders, directors and senior management, all of whom may propose claims in respect of rights concerning any matters of the Company pursuant to the Articles of Association. A shareholder may take legal action against the Company pursuant to the Articles of Association; the Company may take legal action against any shareholder pursuant to the Articles of Association; a shareholder may take legal action against another shareholder pursuant to the Articles of Association; a shareholder may take legal action against the directors and senior management of the Company pursuant to the Articles of Association.

The legal action referred to in the preceding paragraph shall include the initiation of proceedings in a court or application to an arbitration organization for arbitration.

The term "senior management" as mentioned herein shall include the general manager, the vice general manager, the secretary to the Board of Directors and the chief financial officer.

**Article 11**

The Company may invest in enterprises such as other limited liability companies and joint stock limited liability companies, and undertake liabilities for the invested company as limited to the capital contribution made by it. Unless otherwise provided by laws, the Company shall not be an investor that is jointly and severally liable for the liabilities owed by the invested enterprises.

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

### **Article 12** Business objectives of the Company

The business objective of the Company is to improve people's living conditions and change their lifestyles.

### **Article 13** Business scope of the Company

General items: Heat production and supply; Research and development of emerging energy technologies; Cooling services; Sewage treatment and recycling; Energy management contract; Information technology consulting services; Software development; Manufacturing of industrial robots; Sales of industrial robots; Installation and maintenance of industrial robots; Information system integration services; Manufacturing of computer software, hardware, and peripheral equipment; Retail of computer software, hardware, and ancillary equipment; Technical services, technical development, technical consulting, technical exchange, technical transfer, technical promotion; Technology import and export; Goods import and export; Installation services of general machinery and equipment. (except for businesses that are subject to approval in accordance with the laws, the business activities should be conducted independently with the business licence(s) in accordance with the laws)

## **CHAPTER 3 SHARES**

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

**Article 14** The Company shall maintain ordinary shares at all times. The ordinary shares issued by the Company include domestic shares and foreign shares. The Company may set up other classes of shares when necessary, subject to the requirements of laws, administrative regulations and regulatory documents and the requirements of securities regulatory authorities.

**Article 15** The Company shall issue shares under the principles of fairness and equality and shares of the same class shall carry same rights.

The issuance conditions and price per share of the same class in the Company's same issuance shall be the same; the same price shall be paid for each share subscribed for by subscribers.

**Article 16** The stock of the Company shall be in the form of shares. The Company issues par value shares, which are denominated in Renminbi.

**Article 17** The Company directly or indirectly issues securities overseas or lists and trades securities overseas, referred to as overseas offering and listing.

The target subscribers for the overseas offering and listing of the Company shall be overseas investors, except for those in compliance with the relevant provisions of the Trial Administration Measures. Where the Company implements equity incentives or issues securities to purchase assets, it may issue securities to target subscribers in compliance with the requirements of the CSRC.

**Article 18** Shares issued by the Company to the domestic investors which are subscribed in RMB shall be referred to as domestic shares. Shares issued by the Company to the overseas investors which are subscribed in foreign currencies shall be referred to as foreign invested shares. Foreign invested shares that are listed abroad shall be referred to as overseas listed foreign invested shares.

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

Foreign shares issued by the Company that are listed in Hong Kong shall be referred to as H shares. H shares are shares that have been approved for listing on the Hong Kong Stock Exchange, the par value of which are denominated in Renminbi and which are subscribed for and traded in foreign currencies.

Both holders of domestic shares and holders of foreign shares are holders of ordinary shares, and have and bear the same rights and obligations.

After the offering and listing of the Company's overseas shares and to the extent permitted by relevant laws, administrative regulations and departmental rules, shareholders of the Company may transfer all or part of the shares they hold to foreign investors and list and trade the same on an overseas stock exchange, and may also convert the unlisted shares they hold into overseas listed shares and arrange for the listing and trading of these shares on an

overseas stock exchange. Listing and trading of the aforesaid shares on an overseas stock exchange shall also comply with the regulatory procedures, regulations and requirements of the domestic and overseas securities market. No approval of a shareholders' meeting is required for the listing and trading of such shares on overseas stock exchange, or the unlisted shares being converted into overseas listed shares and listed and traded on the overseas stock exchange. The unlisted shares, upon being converted into overseas listed shares, shall belong to the same class of shares as the original overseas listed foreign invested shares.

Ordinary shareholders of domestic shares and foreign shares of the Company shall have the same rights in any distribution made by dividends or other forms.

**Article 19** The total number of ordinary shares issued by the Company upon its establishment was 226,000,000 shares, all of which were subscribed by the promoters of the Company at establishment.

**Article 20** The number of issued shares of the Company is 301,600,000 shares, all of which are ordinary shares. The shareholding structure of the Company comprises 301,600,000 overseas listed foreign shares.

**Article 21** Where the Company issues securities in the same overseas market upon the overseas offering and listing, it shall file with the CSRC within 3 working days after the completion of the offering.

**Article 22** Where the Company issues and lists in other overseas markets upon the overseas offering and listing, it shall file with the CSRC within 3 working days after the submission of offering and listing overseas.

If the assets of a domestic enterprise are directly or indirectly listed overseas through one or more acquisitions, share swaps, transfers and other transaction arrangements, the Company shall file with the CSRC within 3 working days after the submission of offering and listing overseas, otherwise, the application documents shall be filed within 3 working days after the Company first announces the specific arrangements for the transaction.

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

**Article 23** The Company may approve capital increase based on the needs of operation and development and in accordance with relevant laws and regulations and the Articles of Association.

The Company may increase its registered capital in the following ways:

- (I) issuing shares to unspecified targets;
- (II) issuing shares to specified targets;
- (III) bonus issue to existing shareholders;
- (IV) conversion of capital reserve into share capital;
- (V) other methods stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the competent administrative authorities.

The Company's increase of capital by issuing new shares shall, after being approved according to the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated by relevant national laws, administrative regulations and the listing rules of the place where the Company is listed.

**Article 24** The Company may reduce its registered capital. The reduction of registered capital shall follow the procedures stipulated in the Company Law, the listing rules of the place where the Company is listed and other relevant regulations and the Articles of Association.

**Article 25** When reducing its registered capital, the Company must prepare a balance sheet and a list of property.

Within ten days since the date on which the resolution on reducing registered capital is made, the creditors shall be notified by the Company and a public announcement shall be made in the newspaper or on the National Enterprise Credit Information Publicity System within thirty days. The creditors may, within thirty days since the receipt of the notice or within forty-five days

since the issuance of the public announcement if they fail to receive a notice, require the Company to clear off its debts or to provide corresponding guarantees.

The reduced registered capital of the Company may not be less than the statutory minimum.

**Article 26** Repurchase of the Company's shares shall be conducted in the manner permitted by laws and regulations and securities regulatory authorities.

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

**Article 27** Shares of the Company may be transferred in accordance with the laws pursuant to the laws, administrative regulations and relevant requirements of the securities regulatory authorities.

Shares issued by the Company before the public offering shall not be transferred within one year from the date on which the shares of the Company are listed on a stock exchange.

Directors and senior management of the Company shall report their shareholdings in the Company and the respective changes. All shares transferred within one year ascertained during his/her tenure shall not exceed 25% of his/her total shareholding in the Company; and no transfer of shares held by him/her shall be allowed within one year since the date when the shares in the Company are listed. The aforesaid personnel shall not transfer the shares held by him/her within half a year after leaving his/her office.

Where the relevant provisions of the securities regulatory authorities of the place where the Company's shares are listed set forth other provisions on the transfer restrictions of overseas listed shares, such provisions shall prevail.

**Article 28** The Company shall not accept its shares being held as security under a pledge.

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

**Article 29** The Company or its subsidiaries (including its affiliates) shall not give financial assistance, in the form of gift, advance, guarantee, compensation or loan, to any person who purchases shares of the Company or its parent company, except for the implementation of the Company's employee stock ownership plan.

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

#### **Section 1 Shareholders and Register of Members**

**Article 30** Share certificates of the Company shall be in registered form.

The Company shall, according to the evidence provided by the securities registration authority and in accordance with the laws, regulations, regulatory documents and the Hong Kong Listing Rules, establish a register of members and make registration. The register of members shall be sufficient evidence of the shareholders' shareholdings in the Company. The transfer of shares shall be registered under the register of members.

The Company may issue overseas listed foreign shares in the form of foreign depository receipts or other derivatives of shares in accordance with the laws of the place where the shares of the Company are listed and the practise of securities registration and deposit. Where the capital of the Company includes shares which do not carry voting rights, the words "non-voting" must appear in the designation of such shares. Where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words "restricted voting right" or "limited voting right."

During the time the Company's H shares remain listed on the Hong Kong Stock Exchange, the Company shall ensure that all listing documents and ownership documents (including H share certificates) relating to its securities listed on Hong Kong Stock Exchange include the statements stipulated below, and shall instruct and procure its share registrar not to register the subscription, purchase or transfer of any of its shares in the name of any particular holder unless and until such individual holder submits to the share registrar a signed form in respect to such shares which bear statements to the following effect:

- (I) The acquirer of the shares agrees with the Company and each shareholder of the Company, and the Company agrees with each shareholder, to observe and comply with Company Law and other relevant laws, administrative regulations and the Articles of Association.
- (II) The acquirer of the shares agrees with the Company, each shareholder, director and senior management of the Company, and the Company acting for itself and for each director and senior management agrees with each shareholder to refer all disputes and claims arising from the Articles of Association or any rights or obligations conferred or imposed by Company Law or other relevant laws or administrative regulations concerning the affairs of the Company to arbitration in accordance with the Articles of Association, and any referral to arbitration shall be deemed to authorise the arbitration tribunal to conduct hearing in open session and to publish its award. The arbitration shall be final.
- (III) The acquirer of shares agrees with the Company and each shareholder of the Company that shares in the Company are freely transferable by the holder thereof.
- (IV) The acquirer of shares authorises the Company to enter into a contract on his/her behalf with each director and senior management whereby such directors and senior management undertake to observe and comply with their obligations to shareholders stipulated in the Articles of Association.

**Article 31**

The Company may, in accordance with any understanding or agreements between the securities regulatory authority of the State Council and overseas securities regulatory organisations, keep its original copy of the register of holders of overseas listed foreign shares outside China and entrust overseas agent(s) to manage such register.

The original register of holders of shares listed in Hong Kong Stock Exchange shall be kept in Hong Kong. The Company shall maintain a duplicate of the register of holders of overseas listed foreign shares at the Company's domicile. The appointed overseas agent shall ensure consistency between the original and the duplicate register of the holders of overseas listed foreign shares at all times.

If there is any inconsistency between the original copy and the duplicate register of the holders of overseas listed foreign shares, the original copy shall prevail.

**Article 32**

The Company shall maintain a complete register of members. The register of members shall include the following parts:

- (I) The register of members kept at the Company's domicile (other than those registers of shareholders as described in paragraphs (II) and (III) of this Article);
- (II) The register of members of overseas listed foreign shares of the Company kept at the place where the overseas stock exchange on which the shares are listed is located; and
- (III) The register of members kept at such other place as the Board of Directors may deem necessary for the purpose of listing of the Company's shares.

Alteration or rectification of each part of the register of members shall be made in accordance with the laws of the place where each part of the register of members is kept.

**Article 33** Where the Hong Kong Listing Rules stipulate on the period of closure of the register of members prior to a shareholders' meeting or the record date set by the Company for the purpose of distribution of dividends, such provisions shall prevail. If there is no specific provision, the register of members shall be closed as determined by the Board.

**Article 34** When the Company convenes a shareholders' meeting, distributes dividends, commences liquidation or participates in other activities which require the confirmation of the identification of shareholders, the convener of meetings of the Board of Directors or the shareholders' meetings shall decide the record date. The shareholders whose names appear on the register of shareholders after the close of trading on the record date shall enjoy the relevant rights.

**Article 35** All overseas listed foreign shares listed in Hong Kong shall be transferred by an instrument in writing in any usual or common form or any other form which the Board of Directors accepts (including the prescribed form or transfer form as required by the Hong Kong Stock Exchange from time to time). The instrument of transfer may be executed by hand or (if the transferor or the transferee is a company) affixed with the Company's seal. If the transferor or the transferee is a recognised clearing house (the "**recognised clearing house**") as defined by the relevant regulations of the laws of Hong Kong in effect from time to time or the agent thereof, the transfer form may be executed by machine imprinted signatures.

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

**Article 36** A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is registered in the register of shareholders.

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

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

**Article 37**

Any shareholder who is registered in, or any person who requests to have his/her name entered in, the register of shareholders may apply to the Company for issue of a replacement share certificate in respect of such shares (the “**Relevant Shares**”) if his/her share certificate (the “**Original Certificate**”) is lost.

If a shareholder who has lost his/her share certificate of domestic shares applies for a replacement share certificate, it shall be dealt with in accordance with the relevant provisions of the Company Law.

If a shareholder who has lost his/her share certificate of overseas listed foreign shares applies for a replacement share certificate, it shall be dealt with in accordance with the laws, rules of the stock exchange(s) or other relevant provisions of the place where the original register of holders of overseas listed shares is kept.

**Article 38**

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

- (I) the right to receive dividends and other distributions in proportion to their shareholdings;
- (II) the right to legally request, hold, convene, preside over, attend or appoint a proxy to attend shareholders’ meetings and to exercise corresponding right to speak and vote (unless individual shareholders are required to abstain from voting on a particular resolution under applicable laws and regulations or the Hong Kong Listing Rules);
- (III) to supervise and manage the business operations of the Company, and to put forward suggestions and raise enquiries;
- (IV) the right to transfer, give or pledge shares in accordance with the laws, administrative regulations, relevant provisions of the securities regulatory authorities of the place where the Company’s shares are listed and the Articles of Association;

- (V) to inspect and duplicate the Articles of Association, register of shareholders, minutes of shareholders' meetings, resolutions of the meetings of the Board of Directors, and financial and accounting reports. Shareholders who meet the requirements may inspect the Company's accounting books and certificates;
- (VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of remaining assets of the Company in proportion with the number of shares held;
- (VII) the shareholders disagreeing with the merger or separation resolution made by the shareholders' meeting are entitled to ask the Company to acquire their shares;
- (VIII) other rights conferred by laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed and the Articles of Association.

**Article 39**

Where shareholders request for inspection and duplication of the relevant information or demand for materials as mentioned in the preceding Article, they shall do so in accordance with the provisions of the Company Law and other laws and administrative regulations.

**Article 40**

Shareholders have the right to protect their legal rights through civil litigation or other legal means in accordance with laws, administrative regulations and the Articles of Association.

Where the contents of a resolution of shareholders' meeting or the Board of Directors violate any law or administrative regulation, shareholders are entitled to petition to the people's court to declare the resolution invalid.

Where the convening procedures or voting method of a shareholders' meeting or a Board meeting violate any laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, a shareholder shall have the right to apply to the people's court for revocation within 60 days from passing of such resolution. However, except that there are only minor defects in the convening procedures or voting method of a shareholders' meeting or a Board meeting, which do not materially affect the resolution.

If the Company has completed the change of registration in accordance with the resolutions of the shareholders' meeting or the Board of Directors, the Company shall apply to the company registration authority for cancellation of the changes in registration after the resolution is declared invalid or revoked.

Where the Board of Directors, shareholders and other stakeholders dispute the validity of a resolution of a shareholders' meeting, they shall promptly file a lawsuit with the people's court. Before the people's court makes a judgement or ruling, the stakeholders shall execute the resolution of the shareholders' meeting. The Company, directors and senior management shall perform their duties diligently to ensure the normal operation of the Company.

Where the people's court makes a judgement or ruling on a relevant matter, the Company shall fulfil its obligation to disclose the information in accordance with the laws, administrative regulations, the requirements of the CSRC and the stock exchange where the Company's shares are listed, fully explain the impact, and actively co-operate with the enforcement of the judgement or ruling after it has come into effect. Where corrections to prior events are involved, they will be handled in a timely manner and the corresponding information disclosure obligations will be fulfilled.

Resolutions of the shareholders' meeting or Board meeting of the Company shall not be valid under any of the following circumstances:

- (I) no shareholders' meetings or Board meetings has been convened to pass a resolution;
- (II) the resolution is not voted on at the shareholders' meeting or Board meeting;
- (III) the number of persons attending the meeting or the number of voting rights held does not reach the number of persons or the number of voting rights held as provided for in the Company Law or the Articles of Association;
- (IV) the number of persons agreeing to the resolution or the number of voting rights held does not reach the number of persons or the number of voting rights held as provided for in the Company Law or the Articles of Association.

**Article 41**

Where the directors or senior management personnel outside of the Audit Committee violate the provisions of laws, administrative regulations or the Articles of Association during the performance of their duties and cause losses to the Company, the shareholders severally or jointly holding 1% or more of the Company's shares for a period of 180 consecutive days or longer are entitled to request the Audit Committee to initiate legal proceedings with the people's court in writing; where the members of the Audit Committee violate the provisions of laws, administrative regulations or the Articles of Association in the performance of duties and cause losses to the Company, the aforesaid shareholders may request the Board of Directors to initiate legal proceedings with the people's court in writing.

Upon receipt of shareholders' written request stipulated in the preceding paragraph, if the Audit Committee or the Board of Directors refuses to initiate legal proceedings or fails to initiate such legal proceedings within 30 days from receipt of such request, or in the event of emergency where the interest of the Company will suffer irreparable damages if legal proceedings is not initiated immediately, the shareholders stipulated in the preceding paragraph shall have the right to initiate legal proceedings directly with the people's court in their own name for the interest of the Company.

If any third parties infringe upon the legitimate rights and interests of the Company and cause losses to the Company, the shareholders specified in the first paragraph of this Article may initiate legal proceedings with the people's court according to the provisions of the preceding two paragraphs.

Where the directors, supervisors or senior management of a wholly-owned subsidiary of the Company violate the provisions of laws, administrative regulations or the Articles of Association during the performance of their duties and cause losses to the Company, or if any third parties infringe upon the legitimate rights and interests of a wholly-owned subsidiary of the Company and cause losses, the shareholders severally or jointly holding 1% or more of the Company's shares for a period of 180 consecutive days or longer, in accordance with the provisions of the first three paragraphs of Article 189 of the Company Law, are entitled to request the supervisory committee or board of directors of the wholly-owned subsidiary to initiate legal proceedings with the people's court in writing or directly initiate legal proceedings with the people's court in its own name.

**Article 42**

Where any director or senior management personnel violates the provisions of laws, administrative regulations or the Articles of Association, damaging interests of shareholders, the shareholders may initiate legal proceedings with the people's court.

**Article 43**

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

- (I) to comply with the Articles of Association;
- (II) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (III) not to withdraw its share capital unless in the circumstances stipulated by laws and regulations;
- (IV) not to abuse their shareholders' rights to jeopardise the interests of the Company or other shareholders; and not to abuse the status of the Company as an independent legal person and the limited liability of shareholders to jeopardise the interests of any creditors of the Company; where any shareholder of the Company abuses the shareholders' rights and incur losses to the Company or other shareholders, such shareholder shall be liable for the damages; where shareholders of the Company abuse the Company's status 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;
- (V) other obligations that shall be undertaken in accordance with the provisions of laws, administrative regulations, rules, regulatory documents, listing rules of the place where the shares of the Company are listed and the Articles of Association.

Shareholders of the Company who abuse their shareholders' rights and cause losses to the Company or other shareholders shall be liable for compensation according to laws. Shareholders of the Company who abuse the independent status of the Company as a legal person and the limited liability of

shareholders to evade debts and seriously damage the interests of the creditors of the Company shall bear joint and several liabilities for the debts of the Company.

**Article 44**

The controlling shareholders of the Company shall exercise their rights and fulfil their obligations in accordance with the laws, administrative regulations, the provisions of the CSRC and the stock exchange where the Company's shares are listed, and safeguard the interests of the Company.

Controlling shareholders of the Company shall comply with the following provisions:

- (I) to exercise their rights as shareholders in accordance with the law and not abuse their control or use their affiliation to prejudice the legitimate interests of the Company or other shareholders;
- (II) to strictly implement the public statements and undertakings made and shall not change or waive them;
- (III) to fulfil information disclosure obligations in strict accordance with the relevant regulations, to proactively cooperate with the Company in information disclosure and to inform the Company in a timely manner of material events that have occurred or are proposed to occur;
- (IV) not to appropriate the Company's funds in any way;
- (V) not to order, instruct or request the Company and relevant personnel to provide guarantees in violation of laws and regulations;
- (VI) not to make use of the Company's undisclosed material information to gain benefits, not to disclose in any way undisclosed material information relating to the Company, and not to engage in insider trading, short-swing trading, market manipulation and other illegal and unlawful acts;
- (VII) not to prejudice the legitimate rights and interests of the Company and other shareholders through unfair related transactions, profit distribution, asset restructuring, foreign investment or any other means;

(VIII) to ensure the integrity of the Company's assets, and the independence of personnel, finance, organisation and business, and not to affect the independence of the Company in any way;

(IX) other provisions of laws, administrative regulations, the CSRC, the stock exchange and the Articles of Association.

Where a controlling shareholder of the Company does not act as a director of the Company but actually carries out the affairs of the Company, the provisions of the Articles of Association relating to the duties of loyalty and diligence of directors shall apply.

Where a controlling shareholder of the Company instructs a director or senior management to engage in an act that is detrimental to the interests of the Company or the shareholders, he/she shall be jointly and severally liable with such director or senior management.

Where a controlling shareholder pledges the shares of the Company that he/she holds or actually controls, he/she shall maintain the stability of the Company's control and production operations.

Where a controlling shareholder transfers the shares of the Company held by him/her, he/she shall comply with the restrictive provisions on the transfer of shares set out in the laws, administrative regulations, the regulations of the CSRC and the stock exchange where the Company's shares are listed, as well as his/her undertakings in respect of the restriction on the transfer of shares.

**Article 45**

The "controlling shareholder" referred to in the Articles of Association refers to a shareholder or other person (one or a group of persons) who is entitled to exercise or control the exercise of 30% (or such other percentage as may from time to time be specified in the applicable PRC laws as being the threshold for triggering a mandatory general offer or establishing legal or management control over a business enterprise) or more than 30% of the voting power at shareholders' meetings of the Company; a shareholder or other person (one or a group of persons) who has or is able to control the composition of a majority of the board of directors of a company.

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

### **Article 46**

The shareholders' meeting is the authority of the Company and shall exercise the following powers:

- (I) to elect and replace the directors and to decide on matters relating to the remuneration of directors;
- (II) to consider and approve reports of the Board of Directors;
- (III) to consider and approve the profit distribution plan and loss recovery plan of the Company;
- (IV) to decide on the increase or reduction of the registered capital of the Company;
- (V) to decide on matters such as merger, division, dissolution, liquidation or change of corporate form of the Company;
- (VI) to decide on the issue of corporate bonds, other securities and listing of the Company;
- (VII) to decide on the appointment dismissal of the accounting firm engaged in the audit work of the Company;
- (VIII) to amend to the Articles of Association;
- (IX) to consider the purchase or disposal of material assets or the provision of guarantees to others within one year with an amount exceeding 30% of the latest audited total assets of the Company;
- (X) other matters required by laws, administrative regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association to be resolved by the shareholders' meeting.

The shareholders' meeting may authorise the Board of Directors to resolve on the issue of corporate bonds. Upon resolution by the shareholders' meeting, or upon resolution by the Board of Directors as authorised by the Articles of Association or the shareholders' meeting, the Company may issue shares and

corporate bonds convertible into shares. The specific implementation shall comply with the provisions of laws, administrative regulations, the CSRC and the listing rules of the place where the Company's shares are listed.

**Article 47**

Unless the Company is in a crisis or other special circumstances, the Company shall not, without the prior approval by a special resolution at a shareholders' meeting, enter into any contract with any party (other than a director, manager or other senior management officer) pursuant to which such party shall be in charge of management of all the Company's businesses or the Company's major businesses.

**Article 48**

Shareholders' meetings consist of annual shareholders' meetings and extraordinary shareholders' meetings. A shareholders' meeting shall be convened by the Board of Directors. Annual shareholders' meeting shall be held once a year within six months from the end of the last accounting year.

The Company shall convene an extraordinary shareholders meeting within two months after the occurrence of any of the following events:

- (I) when the number of directors is less than the number required by the Company Law or less than two-thirds of the number stipulated in the Articles of Association;
- (II) when the unrecovered losses of the Company amount to one third of the total amount of its paid-in share capital;
- (III) when shareholders individually or in aggregate holding more than 10% of the Company's shares request;
- (IV) when the Board of Directors deems necessary or the Audit Committee proposes that the meeting be convened; and
- (V) other circumstances stipulated by laws and regulations, listing rules of the place where the shares of the Company are listed and the Articles of Association.

**Article 49**

The venue of a shareholders' meeting of the Company shall be the Company's domicile or the place specified in the notice of the shareholders' meeting.

A shareholders' meeting shall be conducted in the form of a physical meeting at the designated venue for meeting. The Company will also provide online voting as a convenience to shareholders. A shareholders' meeting may be convened by means of electronic communication in addition to being held on-site at a meeting place.

The time and venue of the on-site meeting should be convenient for shareholders to attend. After the issuance of the notice of a shareholders' meeting, the venue for convening such physical shareholders' meeting shall not be changed without a proper reason. In the event of necessary change, the convener shall make an announcement stating the reasons at least 2 working days prior to the date of such physical meeting.

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

#### **Article 50**

The Board of Directors shall convene the shareholders' meeting on time within the specified period.

Subject to the consent of more than half of all the independent directors, the independent directors have the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting. With regard to the proposal made by the independent directors for convening an extraordinary shareholders' meeting, the Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, provide a written response indicating whether it agree or disagree to convene the extraordinary shareholders' meeting within ten days upon receipt of the proposal. Where the Board of Directors agrees to convene the shareholders' meeting, a notice of convening the shareholders' meeting shall be issued within five days after the resolution of the Board of Directors is made. Where the Board of Directors does not agree to convene the extraordinary shareholders' meeting, it shall provide reasons and make an announcement.

#### **Article 51**

Shareholders who individually or jointly hold more than 10% of the Company's shares requesting the convening of extraordinary shareholders' meetings shall proceed in accordance with the procedures set forth below:

- (I) Shareholders individually or jointly holding more than 10% of the Company's voting shares can sign one or more written requests of the same format and content requesting the Board of Directors to convene an extraordinary shareholders' meeting and stating the subject of the

meeting. The Board of Directors shall, within 10 days after receipt of the aforesaid written request, give a written reply on whether or not it agrees to convene the extraordinary shareholders' meeting. The aforesaid number of shares held shall be calculated as at the date of the written request by the shareholders.

- (II) If the Board of Directors agrees to convene the extraordinary shareholders' meeting, it shall issue a notice of such meeting within five days after the resolution is approved by the Board of Directors. Any change to the original request made in the notice shall be subject to the approval of the relevant shareholders.
- (III) If the Board of Directors does not agree to convene the extraordinary shareholders' meeting or does not reply within ten days upon receipt the request, the shareholders individually or jointly holding more than 10% of the Company's shares shall have the right to propose to the Audit Committee in writing to convene the meeting.
- (IV) If the Audit Committee agrees to convene the extraordinary shareholders' meeting, it shall issue a notice of such meeting within five days upon receipt of the request. Any change to the original proposal in the notice shall be subject to the approval of the relevant shareholders.
- (V) If the Audit Committee fails to issue the notice of the meeting within the specified period, it shall be deemed that the Audit Committee does not convene and preside over the shareholders' meeting. Shareholders individually or jointly holding more than 10% of the Company's shares for more than 90 consecutive days may convene a meeting by themselves within four months after the Board of Directors receives the request. The procedures for convening a meeting shall be the same as those for convening a shareholders' meeting by the Board of Directors as far as possible.

All reasonable expenses incurred by the shareholders for convening and holding the meeting by themselves as a result of the failure of the Board of Directors to convene the meeting as aforesaid shall be borne by the Company.

**Article 52**

The Audit Committee is entitled to propose to the Board of Directors to convene an extraordinary shareholders' meeting and such proposal shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, give a written reply on whether or not it agrees to convene the extraordinary shareholders' meeting within 10 days upon receipt of the proposal.

If the Board of Directors agrees to convene the extraordinary shareholders' meeting, it shall issue a notice of such meeting within five days after the resolution is approved by the Board of Directors. Any change to the original proposal in the notice shall be subject to the approval of the Audit Committee.

If the Board of Directors does not agree to convene the extraordinary shareholders' meeting or fails to reply within 10 days after receipt of the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the shareholders' meeting, and the Audit Committee may convene and preside over the meeting by itself.

**Article 53**

If the shareholders' meeting is convened by the Audit Committee or shareholders on their own, a written notice shall be issued to the Board of Directors.

**Article 54**

Where the Audit Committee or the shareholders convene a shareholders' meeting on their own, the Board of Directors shall cooperate. The Board of Directors shall provide the register of members as at the record date.

**Article 55**

Where the Audit Committee or the shareholders convene a shareholders' meeting on their own, the necessary expenses incurred thereof shall be borne by the Company.

**Section 4 Proposals and Notices of Shareholders' Meetings**

**Article 56**

When the Company is to convene an annual shareholders' meeting, it shall notify all shareholders of the time and venue of, the matters to be considered at the meeting and the voting time and procedures for voting online or by other means (if any) 20 days prior to the meeting (excluding the date of the notice and the meeting). Notice of an extraordinary shareholders' meeting shall be given to all shareholders 15 days prior to the meeting.

**Article 57**

When the Company convenes a shareholders' meeting, the Board of Directors, the Audit Committee and shareholders individually or jointly holding more than 1% of the Company's shares shall be entitled to put forward proposals to the Company. The contents of the proposals shall fall within the scope of authority of the shareholders' meeting, have clear topics and specific resolutions, and comply with laws, regulations and the Articles of Association.

Shareholders individually or jointly holding more than 1% of the Company's shares may submit provisional proposals in writing to the convener 10 days prior to the convening of the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting within two days upon receipt of the proposals to announce the contents of the provisional proposal and submit the provisional proposals to the shareholders' meeting for consideration, however, except for the provisional proposals that violates the requirements of the laws, administrative regulations or the Articles of Association, or are not within the terms of reference of the shareholders' meeting.

**Article 58**

The shareholders' meeting shall not vote and approve a resolution on any proposal that is not listed in the notice of the shareholders' meeting or that does not comply with the Articles of Association.

**Article 59**

Notice of the shareholders' meeting shall be given in writing and shall include the followings:

- (I) date, venue and duration of the meeting;
- (II) matters and proposals to be considered at the meeting;
- (III) a clear statement specifying that all ordinary shareholders (including preference shareholders with restored voting rights) are entitled to attend and appoint the proxy in writing to attend and vote at the meeting and that such proxy need not to be a shareholder of the Company;
- (IV) other matters required by laws, regulations and regulatory documents and the listing rules of the place where the Company's shares are listed; and

(V) the voting time and procedures for voting online or by other means (if any).

**Article 60**

The notice of a shareholders' meeting shall be sent to shareholders (regardless of whether they are entitled to vote at the shareholders' meeting or not) by hand or by prepaid mail, the addresses of the recipients shall be such addresses as shown in the register of members; or be published on the Company's website and the websites designated by the Hong Kong Stock Exchange pursuant to the applicable laws and regulations, listing rules of the place where the securities of the Company are listed. If the public announcements are issued to the holders of overseas-listed foreign shares pursuant to the Articles of Association of the Company, the announcement shall also be published in such manner as required by the Hong Kong Listing Rules. For the holders of domestic shares, notice of the shareholders' meeting may be issued by way of public announcement.

**Section 5 Holding of Shareholders' Meetings**

**Article 61**

The Board of Directors of the Company and other conveners shall take necessary measures to ensure the proper order of the shareholders' meetings. Measures shall be taken to stop any disruption of the shareholders' meeting or troublemaking as well as infringement of the legitimate rights and interests of shareholders, and the matter shall be promptly reported to the relevant authorities for investigation and handling.

**Article 62**

All ordinary shareholders (including preference shareholders with restored voting rights), shareholders holding special voting shares, and other shareholders or their proxies whose names appear on the register of shareholders on the shareholding registration date shall be entitled to attend the shareholders' meeting and exercise their voting rights in accordance with the relevant laws, regulations, and the Articles of Association.

Any shareholder who is entitled to attend and vote at a shareholders' meeting shall be entitled to appoint others (who may not be a shareholder) as his/her proxy to attend and vote on his/her behalf. If the shareholder is a company, they may appoint a representative to attend and vote, and if the shareholder of the company has already appointed a representative to attend, they shall be deemed to have personally attended. A proxy so appointed can exercise the following rights pursuant to the authorization from such shareholder:

- (I) such shareholder's right to speak at the shareholders' meeting;
- (II) the right to demand a poll alone or jointly with others; and
- (III) unless otherwise required by the applicable securities listing rules or other securities laws and regulations, the right to vote by show of hands or on a poll; however, a proxy of a shareholder who has appointed more than one proxy may only vote on a poll.

If the shareholder is a recognised clearing house (or its proxy), it may, as it thinks fit, appoint one or more persons as its proxies to attend and vote at any shareholders' meeting and creditor meetings. However, if more than one person is appointed, the instrument of proxy shall specify the number and class of the shares relating to each such proxy. The proxy may be signed by the authorised person of the recognised clearing house. Such person so appointed may attend the meeting and exercise the rights on behalf of the recognised clearing house (or its proxy) (not requiring presence of the shareholding voucher, notarised authorisation and/or further evidences to prove the due authorisation) as if such person is an individual shareholder of the Company, and enjoy the same legal rights as other shareholders, including the right to speak and vote.

**Article 63**

Shareholders shall appoint their proxies by written instruments, which shall be made under the hand of the appointer or his/her proxy who is authorised in writing. Where the appointer is a legal person, the instrument shall be made under the seal of a legal person or under the hand of its director or duly authorised proxy.

**Article 64**

The proxy form shall be deposited at the domicile of the Company or such other place specified in the notice of the meeting not less than 24 hours prior to convening of the meeting at which the proxy proposes to vote, or 24 hours before the time appointed for voting. Where the proxy form is signed by a

person under a proxy statement on behalf of the appointer, the proxy statement or other authorisation documents authorised to be signed shall be notarised. The notarised proxy statement or other authorisation documents, together with the proxy form, shall be lodged at the domicile of the Company or such other place as specified in the notice of the meeting.

Where the appointer is a legal person, its legal representative or other persons authorised by the resolutions of the board of directors or other decision-making body shall attend the shareholders' meeting of the Company as a representative of the appointer.

**Article 65** Any proxy form issued to a shareholder by the Board of Directors of the Company for appointing a proxy of shareholder shall be in such format as to allow the shareholder to freely instruct the proxy to vote "FOR" or "AGAINST" and to give separate instructions on each matter to be voted at the meeting. Such form shall contain a statement that the proxy may vote as he/she deems fit in the absence of the shareholder's instruction.

**Article 66** A vote given by a proxy in accordance with the terms of the proxy statement shall be valid, notwithstanding the death or loss of capacity of the appointer or revocation of the proxy or the authority under which the proxy statement was executed, or the transfer of the shares in respect of which the proxy is given, provided that the Company did not receive any written notice in respect of any such matters prior to the commencement of the relevant meeting.

**Article 67** Shareholders' meetings are convened by the Board of Directors and the chairman of the Board shall act as presider of the shareholders' meeting. If the chairman of the Board is unable or fails to perform his/her duties, a director selected by more than half of all directors shall convene the meeting and preside over the meeting.

Where the Board of Directors is incapable of performing or not performing its duties of convening a shareholders' meeting, the Audit Committee shall convene and preside over such meeting in a timely manner; where the Audit Committee fails to convene and preside over such meeting, shareholders individually or jointly holding more than 10% of the Company's shares for 90 consecutive days or more may convene and preside over such meeting by themselves.

When a shareholders' meeting is held and the presider of the meeting violates the rules of procedure making the meeting unable to continue, a person may be elected as the presider of the meeting with the approval of more than half of the attending shareholders with voting rights, to continue the meeting.

**Article 68** The Company shall formulate the rules of procedure of the shareholders' meeting to specify in details the convening and voting procedures of the shareholders' meeting, including notice, registration, deliberation of proposal, voting, vote counting, announcement of voting results, formation of resolutions, minutes, the signing thereof and announcement, as well as the principles of authorization by the shareholders' meeting to the Board of Directors, of which the contents shall be clear and specific. The rules of procedure of the shareholders' meeting shall be formulated by the Board and approved at the shareholders' meeting.

**Article 69** Where the shareholders' meeting requires directors and senior management to attend the meeting, the directors and senior management shall attend the meeting and answer the inquiries of shareholders.

**Article 70** The presider of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting in person as well as the total number of their voting shares, which shall be the number of shareholders and proxies attending the meeting in person and the total number of their voting shares as indicated in the meeting's registration record.

**Article 71** If the presider of the meeting has any doubt as to the result of a resolution put to the vote, he/she may have the votes counted. If the presider of the meeting has not counted the votes, any shareholder who is present in person or by proxy and who objects to the result announced by the presider of the meeting may, immediately after the declaration of the result, demand that the votes be counted and the presider of the meeting shall have the votes counted immediately.

Shareholders or their proxies who vote online or by other means have the right to check their voting results through the corresponding voting system.

Before the formal announcement of the results of the poll, all relevant parties including the company, vote counter, scrutineer, major shareholders, and internet service provider involved in the process, whether on site, via internet or otherwise, shall owe confidentiality obligation.

**Article 72**

If votes are counted at a shareholders' meeting, the result of the poll shall be recorded in the minutes.

Minutes shall be kept of the decisions on the matters discussed at the shareholders' meeting, and the convener shall ensure that the contents of the minutes are true, accurate and complete. The directors, the secretary to the Board of Directors, the convener or representative thereof and the presider of the meeting attending the meeting shall sign on the minutes of the meeting. The minutes together with the attendance record of the attending shareholders and the proxy forms as well as valid information relating to the voting online or by other means shall be kept for at least 10 years.

**Section 6 Voting and Resolutions of Shareholders' Meetings**

**Article 73**

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

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

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

Shareholders attending a shareholders' meeting (including proxies) shall expressly specify whether they are in favor of or against any matter which is being voted for. If a shareholder or his/her proxy casts abstention vote or abstains from voting, the voting results representing the shares held by such voter shall be counted as "abstention". Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstention". When the Company counts the votes in respect of the relevant matter, the abstention vote shall be counted as votes with voting rights and participated in the poll.

**Article 74**

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

meeting. However, the shares of the Company held by the Company shall not be entitled to vote and such shares shall not be counted as part of the total number of shares entitled to vote at the shareholders' meeting.

Where any shareholder is, under applicable laws and regulations and the listing rules of the place where the shares of the Company are listed, required to abstain from voting on any particular resolution or restricted to voting only for or against any particular resolution, any vote cast by or on behalf of such shareholder in violation of such requirement or restriction shall not be counted in the results.

**Article 75**

Voting at shareholders' meetings shall be conducted by open ballot.

The Company shall provide the way of electronic voting, but the same vote may only be cast once on site, online or by other means, provided that if the same vote is cast more than once, only the first vote will be deemed valid.

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

When a proposal is being considered at the shareholders' meeting, no change shall be made to the proposal, or the relevant change shall otherwise be deemed as a new proposal which may not be voted at such shareholders' meeting.

**Article 76**

When a shareholders' meeting holds a vote, it shall vote on resolutions on one-by-one basis.

If the proposal of the election of a director was passed by the shareholders' meeting, the appointed director shall take office immediately after the resolution on the election proposal is approved at the shareholders' meeting, unless otherwise specified in the relevant resolution.

**Article 77**

The following matters shall be approved by ordinary resolutions at a shareholders' meeting:

- (I) work reports of the Board of Directors;
- (II) profit distribution plans and loss recovery plans formulated by the Board of Directors;

(III) election and removal of members of the Board of Directors, their remuneration and method of payment;

(IV) other matters other than those required by laws, administrative regulations, the listing rules of the place where the Company's shares are listed or the Articles of Association to be adopted by special resolution.

**Article 78**

The following matters shall be approved by special resolutions at a shareholders' meeting:

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

(II) the division, split, merger, dissolution, liquidation (including voluntary liquidation);

(III) amendments to the Articles of Association;

(IV) purchase or disposal of material assets or provision of guarantee to others by the Company within one year with an amount exceeding 30% of the latest audited total assets of the Company;

(V) share incentive scheme;

(VI) other matters considered by the shareholders' meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be adopted by a special resolution;

(VII) other matters required by laws, administrative regulations, the Articles of Association and the listing rules of the place where the Company's shares are listed to be approved by special resolutions.

**CHAPTER 5 BOARD OF DIRECTORS**

**Section 1 Directors**

**Article 79**

Directors are elected at the shareholders' meeting for a term of three years. Directors are eligible for re-election upon expiry of their terms of office.

The chairman and the director who perform the company affairs on behalf of the Company shall be elected and removed by more than half of all the directors. Each term of office shall be three years and they may be re-elected.

A director is not required to hold shares in the Company.

**Article 80**

Director candidates shall generally be submitted by the Board of Directors of the Company to the shareholders' meeting of the Company by way of proposal. Shareholders, the Board of Directors and the Audit Committee of the Company may nominate candidates for directors in accordance with the Articles of Association.

The minimum length of the period for giving notice to the Company of the intention to nominate a candidate for election as a director and the period for giving notice to the Company by such candidate of his/her willingness to accept such nomination shall be at least seven days, which shall commence from the day after the despatch of the notice of the meeting for such election and end no later than seven days prior to the date of such meeting.

The Company will fully disclose the biography, reasons for election and the attitude of candidates towards nomination in the notice of meeting.

**Article 81**

A director may resign before his or her term of office expires, in which case such director shall submit a written resignation to the board of directors.

If the number of directors falls below the quorum as a result of the resignation of a director, the resignation of such director shall not become effective until the vacancy resulting from the resignation is filled up by the succeeding director. The remaining directors shall convene an extraordinary shareholders' meeting as soon as possible to elect a director to fill the vacancy caused by the resignation of a director.

Except for the circumstances set out in the preceding paragraph, the resignation report of a director shall take effect when the resignation report is delivered to the board of directors.

Subject to the relevant regulations and regulatory rules of the place where the Company's shares are listed, if the board of directors appoints a new director to fill a casual vacancy or as an additional director, the term of office of the director so appointed shall expire at the first annual shareholders' meeting of the Company after his/her appointment and he/she shall be eligible for re-election.

**Article 82**

Where a director causes damage to others during the performance of their duties, the Company shall be liable for compensation; where a director acts with willful or material default, they shall also be liable for compensation.

The Company has established a management system for director resignations, clearly specifying the accountability and compensation measures for unfulfilled public commitments and other outstanding matters. When a director's resignation becomes effective or his/her term of office expires, he/she shall complete all handover procedures with the Board of Directors. His/her fiduciary duties to the Company and shareholders shall not automatically terminate at the end of his/her term of office, but shall remain valid within a reasonable period as stipulated in the Articles of Association. The responsibility that a director bears during their term of office due to the performance of his/her duties shall not be waived or terminated upon leaving office.

Any director whose term of office has not expired shall be liable for compensation for any loss caused to the Company by his/her unauthorised resignation.

Subject to compliance with the relevant laws and administrative regulations, the shareholders' meeting may remove any director whose term of office has not expired by an ordinary resolution without prejudice to any claim for damages that such director may have under any contract.

A director who fails to attend meetings of the board of directors in person or by proxy for two consecutive times without proper reasons shall be deemed to be unable to perform his/her duties, and the board of directors may propose to the shareholders' meeting to remove such director.

**Article 83** If the term of office of a director expires but re-election is not made responsibly or if any director resigns during his or her term of office so that the number of directors falls below the quorum, the said director shall continue fulfilling the duties as a director pursuant to the laws, administrative regulations and the Articles of Association until a new director is elected.

## **Section 2 Independent Non-executive Directors**

**Article 84** Independent non-executive directors refer to directors who do not hold any position in the Company other than as a director, a member or the chairman of special committee of the board of directors, and have no relationship with the Company and its substantial shareholders which may affect their independent and objective judgments. Independent non-executive directors shall represent at least one-third of the board of directors and shall not be less than three. At least one of the independent non-executive directors of the Company shall have appropriate professional qualifications or accounting or related financial management expertise, and at least one of the independent non-executive directors shall be ordinarily resident in Hong Kong.

The term of office of independent non-executive directors is the same as that of other directors of the Company, and they may be re-elected upon expiry of their terms of office.

**Article 85** Independent non-executive directors shall possess the qualifications and independence required by laws and regulations and the listing rules of the place where the Company's shares are listed.

**Article 86** Independent non-executive directors may resign before expiry of their terms of office.

**Article 87** Independent non-executive directors shall perform their duties in accordance with laws, regulations and the listing rules of the place where the Company's shares are listed.

**Article 88** The Company shall formulate a working system for independent non-executive directors, which shall specify the qualifications, nomination, election and replacement, rights and obligations of independent non-executive directors and shall be subject to the approval of the shareholders' meeting.

**Article 89** For matters regarding independent non-executive directors, where there are no specific provisions in this section, relevant laws and regulations, the listing rules of the place where the Company's shares are listed and the relevant provisions of the Articles of Association regarding the directors of the Company shall apply.

### **Section 3 Board of Directors**

**Article 90** The Company shall have a board of directors, which shall consist of nine directors, including one chairman, among whom at least one-third shall be independent non-executive directors, numbering no less than three, and at least one of whom shall possess appropriate professional qualifications or appropriate accounting or related financial management expertise.

**Article 91** The board of directors is accountable to the shareholders' meeting and exercises the following powers:

- (I) to convene shareholders' meetings and report on its work to the shareholders' meetings;
- (II) to implement the resolutions of the shareholders' meetings;
- (III) to decide on the Company's business plans and investment plans;
- (IV) to formulate the Company's profit distribution plan and loss recovery plan;
- (V) to formulate proposals for the increase or reduction of the Company's registered capital, the issue of bonds or other securities, and the listing;
- (VI) to formulate plans for the Company's material acquisition, acquisition of shares in the Company or merger, division, dissolution or change of corporate form of the Company;
- (VII) to decide on matters such as external investment, acquisition and sale of assets, asset mortgage, external guarantees, entrusted financial management, related transactions, and external donations within the scope authorised by the shareholders' meeting;

- (VIII) to decide on the establishment of the Company's internal management structure;
- (IX) to decide on the appointment or dismissal of the general manager of the Company, the secretary of the Board and other senior management and to decide on their remuneration and rewards or penalties; to decide on the appointment or dismissal of deputy general managers, financial officers and other senior management of the Company based on the nomination of the general manager and to decide on their remuneration and rewards or penalties;
- (X) to formulate the basic management system of the Company;
- (XI) to formulate proposals for amendments to the Articles of Association;
- (XII) to manage the disclosure of the Company's information;
- (XIII) to propose the appointment or replacement of an accounting firm that performs audits for the Company at the shareholders' meeting;
- (XIV) to listen to the work report of the Company's manager and examine the manager's work;
- (XV) other functions and powers conferred by laws, regulations, the listing rules of the place where the Company's shares are listed and the shareholders' meeting and the Articles of Association.

Matters beyond the scope of authorisation of the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

**Article 92**

The chairman exercises the following powers:

- (I) to preside over shareholders' meetings and convene and preside over meetings of the board of directors;
- (II) to supervise and inspect the implementation of the resolutions of the board of directors;
- (III) other functions and powers conferred by the board of directors or the listing rules of the place where the Company's shares are listed.

Where the chairman is incapable of performing or fails to perform his or her duties, a director nominated by more than half of the directors shall perform his or her duties.

**Article 93**

Meetings of the board of directors are divided into regular meetings and extraordinary meetings. Meetings of the board of directors shall be held at least twice a year and convened by the chairman of the board of directors. Notice of not less than 10 days shall be given for a regular meeting and not less than 5 days for an extraordinary meeting. The notice period may be waived with the consent of all directors of the Company. Where an extraordinary meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or other verbal means at any time, but the convener shall make explanations at the meeting.

An extraordinary meeting may be convened in any of the following circumstances:

- (I) when proposed by shareholders representing more than one-tenth of the voting rights;
- (II) when jointly proposed by more than one-third of the directors;
- (III) when proposed by the Audit Committee;
- (IV) when the chairman considers necessary;
- (V) when proposed by more than half of the independent non-executive directors;
- (VI) when proposed by the general manager;
- (VII) other circumstances stipulated by laws and regulations, listing rules of the place where the Company's shares are listed and the Articles of Association.

The chairman shall convene and preside over a meeting of the board of directors within ten days after receiving the proposal.

**Article 94**

Notices of regular or extraordinary meetings of the board of directors shall be served by personal delivery, mail, fax or telephone.

A notice of meeting shall be deemed to have been given to a director who has attended the meeting and has not raised any objection to the failure to receive the notice of meeting before or at the meeting.

A regular or extraordinary meeting of the board of directors may be held by means of telephone conference, video conference or similar communication tools. As long as all directors attending the meeting can hear and communicate with each other, all directors attending the meeting through such means shall be deemed as attending the meeting in person.

Unless otherwise provided by laws and regulations or the listing rules of the place where the Company's shares are listed, the board of directors may adopt written resolutions in lieu of meetings of the board of directors. The written resolutions shall be deemed to have been passed upon the approval of the directors who have reached the appropriate composition and quorum of the board of directors as required by laws, regulations and the Articles of Association. Such written resolutions shall be filed together with the minutes of meetings of the board of directors and other documents of the Company, and shall have the same binding force and effect as the votes of the members of the board of directors who actually attend the board of directors' meetings.

**Article 95**

Meetings of the board of directors shall be held only if more than one-half of the directors (including directors appointed to attend the meeting pursuant to the provisions of Article 97 of the Articles of Association) are present.

Resolutions of the board of directors shall be voted by show of hands or open ballot. Provided that the directors can fully express their opinions, the extraordinary meetings of the board of directors may be held and resolutions may be made by means of facsimile or other means of transmission and shall be signed by the attending directors.

**Article 96**

The board of directors shall formulate the rules of procedure of the board of directors and specify the discussion methods and voting procedures of the board of directors to ensure the efficiency and scientific decision-making of the board of directors.

The rules of procedure of the board of directors shall be formulated by the board of directors and approved by the shareholders' meeting.

Each director shall have one vote. Unless otherwise provided in the Articles of Association, resolutions of the board of directors shall be passed by more than half of all directors.

**Article 97**

Directors shall attend meetings of the board of directors in person. If a director is unable to attend a meeting for any reason, he or she may appoint another director by a written power of attorney specifying the scope of the authorisation to attend the meeting on his or her behalf.

The proxy director attending the meeting shall exercise the rights of the director within the scope of authorisation. If a director fails to attend a meeting of the board of directors and does not appoint a proxy to attend on his/her behalf, he/she shall be deemed to have waived his/her voting rights at such meeting.

**Article 98**

The board of directors and its committees shall keep minutes of the decisions on the matters considered at their meetings, which shall record in sufficient detail the matters considered and decisions reached at the meetings, including any concerns raised by directors or dissenting views expressed. Drafts and final versions of minutes of meetings of the board of directors should be sent to all directors for their comments and records respectively, in both cases within a reasonable time after the board of directors meeting is held.

The attending directors and the recorder shall sign the minutes of the meeting. The minutes shall be kept for at least ten years. Directors shall be responsible for the resolutions of the board of directors. If a resolution of the board of directors violates the laws, administrative regulations or the Articles of Association and causes serious losses to the Company, the directors participating in the resolution shall be liable for compensation to the Company. However, if it is proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempt from such liability.

The opinions expressed by the independent non-executive directors shall be stated in the resolutions of the board of directors.

#### **Section 4 Special Committee of the Board of Directors**

##### **Article 99**

The board of directors shall establish special committees such as audit committee, remuneration committee and nomination committee.

The Audit Committee shall exercise the functions and powers of the Supervisory Committee stipulated in the Company Law.

Members of the audit committee shall be appointed by the board of directors only from amongst the non-executive directors and shall consist of three members, a majority of whom should be independent non-executive directors. At least one member must be an independent non-executive director and have appropriate professional qualifications or accounting or related financial management expertise as required in Rule 3.10(2) of the Hong Kong Listing Rules. The chairman of the audit committee shall be an independent non-executive director.

The board of directors shall obtain approval from more than half of all members of the audit committee before making resolutions on the following matters:

- (I) appointment and dismissal of the accounting firm engaged in the audit work of the Company;
- (II) appointment or dismissal of financial officers;
- (III) disclosure of financial accounting report;
- (IV) other matters stipulated by the securities regulatory authority of the State Council.

Members of the nomination committee shall be appointed by the board of directors from amongst the directors and shall consist of three members, a majority of whom should be independent non-executive directors, with the chairman being either the chairman of the board of directors or an independent non-executive director. A quorum shall be two members of whom at least one shall be an independent non-executive director.

Members of the remuneration committee shall be appointed by the board of directors from amongst the directors and shall consist of three members, a majority of whom should be independent non-executive directors, with the chairman being an independent non-executive director. A quorum shall be two members of whom at least one shall be an independent non-executive director.

The board of directors formulates corresponding implementation rules to specify the main duties, decision-making procedures, and rules of procedure of each special committee. The board of directors shall be responsible for amendment and interpretation of the implementation rules of each special committee.

**Article 100** Each special committee shall be accountable to the board of directors and the proposals of each special committee shall be submitted to the board of directors for review and decision. Each special committee may engage intermediaries to provide professional advice at the expense of the Company.

#### **Section 5 Board Secretary**

**Article 101** The Company shall have one secretary to the board of directors. The secretary to the board of directors is a senior management of the Company.

**Article 102** The secretary to the board of directors shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed or dismissed by the board of directors. Its main responsibilities are:

- (I) to ensure that the Company has complete organisational documents and records;
- (II) to ensure that the Company prepares and submits the reports and documents required by the competent authorities in accordance with the law, and is responsible for accepting and organising the completion of the relevant tasks assigned by the regulatory authorities;
- (III) to ensure that the register of shareholders of the Company is properly established, and to ensure that persons entitled to relevant records and documents of the Company are furnished with such records and documents without delay;

(IV) to be responsible for the information disclosure of the Company and ensure the timely, accurate, legal, true and complete information disclosure of the Company; and

(V) to perform other functions and powers authorised by the board of directors and required by the stock exchange where the Company's shares are listed.

**Article 103**

A director or other senior management of the Company may concurrently serve as the secretary to the board of directors. The accountant of the accounting firm engaged by the Company shall not concurrently serve as the secretary to the board of directors.

Where a director concurrently serves as the secretary to the board of directors and an act is required to be done by a director and the secretary to the board of directors separately, the person who concurrently serves as a director and the secretary to the board of directors shall not perform the act in both capacities.

**CHAPTER 6 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT  
OF THE COMPANY**

**Article 104**

The Company shall have one general manager, whose appointment and dismissal shall be determined by the board of directors.

The Company shall have deputy general manager, whose appointment and dismissal shall be determined by the board of directors.

The board of directors may decide that the members of the board of directors shall serve concurrently as the general manager and other senior management members.

The general manager shall serve a term of three years and may be re-appointed.

**Article 105**

The general manager of the Company is accountable to the board of directors and exercises the following powers:

- (I) to be in charge of the operation and management of the Company, organise the implementation of the resolutions of the board of directors and report to the board of directors;
- (II) to organise the implementation of the Company's annual business plan and investment plan;
- (III) to formulate plans for the establishment of the Company's internal management structure;
- (IV) to formulate the basic management system of the Company;
- (V) to formulate specific rules and regulations of the Company;
- (VI) to propose the appointment or dismissal of deputy general manager and chief financial officer of the Company by the board of directors;
- (VII) to decide on the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the board of directors;
- (VIII) to exercise other powers conferred by the Articles of Association and the board of directors.

**Article 106**

The general manager of the Company shall be present at meetings of the board of directors; the general manager who is not a director shall have no voting rights at meetings of the board of directors.

**Article 107**

In exercising his/her functions and powers, the general manager of the Company shall act honestly and diligently in accordance with laws, administrative regulations, rules, regulatory documents, relevant provisions of the securities regulatory authorities of the place where the shares of the Company are listed and the Articles of Association.

Where the senior management causes damage to others in the course of performing their duties, the Company shall be liable for compensation; where the senior management acts with willful or material default, they shall also be liable for compensation.

Senior management who violates laws, regulations or the Articles of Association in the course of performing their duties and causes losses to the Company shall be liable for compensation.

## **CHAPTER 7 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY**

**Article 108** A person may not serve as a director or senior management of the Company if any of the following circumstances apply:

- (I) a person who has no civil capacity or has restricted civil capacity;
- (II) a person who has been punished because of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order; or who has been deprived of his/her political rights because of committing offence, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation, or who has been declared on probation, where less than two years have elapsed since the date of the completion of the probation period;
- (III) a person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and he/she 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 was a legal representative of a company or enterprise which had its business licence revoked and was ordered to close down due to violation of the law and was personally liable, where less than three years have elapsed since the date of the revocation of the business licence of the company or enterprise;

- (V) a person who has a relatively large amount of debts due and outstanding and has been listed as a dishonest debtor by the people's court;
- (VI) those who are banned by the CSRC and whose period of the ban has not expired;
- (VII) the circumstances as required by laws, administrative regulations, listing rules of the place where the Company's shares are listed or relevant laws and regulations of the place where the Company's shares are listed.

If the Company elects or appoints directors or engages senior management in violation of the preceding paragraph, such election, appointment or engagement shall be invalid.

Where any of the circumstances set out in paragraph (I) of this provision occurs during the term of office of a director or senior management, the Company shall remove him/her from office.

**Article 109**

The validity of an act of a director or senior management on behalf of the Company is not, vis-a-vis a bona fide third party, affected by any irregularity in his/her office, election or any defect in his/her qualification.

**Article 110**

Directors shall comply with the laws, administrative regulations and the Articles of Association and shall faithfully perform their obligations to the Company. They shall take measures to avoid conflicts between their own interests and the Company's interests, and shall not use their position to gain illegitimate benefits.

Directors shall faithfully perform their following obligations to the Company:

- (I) not to expropriate the Company's property and misappropriate the Company's funds;
- (II) not to deposit the Company's funds in an account opened in his/her own name or in the name of other individuals;
- (III) not to exploit his/her position to bribe or accept other illegal income;

- (IV) not to conclude any contract or enter into any transaction with the Company directly or indirectly, without reporting to the board of directors or the shareholders' meeting, and without being approved by a resolution of the board of directors or the shareholders' meeting in accordance with the provisions of the Articles of Association;
- (V) not to take advantage of their positions to seek business opportunities for themselves or others that should have otherwise been available to the Company, except when reported to the board of directors or the shareholders' meeting and approved by a resolution of the shareholders' meeting, or when the Company, according to laws, administrative regulations, or the provisions of the Articles of Association, cannot utilise such business opportunities;
- (VI) not to operate for themselves or others any business similar to that of the Company, without reporting to the board of directors or the shareholders' meeting and obtaining approval through a resolution of the shareholders' meeting;
- (VII) not to accept commissions for transactions between others and the Company for their own benefit;
- (VIII) not to disclose confidential information of the Company without authorisation;
- (IX) not to use their connected relationship to impair the interests of the Company;
- (X) other fiduciary duties stipulated by laws, regulations and regulatory documents, the listing rules of the place where the Company's shares are listed and the Articles of Association.

The income obtained by a director in violation of this provision shall belong to the Company; and if the director causes losses to the Company, he/she shall be liable for compensation.

Immediate family members of directors and senior management, enterprises directly or indirectly controlled by directors, senior management or their immediate family members, and related parties with other connected relationships with directors and senior management, when entering into contracts or conducting transactions with the Company, are subject to the provisions of item (IV) of paragraph (II) of this provision.

**Article 111**

Each of the Company's directors and senior management owes a duty, in the exercise of his/her powers and discharge of his/her duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

**Article 112**

The directors shall comply with the laws, administrative regulations and the Articles of Association and shall diligently perform their obligations to the Company. In performing their obligations, they shall exercise the reasonable care that a manager should typically have for the Company's best interests.

The directors shall diligently perform their following obligations to the Company:

- (I) to exercise the rights conferred by the Company in a prudent, serious and diligent manner so as to ensure that the business activities of the Company are in compliance with the requirements of national laws, administrative regulations and various economic policies, and the business activities do not exceed the business scope specified in the business licence;
- (II) to treat all shareholders equally;
- (III) to timely understand the business operation and management of the Company;
- (IV) to ensure the truthfulness, accuracy and completeness of the information disclosed by the Company;
- (V) to truthfully provide the Audit Committee with relevant information and data, and shall not hinder the Audit Committee from exercising their functions and powers;

(VI) other obligations of diligence stipulated by laws, regulations and regulatory documents, the listing rules of the place where the Company's shares are listed and the Articles of Association.

**Article 113** The provisions of the Articles of Association concerning the management system for resignations, the fiduciary duties and diligent duties of directors shall apply to senior management.

**Article 114** The directors and senior management of the Company shall not direct the following persons or institutions (“**related persons**”) to do what the directors and senior management are prohibited from doing:

- (I) the spouse or minor child of that director or senior management of the Company;
- (II) a person acting in the capacity of trustee of that director, senior management of the Company or any person referred to in paragraph (I) of this provision;
- (III) a partner of that director, senior management of the Company or any person referred to in paragraphs (I) and (II) of this provision;
- (IV) a company in which a director or senior management of the Company, alone or jointly with one or more persons referred to in paragraphs (I), (II) and (III) of this provision or other directors and senior management of the Company, has de facto control; and
- (V) directors and senior management of the controlled company referred to in paragraph (IV) of this provision.

**Article 115** The fiduciary duties of the directors and senior management of the Company do not necessarily cease with the termination of their tenure. The duty of confidence in relation to trade secrets of the Company 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 under which the relationships between them and the Company are terminated.

**Article 116** In addition to any rights and remedies provided by the laws, administrative regulations and the listing rules of the place where the shares of the Company are listed, where a director or senior management of the Company is in breach of his/her duties to the Company, the Company has a right to:

- (I) require the relevant directors and senior management to compensate the Company for the losses caused by their dereliction of duty;
- (II) rescind any contract or transaction entered into by the Company with the director or senior management or with a third party (where such third party knows or should know that there is such a breach of duties by such director or senior management);
- (III) demand an account of the profits made by the director or senior management in breach of his/her duties;
- (IV) recover any monies received by the director or senior management which should have been received by the Company, including (but not limited to) commissions;
- (V) demand payment of the interest earned or which may have been earned by the director or senior management on the monies that should have been paid to the Company.

## **CHAPTER 8 FINANCIAL ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION**

**Article 117** The Company shall establish its financial and accounting system in accordance with the Accounting Law of the People's Republic of China and other laws, administrative regulations and PRC accounting standards formulated by the finance regulatory department of the State Council.

**Article 118** The Company shall prepare a financial report at the end of each fiscal year, which shall be audited by an accounting firm according to laws.

**Article 119** The board of directors of the Company shall place before the shareholders at every annual shareholders' meeting such financial reports as are required by any laws, administrative regulations, regulatory documents promulgated by local governments and competent authorities and the listing rules of the place where the Company's shares are listed to be prepared by the Company.

**Article 120** The Company's financial reports shall be made available for shareholders' inspection at the Company no later than twenty-one days before the date of each annual shareholders' meeting. Each shareholder of the Company shall be entitled to obtain the financial reports mentioned in this chapter.

Unless otherwise provided in the Articles of Association, the Company shall send to each holder of overseas listed foreign shares by prepaid mail at the address registered in the register of shareholders the aforesaid reports or reports of the board of directors together with the balance sheet (including each document to be attached to the balance sheet as required by laws) and income statement or statement of income and expenditure, or summary financial report not less than twenty-one days before the date of the annual shareholders' meeting. Subject to compliance with the laws, administrative regulations, departmental rules, regulatory documents and the relevant requirements of the securities regulatory authorities of the place where the Company's shares are listed, the Company may proceed by way of announcement (including publication on the Company's website and/or in newspapers).

**Article 121** The financial statements of the Company shall be prepared in accordance with the PRC accounting standards and regulations.

**Article 122** The interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations.

**Article 123** The Company shall publish its financial reports twice in each fiscal year, that is, the interim financial report shall be published within 60 days after the end of the first six months of the fiscal year and the annual financial report shall be published within 120 days after the end of the fiscal year.

Where the securities regulatory authorities of the place where the Company's shares are listed or the listing rules of the place where the Company's shares are listed have other provisions, such provisions shall prevail.

**Article 124** The Company shall not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any account opened in the name of an individual.

**Article 125** Capital reserve fund includes the following:

- (I) premium received in excess of the par value of the shares issued;
- (II) other income required by the competent financial department of the State Council to be included in the capital reserve fund.

**Article 126** The reserve fund of the Company shall be used to make up for the losses of the Company, expand the production and operation of the Company or increase the capital of the Company.

When the reserve fund is used to make up for the Company's losses, the discretionary reserve fund and statutory reserve fund shall be utilised at first; if still insufficient, the capital reserve fund may be used according to regulations.

When the statutory reserve fund is converted into increased registered capital, the remaining reserve fund shall not be less than 25% of the Company's registered capital prior to the increase.

**Article 127** The Company shall implement a reasonable dividend distribution policy every year based on the Company's operating conditions and market environment, while fully considering the interests of shareholders. The Company may distribute dividends in the form of cash or shares.

**Article 128** When distributing the after-tax profits of the current year, the Company shall allocate 10% of its profits into its statutory reserve fund. When the accumulated statutory reserve fund of the Company is more than 50% of the registered capital of the Company, no further appropriation is required.

If the statutory reserve fund of the Company is insufficient to make up for the losses of previous years, the Company shall first make up for the losses with the current year's profits before making allocations to the statutory reserve fund in accordance with the preceding paragraph.

After making allocations to the statutory reserve fund from the after-tax profits, the Company may also make allocations to the discretionary reserve fund from the after-tax profits upon the resolution of the shareholders' meeting.

After making up for the losses and withdrawing the reserve fund, the remaining after-tax profits shall be distributed to shareholders in proportion to their shareholdings, except for those not distributed according to the proportion of shareholdings as provided for in the Articles of Association.

Where the shareholders' meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return the profits distributed in violation of the regulations to the Company; where any loss is caused to the company, the shareholders and the responsible directors and senior management shall be liable for compensation.

Shares held by the Company shall not be distributed.

## **CHAPTER 9 INTERNAL AUDIT AND APPOINTMENT OF ACCOUNTING FIRM**

**Article 129** The Company implements an internal audit system with full-time auditors to conduct internal audit and supervision on the Company's financial revenues and expenditures and economic activities. The internal audit system of the Company and the duties of the auditors shall be implemented upon approval by the board of directors. The internal audit institution is accountable to the board of directors. The internal audit institution should accept the supervision and guidance of the audit committee during the process of supervising and inspecting the Company's business activities, risk management, internal control, and financial information. The internal audit institution should immediately report directly to the audit committee upon discovering any relevant major issues or clues.

**Article 130** The Company shall engage an independent accounting firm which is in compliance with the laws, regulations, regulatory documents and the listing rules of the place where the Company's shares are listed to audit accounting statements, verify net assets, and other related consulting services.

**Article 131** The accounting firm appointed by the Company shall hold office for one year and may be re-appointed upon expiry of the term.

**Article 132** Where a vacancy occurs in the position of the accounting firm, the Board of Directors may appoint an accounting firm to fill such vacancy before the convening of the general meeting, but such appointment shall be confirmed by the next general meeting. However, during the continuance of such vacancy, if the Company has other incumbent accounting firms, such accounting firms may still act.

**Article 133** The Company guarantees to provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information to the accounting firm engaged without any refusal, withholding or false information.

**Article 134** The audit fees of an accounting firm shall be determined by the shareholders' meeting.

**Article 135** Where the Company dismisses or does not renew the appointment of the accounting firm, it shall notify the accounting firm 30 days in advance. The accounting firm shall be allowed to make representations when the shareholders' meeting of the Company votes on the dismissal of the accounting firm. Where the accounting firm resigns, it shall make clear to the shareholders' meeting whether there is any impropriety on the part of the Company.

## **CHAPTER 10 MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION**

**Article 136** Merger of the Company may take the form of merger by absorption and merger by the establishment of a new company.

A company that absorbs other company is known as merger by absorption whereby the company being absorbed shall be dissolved. The merger of two or more companies by the establishment of a new company is known as merger by the establishment of a new company whereby the merged companies shall be dissolved.

The payment for the Company's merger that does not exceed 10% of the Company's net assets may be made without a resolution from the shareholders' meeting. If the Company merges in accordance with the aforementioned provisions without a resolution from the shareholders' meeting, it must be resolved by the board of directors.

In the event of merger of the Company, the parties to such merger shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days from, and make announcement in the newspapers or on the National Enterprise Credit Information Publicity System within thirty days from, the date of the Company's resolution on merger. A creditor may, within thirty days from receipt of the notice from the Company or, in the case of failure to receive such notice, within forty-five days from the date of announcement, require the Company to repay its debts or to provide a corresponding guarantee for such debt.

Upon the merger, the credits' rights and debts of the merged parties shall be assumed by the company which survives the merger or the newly established company.

**Article 137**

In the event of division of the Company, its assets shall be divided accordingly.

In the event of division of the Company, the parties to the division shall sign a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days from the date of the resolution on division and shall publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days.

The debts of the Company prior to the division shall be borne jointly and severally by the companies after the division according to the agreement reached. However, unless otherwise stipulated in any written agreement on the settlement of debts entered into by the Company and its creditors prior to the division.

**Article 138**

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

The Company notify its creditors within ten days and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days after the resolution approving the reduction has been passed by the shareholders' meeting. The creditors shall have the right to require the Company to repay the debts or provide corresponding

guarantees within 30 days from the date of receipt of the notice or within forty-five days from the date of announcement if the creditors have not received the notice.

The reduction of the Company's registered capital shall be made in accordance with the proportion of shares held by shareholders, except as otherwise provided by law or the Articles of Association.

After the Company has covered its losses in accordance with the provisions of paragraph 2 of Article 138 of the Articles of Association, if there are still losses, it may reduce its registered capital to cover the losses. The Company shall not distribute to shareholders or exempt shareholders from the obligation to contribute capital or pay shares when reducing registered capital to cover losses.

Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of the paragraph 2 of this article shall not apply, but an announcement shall be made in newspapers or on the National Enterprise Credit Information Publicity System within 30 days after the resolution approving the reduction has been passed by the shareholders' meeting.

The Company shall not distribute profits until the accumulated amount of statutory reserve fund and discretionary reserve fund reaches 50% of the Company's registered capital after reducing the registered capital in accordance with the provisions of the preceding two paragraphs.

In the event that the registered capital is reduced in violation of the Company Law and other relevant regulations, shareholders shall return the funds they have received, and any reduction in shareholders' contributions shall be restored to the original state; if any loss is caused to the Company, the shareholders and responsible directors and senior management shall be liable for compensation.

**Article 139**

Changes in registered particulars arising from a merger or division of the Company shall be registered with the company registration authority in accordance with the laws. If the Company is dissolved, it shall be deregistered in accordance with the laws. If a new company is established, such establishment shall be registered in accordance with the laws.

Any increase or decrease in the registered capital of the Company shall be registered with the company registration authority according to the laws.

**Article 140**

The Company is dissolved for the following reasons:

- (I) the term of business stipulated in the Articles of Association has expired or other reasons for dissolution stipulated in the Articles of Association have occurred;
- (II) the shareholders' meeting resolves to dissolve;
- (III) dissolution is necessary due to merger or division of the Company;
- (IV) the business licence is revoked, or the Company is ordered to be closed down or revoked according to the laws;
- (V) where the Company encounters serious difficulties in its operation and management and its continuance will cause substantial losses to the interests of shareholders, and such difficulties cannot be resolved through other means, shareholders holding more than 10% of the voting rights of all shareholders of the Company may request the people's court to dissolve the Company.

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

**Article 141**

In the event of paragraph (I), (II) of the preceding Article above, and where the property has not yet been distributed to shareholders, the Company may carry on its existence by amending the Articles of Association or by resolution of the shareholders' meeting. Amendments to the Articles of Association or resolutions of the shareholders' meeting pursuant to this paragraph shall be approved by more than two-thirds of the votes held by the shareholders present at the shareholders' meeting.

Where the Company is dissolved pursuant to paragraphs (I), (II), (IV) and (V) of the preceding Article, it shall be liquidated. The directors are the Company's liquidators and shall establish a liquidation team to carry out the liquidation within 15 days after the occurrence of the cause for dissolution.

The liquidation team shall be composed of directors, except where otherwise provided by the Articles of Association or resolved by the shareholders' meeting to appoint others.

If the liquidator fails to fulfill the liquidation obligations in a timely manner, causing losses to the Company or creditors, they shall be liable for compensation.

**Article 142**

The liquidation team shall notify creditors within ten days from, and make announcements in newspapers or on the National Enterprise Credit Information within 60 days from the date of its establishment. A creditor shall declare their claims to the liquidation team within 30 days after receiving the notice or within forty-five days after the announcement if the creditors have not received the notice.

In claiming its rights, the creditor shall explain the matters related to their claims and provide evidential materials in respect thereof. The liquidation team shall register the claims in accordance with the laws.

In the course of claiming of creditors' rights, the liquidation team shall not repay the creditors.

**Article 143**

The liquidation team shall exercise the following functions and powers during the liquidation period:

- (I) to liquidate the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (II) to notify creditors or make announcement;
- (III) to deal with and liquidate any outstanding businesses of the Company;
- (IV) to pay off all outstanding taxes and taxes incurred from the liquidation;
- (V) to settle creditor's rights and debts;
- (VI) to deal with the remaining assets of the Company after its debts have been paid off;
- (VII) to represent the Company in civil lawsuits.

**Article 144** Upon liquidation of the Company's assets and the preparation of the balance sheet and inventory of assets, the liquidation team shall formulate a liquidation plan and submit it to the shareholders' meeting or the people's court for confirmation.

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

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities irrelevant to the liquidation. The Company's property shall not be distributed to shareholders before repayment is made in accordance with the preceding paragraph.

**Article 145** In the event of liquidation as a result of dissolution of the Company, the liquidation team shall immediately apply to the people's court for a declaration of insolvency if it discovers that the Company's assets are insufficient to repay its debts after liquidation of the Company's assets and preparation of the balance sheet and inventory of assets.

After the people's court accepts the bankruptcy application, the liquidation team shall hand over the liquidation matters to the bankruptcy administrator appointed by the people's court.

**Article 146** Upon completion of the liquidation of the Company, the liquidation team shall prepare a liquidation report which shall be submitted to the shareholders' meeting or the people's court for confirmation and submitted to the company registration authority to apply for cancellation of the Company's registration and publish an announcement relating to the termination of the Company.

**Article 147** Members of the liquidation team perform liquidation duties and bear the obligations of fiduciary and diligence. Members of the liquidation team are prohibited from abusing their powers to accept bribes or other illegal income and from misappropriating the Company's properties. Members of the liquidation team who fail to fulfill their liquidation duties and cause losses to the Company shall be liable for compensation; members of the liquidation team shall be liable to indemnify the creditors for any loss arising from their willful or material default.

**Article 148** Where the Company is declared bankrupt according to the laws, bankruptcy liquidation shall be conducted in accordance with the laws on bankruptcy of enterprises.

## **CHAPTER 11 AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

**Article 149** The Company may amend the Articles of Association in accordance with the laws, administrative regulations and the Articles of Association. The Company shall amend the Articles of Association in any of the following circumstances:

- (I) After the Company Law or relevant laws and administrative regulations are amended, the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws and administrative regulations;
- (II) The Company's situation has changed, which is inconsistent with the matters recorded in the Articles of Association;
- (III) The shareholders' meeting decided to amend the Articles of Association.

**Article 150** The amendments to the Articles of Association approved by the shareholders' meeting shall be submitted to the competent authority for approval if necessary; if the amendments involve the registration of the Company, the change shall be registered according to the laws.

**Article 151** The board of directors shall amend the Articles of Association in accordance with the resolutions of the shareholders' meeting and the approval opinions of the relevant competent authorities.

Amendments to the Articles of Association shall be announced as required by laws and regulations.

## **CHAPTER 12 NOTICES AND ANNOUNCEMENTS**

**Article 152** A notice of the Company may be given in the following ways:

- (I) by hand;
- (II) by mail;

- (III) by fax or email;
- (IV) subject to the laws, administrative regulations and the listing rules of the place where the Company's shares are listed, by way of announcement on the websites designated by the Company and the Hong Kong Stock Exchange;
- (V) by way of announcement;
- (VI) by other means agreed by the Company or the recipient in advance or recognised by the recipient after receiving the notice; or
- (VII) other means approved by the relevant regulatory authorities of the place where the Company's shares are listed or provided in the Articles of Association.

Unless the context otherwise requires, "announcement" referred to in the Articles of Association shall mean, as to the announcements published to the holders of domestic shares or the announcements required to be published in the PRC in accordance with the relevant regulations and the Articles of Association, the announcements published in the media meeting the requirements of the CSRC; as to the announcements published to the holders of H shares or the announcements required to be published in Hong Kong in accordance with the relevant regulations and the Articles of Association, the announcements published in newspapers and/or other designated media (including websites) in accordance with the requirements of the relevant listing rules.

Unless otherwise provided in the Articles of Association, corporate communications such as notices, information or written statements to holders of H Shares may be delivered by hand or by prepaid mail to the registered address of each holder of H Shares. If the Company has made appropriate arrangements and complied with the requirements of the Hong Kong Listing Rules for sending corporate communications by electronic means, the Company may send corporate communications by electronic means in accordance with the requirements of the Hong Kong Listing Rules.

Holders of the Company's overseas listed foreign shares may choose in writing to receive corporate communications that the Company is required to send to shareholders either by electronic means or by post, and may choose to receive either the Chinese or English version only, or both. The Company may also change the way it receives the aforesaid information and the language version by giving a written notice to the Company in advance within a reasonable period of time in accordance with applicable procedures.

In order to prove that the notices, documents, information or written statements have been served on the Company, shareholders or directors shall provide evidence that the relevant notices, documents, information or written statements have been served on the Company by ordinary means or by prepaid mail to the correct address within the specified time.

Notwithstanding the aforesaid provision which specifies providing and/or dispatching written corporate communications to shareholders, in respect of the means by which the Company provides and/or dispatches its corporate communications to shareholders in accordance with the Hong Kong Listing Rules, if the Company has obtained the shareholders' prior written consent or implied consent in accordance with the relevant laws and regulations and the Hong Kong Listing Rules as amended from time to time, the Company may dispatch or provide corporate communications to the shareholders of the Company by electronic means or by publishing the same on the Company's website. corporate communications include but are not limited to circulars, annual reports, interim reports, notices of shareholders' meetings and other corporate communications listed in the Hong Kong Listing Rules.

### **CHAPTER 13 SUPPLEMENTARY PROVISIONS**

#### **Article 153**

For the purposes of the Articles of Association, the terms "more than" and "less than" shall include the given figure; the terms "more than", "beyond" and "over" shall not include the given figure.

The term "accounting firm" referred to in the Articles of Association shall have the same meaning as "auditor".

Related relationship refers to the relationship between the Company and the related parties as defined in the listing rules of the place where the shares are listed.

**Article 154** All notices or other documents required to be sent by the Company to the Hong Kong Stock Exchange shall be in the English language or accompanied by a certified English translation.

The Articles of Association are written in Chinese. In case of any discrepancies between the versions in other languages and the Chinese version, the Chinese version shall prevail.

If there is any inconsistency between the provisions of the Articles of Association and the relevant laws, regulations, rules, regulatory documents and the listing rules of the place where the shares of the Company are listed, the latter shall prevail.

Matters not covered in the Articles of Association shall be subject to relevant laws, regulations, regulatory documents and the listing rules of the place where the Company's shares are listed.

**Article 155** The rules of procedure of the shareholders' meeting, the rules of procedure of the board of directors are integral to the Articles of Association and shall have the same legal effect as the Articles of Association.

**Article 156** The Articles of Association shall be interpreted by the board of directors of the Company, and shall be effective and implemented from the date upon consideration and approval at the shareholders' meeting.

**SL Gemini Energy Co., Ltd**  
15 May 2026