

**ARTICLES OF ASSOCIATION  
OF  
MAO GEPING COSMETICS CO., LTD.**

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## CHAPTER I GENERAL PROVISIONS

**Article 1** The Articles of Association are formulated with reference to the actual situation of 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》) (the “**Company Law**”), the Securities Law of the People's Republic of China (《中華人民共和國證券法》) (the “**Securities Law**”), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and other laws, regulations, departmental rules, normative documents and relevant requirements of the securities regulatory authorities of the place where the Company's shares are listed in order to protect the legitimate rights and interests of Mao Geping Cosmetics Co., Ltd. (the “**Company**”), the shareholders and the creditors thereof and regulate the organization and behavior of the Company.

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

The Company was established by means of promotion based on the change of Hangzhou Huidu Cosmetics Co., Ltd. (杭州匯都化妝品有限公司) as a whole; it was registered with the Administration for Market Regulation of Zhejiang Province and obtained its business license with unified social credit code of 913301007245002892.

**Article 3** The Company made an initial offering of 78,423,400 ordinary shares of overseas listed foreign shares (H shares) to investors upon filing with the China Securities Regulatory Commission (the “**CSRC**”) on November 7, 2024 and upon approval by The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) on December 9, 2024 and was listed on the Main Board of the Hong Kong Stock Exchange on December 10, 2024. After exercise of the Over-Allotment Option, 11,763,500 ordinary shares of overseas listed foreign shares (H shares) were issued to investors on January 8, 2025, for a total of 90,186,900 shares with a nominal value of RMB0.5 per share.

**Article 4** The registered name of the Company is 毛戈平化妝品股份有限公司. The English name of the Company is Mao Geping Cosmetics Co., Ltd.

**Article 5** Address of the Company: Room 1001, Wanyin Building, Shangcheng District, Hangzhou, Zhejiang, the PRC.

**Article 6** The registered capital of the Company is RMB245,093,450.

**Article 7** The Company is a permanently existing joint stock limited company.

**Article 8** The chairman of the Board of Directors is the Company's legal representative.

**Article 9** All the Company's assets are divided into equal shares. Each shareholder is responsible to the Company to the extent of his or her subscribed shares. The Company is responsible for its debts with all its total assets.

**Article 10** From the effective date of the Articles of Association, the Articles of Association shall become a legally binding document which regulates the Company's organization and acts, the rights and obligations between the Company and shareholders, and amongst the shareholders, and shall be legally binding on the Company, shareholders, directors, supervisors and senior management. According to the Articles of Association, the shareholders can sue the other shareholders. The shareholders can sue the Company's directors, supervisors, the general manager and other senior management. The shareholders can sue the Company. The Company can sue the shareholders, directors, supervisors, the general manager and other senior management.

**Article 11** The term "senior management" in the Articles of Association refers to the general manager, deputy general manager and the persons-in-charge of finance and secretary to the Board of Directors.

**Article 12** The Company shall, in accordance with the provisions of the Constitution of the Communist Party of China, establish the Party organizations and carry out the Party-related activities. The Company shall provide necessary conditions for the activities of the Party organizations (if needed).

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

**Article 13** Objectives of Business of the Company: With technology-focused, quality-secured and management-guaranteed approach, to enhance the comprehensive value of the team, realize the rapid growth and harmonious development of the Company, safeguard the best interests of shareholders, become a leading international premium beauty provider and make contributions to the national beauty industry.

**Article 14** Upon registration in accordance with the law, the business scope of the Company includes: wholesale and retail: cosmetics, toiletry, beauty devices, daily necessities, daily chemicals, stationery, plastic products, bags, leather products, lighting fixtures; services: technical development, technical consultation and technical services of cosmetics, makeup image design, adult non-certificate labor vocational skills training (except for items subject to pre-approval), economic information consultation (except for securities and futures), corporate image planning; import and export of goods (excluding items prohibited by laws and administrative regulations, the items restricted by laws and administrative regulations

can only be operated after obtaining approval); all other legal items that are not required to be reported for approval (for items subject to approval according to law, business activities can only be conducted upon approval by relevant authorities).

The Company may, based on the changes in domestic and international markets, business development and its own capabilities, adjust its business scope and amend the Articles of Association in accordance with the relevant procedures, and shall register relevant changes with the relevant administration for industry and commerce according to relevant provisions.

## **CHAPTER III SHARES**

### **Section 1 Issuance of Shares**

**Article 15** The shares of the Company shall take the form of registered share certificates. Where the shares of the Company include shares which do not carry voting rights, the word “non-voting” must appear in the designation of such shares. Where the shares of the Company include shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, must include the word “restricted voting right” or “limited voting right”.

**Article 16** The Company shall issue shares in an open, equitable and fair manner, and each of the shares in the same class shall carry the same rights.

Shares of the same class and the same issuance shall be issued on the same conditions and at the same price. Any entity or individual shall pay the same price for each of the shares that it/he/she subscribes for.

Domestic unlisted shares and overseas listed foreign shares issued by the Company shall rank *pari passu* in respect of any distribution by way of dividend (including distributions in cash and in kind) or any distributions in any other forms. No powers shall be exercised to freeze or otherwise impair any of the rights attached to any share by reason only that the person or persons who is/are interested directly or indirectly therein has/have failed to disclose his/her/their interests to the Company.

**Article 17** All shares issued by the Company shall be denominated in RMB and have a par value of RMB0.5.

**Article 18** The H shares issued by the Company are under centralized depositary of Computershare Hong Kong Investor Services Limited.

**Article 19** The share capital of the Company was RMB60,000,000 upon establishment. The total number of shares of the Company was 60,000,000 shares, and the nominal value of the shares upon establishment was RMB1 per share, all of which were ordinary shares. The names of the promoters of the Company, number of shares subscribed and means of capital contributions upon its establishment are as follows in the table:

No.	Name of promoter	Number of shares subscribed (in ten thousand)	Percentage of shareholding (%)	Means of capital contribution
1	MAO Geping (毛戈平)	2,557.8000	42.6300	By conversion of net assets into shares
2	WANG Liquan (汪立群)	665.0280	11.0838	By conversion of net assets into shares
3	MAO Niping (毛霓萍)	665.0280	11.0838	By conversion of net assets into shares
4	Suzhou Pushen Jiuding Investment Center (Limited Partnership) (蘇州浦申九鼎投資中心 (有限合夥))	600.0000	10.0000	By conversion of net assets into shares
5	MAO Huiping (毛慧萍)	562.7160	9.3786	By conversion of net assets into shares
6	WANG Lihua (汪立華)	358.0920	5.9682	By conversion of net assets into shares
7	SONG Hongquan (宋虹全)	306.9360	5.1156	By conversion of net assets into shares
8	Zhejiang Tianyi Venture Investment Co., Ltd. (浙江天易創業投資有限公司)	180.0000	3.0000	By conversion of net assets into shares
9	Hangzhou Dijing Investment Management Partnership (Limited Partnership) (杭州帝景投資管理合夥企業 (有限合夥))	58.0020	0.9667	By conversion of net assets into shares
10	Hangzhou Jiachi Investment Management Partnership (Limited Partnership) (杭州嘉馳投資管理合夥企業 (有限合夥))	46.3980	0.7733	By conversion of net assets into shares
<b>Total</b>		<b><u>6,000.0000</u></b>	<b><u>100.0000</u></b>	<b>–</b>

**Article 20** The Company may issue not more than 115,000,000 overseas listed foreign shares to investors and convert 171,655,400 domestic shares it held into overseas listed foreign shares upon filing with the CSRC and approval by the Hong Kong Stock Exchange.

After the abovementioned issuance of overseas listed foreign shares and the conversion of domestic unlisted shares into overseas listed foreign shares, the share capital structure of the Company is: 490,186,900 ordinary shares, including 228,344,600 domestic unlisted shares and 261,842,300 overseas listed foreign shares.

**Article 21** The total number of shares of the Company upon the completion of the issuance of H shares and the listing is 490,186,900 (assuming the Over-Allotment Option is fully exercised). all of which are ordinary shares. The Company or its subsidiaries (including affiliates of the Company) may not provide any assistance to a person who is acquiring or is proposing to acquire shares of the Company by way of gift, advancement, guarantee, indemnity or loans or other means.

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

**Article 22** In light of the Company's operational and developmental needs, the Company may increase its capital in accordance with the laws and regulations, the regulatory rules of the place where the shares of the Company are listed and subject to a resolution of the general meeting, by any of the following methods:

- (I) public offering of shares;
- (II) private placement of shares;
- (III) placement or allotment of bonus shares to existing shareholders;
- (IV) conversion of reserve funds to share capital;
- (V) other methods permitted by laws, administrative regulations, the CSRC and the Hong Kong Stock Exchange.

**Article 23** The Company may reduce its registered capital. Any reduction of the Company's registered capital shall be subject to the procedures prescribed in the Company Law and other relevant regulations, the Hong Kong Listing Rules and other regulatory rules of the place where the Company's shares are listed, as well as the Articles of Association.

**Article 24** The Company shall not purchase its own shares, except under any of the following circumstances:

- (I) reducing the registered capital of the Company;
- (II) merging with another company that holds its shares;
- (III) using shares for the employee stock ownership plan or as equity incentives;
- (IV) a shareholder requesting the Company to purchase its shares held by him/her since he/she objects to a resolution of the general meeting on the combination or division of the Company;
- (V) utilizing the shares for conversion of corporate bonds issued by the Company which are convertible into shares;
- (VI) it is necessary for the Company to protect its corporate value and the rights and interests of shareholders;
- (VII) other circumstances as permitted by the laws, administrative regulations, departmental rules and regulatory rules of the place where the Company's shares are listed.

**Article 25** The Company may purchase its shares in the manner of open and centralized trading method or other methods approved by laws, administrative regulations, the Hong Kong Listing Rules, securities regulatory rules of the place where the Company's shares are listed and the CSRC (if required). The purchase by the Company of its own shares under circumstances as mentioned in items (III), (V) and (VI) in Article 24 hereof shall be proceeded by an open and centralized trading method.

**Article 26** In the event of acquiring its own shares by the Company under the circumstances as mentioned in items (I) or (II) in Article 24 hereof, the acquisition shall be approved by a resolution at a general meeting. In the event of acquiring its own shares by the Company under the circumstances as mentioned in items (III), (V) or (VI) in Article 24 hereof, the acquisition may be performed in accordance with the requirements as stated in the Articles of Association or pursuant to the mandate granted by a general meeting of shareholders and approved by a resolution at a meeting of the Board of Directors passed by not less than two thirds of all attending directors.



After the Company has acquired its own shares pursuant to Article 24 hereof, in the circumstances under item (I), such shares shall be cancelled within ten days from the date of acquisition; in the circumstances under items (II) or (IV), such shares shall be transferred or cancelled within six months; in the circumstances under items (III), (V) or (VI), the total number of its own shares held by the Company shall not exceed 10% of the total number of issued shares of the Company and shall be transferred or cancelled within three years.

If it is otherwise specified in laws, regulations, normative documents, and the regulatory rules in the place where the Company's shares are listed on the matters involving the repurchase of shares of the Company, such provisions shall prevail.

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

**Article 27**   The shares of the Company may be transferred in accordance with laws. Except for purchase and sale of shares during the trading hours on the Hong Kong Stock Exchange, all transfers of H shares shall be effected by an instrument of transfer in writing in a form acceptable to the Board of Directors (including standard transfer format or ownership transfer form prescribed by the Hong Kong Stock Exchange from time to time) and such instrument of transfer may be executed by hand only or under a valid corporate seal (if the transferor or transferee is a corporation). If the transferor or transferee is a recognized clearing house as defined in the relevant ordinances in force from time to time under the laws of Hong Kong or its nominee(s), the instrument of transfer may be executed by hand or by machine imprint. All instruments of transfer shall be deposited at the legal address of the Company or at such address as the Board of Directors shall from time to time designate.

**Article 28**   The Company shall not accept its own shares as the subject of pledge.

**Article 29**   The shares of the Company held by the promoters thereof shall not be transferred within one year of the date of establishment of the Company. Shares already issued by the Company before the public offering shall not be transferred within one year of the date on which the shares of the Company are listed and traded on the stock exchange.

The directors, supervisors, and senior management of the Company shall declare, to the Company, the information on their holdings of the shares of the Company (including preferred shares, if any) and the changes thereto. The shares transferrable by them during each year of their term of office shall not exceed 25% of the total shares of the same class they hold in the Company. The shares that they hold in the Company shall not be transferred within one year of the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer their shares of the Company within half a year from the date of their resignation.

Where relevant requirements of the securities regulatory authorities in the place where the Company's shares are listed contain any other provisions on the transfer restrictions of H shares, such provisions shall prevail.

**Article 30** Where the Company's directors, supervisors, senior management or shareholders who hold 5% or more of the Company's shares sell the Company's shares or other securities with the nature of equity they hold within six months of the relevant purchase, or purchase any share they have sold within six months of the relevant sale, the proceeds generated therefrom shall be incorporated into the profits of the Company, and the Board of Directors of the Company shall recover the proceeds. However, the following circumstances shall be excluded where a securities company holds 5% or more of the shares of the Company due to its purchase of any remaining shares or where the provisions of the CSRC and securities regulatory authorities in the place where the Company's shares are listed are applicable.

Shares or other securities with the nature of equity held by directors, supervisors, senior management and natural person shareholders as mentioned in the preceding paragraph include shares or other securities with the nature of equity held by their spouses, parents or children, and held by them by using other people's accounts.

If the Board of Directors of the Company fails to comply with the first paragraph of this article, the shareholders are entitled to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to comply within the aforesaid period, the shareholders are entitled to initiate litigation directly in the people's court in their own names for the interest of the Company.

If the Board of Directors fails to implement the provisions set forth in the first paragraph of this article, the responsible directors shall bear joint and several liability in accordance with law.

## **CHAPTER IV SHAREHOLDERS AND GENERAL MEETING**

### **Section 1 Shareholders**

**Article 31** The Company shall establish a register of shareholders in accordance with certificates from the share registrar. The register of shareholders shall be ample evidence of holding of the Company's shares by a shareholder. Shareholders shall enjoy rights and assume obligations according to the class of shares held by him/her; shareholders who hold existing shares of the same class shall enjoy the equal rights and assume the equal obligations.

Any shareholder who is registered on, or any person who requests to have his/her name registered on the register of shareholders may, if his/her share certificate is lost, apply to the Company for a replacement share certificate in respect of such shares. Holders of domestic

shares who have lost their share certificates and apply for the issuance of replacement shall be dealt with in accordance with the relevant provisions of the Company Law. Holders of overseas listed foreign shares who have lost their share certificates and apply for replacement may be dealt with in accordance with the laws, rules of the stock exchange or other relevant regulations of the place where the original register of shareholders of overseas listed foreign shares is kept.

If any of the laws and regulations enacted by the securities regulatory authorities of the place where the Company's shares are listed and stock exchanges provide for the suspension of the registration of share transfers, such regulations shall prevail.

**Article 32** When the Company convenes the general meeting, distributes dividends, conducts liquidation or engages in other acts requiring the identification of shareholders, the Board of Directors or the convener of the general meeting should determine the record date. The shareholders whose names appear on the register of shareholders after the trading hours on the record date shall be those entitled to the relevant rights and interests.

**Article 33** Shareholders of the Company shall enjoy the following rights:

- (I) the right to receive dividends and other distributions in proportion to the number of shares held;
- (II) the right to request, convene, preside over, attend or appoint proxy(ies) to attend the general meeting and to exercise the corresponding right to vote according to law;
- (III) the right to supervise, present proposals or raise enquiries in respect of the Company's operations;
- (IV) the right to transfer, give as a gift or pledge the shares it holds in accordance with laws, administrative regulations and the Articles of Association;
- (V) the right to inspect the Articles of Association, register of shareholders, corporate bond stubs, minutes of general meetings, resolutions of the Board of Directors, resolutions of the Supervisory Committee and financial and accounting reports;
- (VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining property of the Company in proportion to the number of shares held;
- (VII) shareholders who object to resolutions of merger or division made by the general meeting may request the Company to purchase the shares they hold;

(VIII) other rights provided for by laws, administrative regulations, departmental rules, the securities regulatory rules in the place where the Company's shares are listed or the Articles of Association.

**Article 34** When a shareholder requests to have access to the information mentioned in the preceding article, he or she shall present evidence to prove the class and amount of shareholdings in writing. The Company shall comply with the shareholder's request after verifying his/her identity.

**Article 35** A resolution of the Company's general meeting or Board meeting may be declared void by the people's court upon application from shareholders if the content contravenes the law or administrative regulations.

If the convening procedure or voting method of a general meeting or Board meeting contravenes the law, administrative regulations or the Articles of Association, or if the contents of the resolutions of such meetings contravene the Articles of Association, the shareholders can request the people's court to revoke the resolution within sixty days of the resolution.

**Article 36** If a director or senior management contravenes the law, administrative regulations or the Articles of Association when carrying out his/her duties resulting in losses to the Company, shareholders individually or together holding 1% or more of the shares for 180 or more consecutive days may request the Supervisory Committee in writing to commence litigation in the people's court. If the Supervisory Committee contravenes the law, administrative regulations or the Articles of Association when carrying out its duties and results in losses to the Company, the shareholders may request the Board of Directors in writing to commence litigation at the people's court.

If the Supervisory Committee or the Board of Directors refuses to commence litigation upon receipt of the shareholder's written request under the preceding paragraph, or does not commence litigation within 30 days upon receipt of the request, or the situation is so urgent that without an immediate litigation it will cause irreparable losses to the Company, the shareholders so entitled under the previous paragraph may commence litigation directly at the people's court under their own names for the interest of the Company.

If any person intervenes with the lawful interests of the Company and result in losses suffered by the Company, the shareholder so entitled under the first paragraph of this article may commence litigation at the people's court in accordance with the two preceding paragraphs.

**Article 37** If a director or senior management contravenes the law, administrative regulations or the Articles of Association, thereby damaging shareholders' interests, the shareholders can commence litigation at the people's court.

**Article 38** Shareholders of the Company shall have the following obligations:

- (I) to abide by laws, administrative regulations, departmental rules, the regulatory rules in the place where the Company's shares are listed and the Articles of Association;
- (II) to pay the share subscription price based on the shares subscribed for by them and the method of acquiring such shares;
- (III) not to return shares unless prescribed otherwise in laws and regulations;
- (IV) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of shareholders to harm the interests of the Company's creditors;
- (V) to assume other obligations required by laws, administrative regulations, the securities regulatory rules in the place where the Company's shares are listed and the Articles of Association.

Any shareholder who abuses shareholders' rights and causes the Company or other shareholders to suffer a loss shall be liable for making compensation in accordance with law; any shareholder who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and causes severe harms to the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

**Article 39** Where a shareholder holding 5% or more voting shares of the Company pledges any shares in his/her possession, he/she shall make a written report to the Company on the day on which he/she pledges his/her shares.

**Article 40** The controlling shareholders and the actual controllers of the Company shall not use their connected relationship to act in detriment to the interests of the Company. If they violate such provision and cause losses to the Company, they shall be liable for compensation.

The controlling shareholders and the actual controllers of the Company shall have fiduciary duties towards the Company and public shareholders of the Company. The controlling shareholder shall exercise its rights as a contributor in strict compliance with

the laws. The controlling shareholder shall not harm the legitimate rights and interests of the Company and public shareholders by means of profit distribution, asset restructuring, external investment, fund appropriation, borrowing guarantees and connected transactions, and shall not make use of its controlling status against the interests of the Company and public shareholders.

## **Section 2 General Provisions on General Meeting**

**Article 41** The general meeting is the organ of authority of the Company and shall exercise the following functions and powers according to law:

- (I) to decide the operational policies and investment plans of the Company;
- (II) to elect and replace the directors and supervisors who are not employee representatives and to decide on the matters relating to the remuneration of directors and supervisors;
- (III) to consider and approve the reports of the Board of Directors;
- (IV) to consider and approve the reports of the Supervisory Committee;
- (V) to consider and approve the annual financial budgets and final accounts of the Company;
- (VI) to consider and approve the profit distribution plans and loss recovery plans of the Company;
- (VII) to make a resolution on the increase or decrease of the registered capital of the Company;
- (VIII) to make a resolution on the issuance of corporate bonds or other securities and listing plans;
- (IX) to make a resolution on the merger, division, dissolution, liquidation or change of corporate form of the Company;
- (X) to amend the Articles of Association;
- (XI) to make a resolution on the Company's engagement, dismissal or discontinuance of engagement of an accounting firm;
- (XII) to consider and approve the guarantees prescribed in Article 42 hereof;

- (XIII) to consider the purchase or sale of major assets of the Company in excess of 30% of the Company's latest audited total assets within one year;
- (XIV) to consider and approve changes in the use of proceeds;
- (XV) to consider the equity incentive plans and employee shareholding schemes;
- (XVI) to consider other matters on which decisions shall be made by the general meeting as required by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The aforesaid functions and powers of the general meeting shall not be exercised by the Board of Directors or other bodies and individuals through any form of authorization.

**Article 42** The following external guarantees given by the Company (except guarantees provided by the Company to its majority-owned subsidiaries within the annual budget) shall be considered and approved by the general meeting:

- (I) any guarantee provided after the total amounts of the external guarantees provided by the Company and its majority-owned subsidiaries exceed 50% of the latest audited net assets;
- (II) any guarantee provided after the total amounts of the external guarantees provided by the Company exceed 30% of the latest audited total assets;
- (III) any guarantee provided after the amount of the guarantee exceeds 30% of the Company's latest audited total assets in accordance with the principle of calculating the amount of the guarantee on a cumulative basis over 12 consecutive months;
- (IV) any guarantees provided to companies with an asset-liability ratio exceeding 70%;
- (V) a single guarantee with the amount exceeding 10% of the latest audited net assets of the Company;
- (VI) any guarantees provided for shareholders, actual controllers and their related parties;
- (VII) other guarantees which shall be determined at the general meeting as prescribed by the laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's shares are listed or the Articles of Association.



External guarantees to be approved at the general meeting above shall be considered and approved by the Board of Directors before submission to the general meeting.

For matters of guarantee within the powers and extent of authority of the Board of Directors, in addition to passing a resolution by more than half of all directors, consent is also required from not less than two-thirds of the directors who attend the Board meeting. The guarantees in item (II) of the preceding paragraph at the general meeting shall be passed by votes representing more than two-thirds of the voting rights of shareholders represented at the relevant meeting.

When the general meeting considers a proposal to provide guarantees for shareholders, actual controllers and their related parties, the shareholder or the shareholder controlled by the actual controller shall not participate in the voting. The vote shall be passed by more than half of the voting rights held by other shareholders attending the general meeting.

Those who violate the abovementioned authority of review and approval on external guarantees and cause damages to the interests of the shareholders of the Company shall be liable for compensation according to laws.

**Article 43** The general meetings are classified into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year and be held within six months of the end of the previous accounting year.

**Article 44** In any of the following circumstances, the Board of Directors shall convene an extraordinary general meeting within two months from the date of the occurrence of the circumstance:

- (I) when the number of directors falls short of the number specified in the Company Law or is less than two-thirds of the number specified in the Articles of Association;
- (II) when the unrecovered losses of the Company amount to one-third of the total paid-up share capital;
- (III) when shareholders individually or jointly holding 10% or more of the outstanding shares of the Company with voting rights request in writing to convene an extraordinary general meeting (the number of the shares held is calculated based on the date that shareholders made such written request);
- (IV) when the Board of Directors deems it necessary;
- (V) when the Supervisory Committee proposes to hold such a meeting;



- (VI) other circumstances as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

**Article 45** The general meeting of the Company shall be convened at: the domicile of the Company, other office location, or the place explicitly specified in the notice of general meeting. The details shall be specified in each notice of the general meeting by the convener.

The general meeting will have a venue for a physical meeting to be held. The Company will also provide internet voting or other means to facilitate shareholders' participation in the general meeting. A shareholder who participates in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting.

After the notice of a general meeting has been issued, the venue for holding the physical general meeting shall not be changed without a proper reason. If a change is necessary, the convener shall issue an announcement to each shareholder at least two working days prior to the date when the physical meeting is to be held and explain the reasons.

**Article 46** If the Company is explicitly required to engage a legal adviser to witness and issue legal opinions at the general meeting during the general meeting under the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed, the Company will engage a legal adviser to issue legal opinions on the following matters and publish the same:

- (I) whether the procedures of convening and holding the meeting comply with relevant laws or administrative regulations and the Articles of Association;
- (II) whether the qualifications of the attendants and the convener are legal and valid;
- (III) whether the voting procedure and results are legal and valid;
- (IV) legal opinions on other matters as requested by the Company.

### **Section 3 Convening of General Meeting**

**Article 47** Independent directors shall be entitled to submit a proposal to the Board of Directors on holding an extraordinary general meeting. For such a proposal, the Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an extraordinary general meeting within 10 days upon receipt of the proposal in accordance with laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association.

Where the Board of Directors agrees to hold an extraordinary general meeting, a notice of the general meeting shall be given within five days after the resolution of the Board of Directors is made. Where the Board of Directors does not agree to hold such a meeting, its reasons shall be given and an announcement shall be made.

**Article 48** The Supervisory Committee shall be entitled to submit a proposal in writing to the Board of Directors on holding an extraordinary general meeting. The Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an extraordinary general meeting within 10 days upon receipt of the proposal in accordance with laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association.

Where the Board of Directors agrees to hold an extraordinary general meeting, a notice of general meeting shall be given within five days after the resolution of the Board of Directors is made. Any change to the original proposal in the notice shall be subject to the approval from the Supervisory Committee.

Where the Board of Directors does not agree to hold an extraordinary general meeting or fails to give a reply within 10 days upon receipt of the proposal, it shall be deemed that the Board of Directors is unable or fails to perform its duty of convening a general meeting. In such case, the Supervisory Committee may convene and preside over the meeting on its own.

**Article 49** Shareholders who individually or together hold 10% or more of the shares of the Company shall have the right to request the Board of Directors to convene an extraordinary general meeting and such request shall be made to the Board of Directors in writing. The Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an extraordinary general meeting within 10 days upon receipt of the request in accordance with laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Where the Board of Directors agrees to hold an extraordinary general meeting, it shall issue a notice of the general meeting within five days after the resolution is made. Any change to the original request in the notice shall be subject to the approval from the relevant shareholders.

Where the Board of Directors does not agree to hold an extraordinary general meeting or fails to give a reply within 10 days upon receipt of the request, shareholders who individually or together hold 10% or more of the shares of the Company shall have the right to submit a proposal to the Supervisory Committee on holding an extraordinary general meeting and such request shall be made to the Supervisory Committee in writing.

Where the Supervisory Committee agrees to hold an extraordinary general meeting, it shall issue a notice of general meeting within five days after receiving the request. Any changes to the original request in the notice shall be approved by the relevant shareholders.

Where the Supervisory Committee fails to give the notice of the general meeting within the specified time limit, it shall be deemed that the Supervisory Committee does not convene or preside over the meeting, in which case, shareholders who individually or together hold 10% or more of the shares of the Company for 90 or more consecutive days may convene and preside over the meeting on their own.

**Article 50** The Supervisory Committee or the shareholders that decide to hold the general meeting by itself or themselves must notify the Board of Directors thereof in writing.

The shareholders who convene the general meeting shall hold at least 10% of the total amount of the shares in the Company prior to the announcement of the resolutions of such meeting.

The Supervisory Committee or the convening shareholders shall, upon issuing the notice of general meeting and announcement of any resolution approved at such meeting, submit the relevant supporting materials to the stock exchange where the Company's shares are listed.

**Article 51** For the general meetings convened by the Supervisory Committee or the shareholders, the Board of Directors and the secretary to the Board of Directors shall coordinate accordingly. The Board of Directors will provide the register of shareholders as of the record date. The register of shareholders provided to the convener shall not be used for purposes other than convening the general meeting.

**Article 52** All necessary expenses incurred by the Supervisory Committee or the shareholders to convene the general meeting shall be assumed by the Company.

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

**Article 53** The contents of a proposal shall be within the scope of the duties and powers of the general meeting, have definite themes and specific matters for resolutions, as well as be in compliance with laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, and the relevant requirements set forth in the Articles of Association.

**Article 54** When the Company convenes a general meeting, the Board of Directors, the Supervisory Committee and shareholders who individually or together hold 3% or more of the shares of the Company are entitled to put forward a proposal to the Company.

Shareholders individually or together holding 3% or more of the shares of the Company can put forward a temporary proposal 10 days before the general meeting is held and submit the proposal to the convener of the meeting in writing. The convener shall issue a supplemental notice within two days upon receiving such proposal and notify shareholders of the content of such proposal.

Except for the circumstances prescribed in the preceding paragraph, the convener shall not change the proposals specified in the notice of the general meeting or add new proposals after sending the notice of the general meeting.

The general meeting shall not vote or resolve on proposals not contained in the notice of the general meeting or not in compliance with the Articles of Association.

**Article 55** The convener shall notify each shareholder in the form of announcement 20 days prior to an annual general meeting and shall notify each shareholder in the form of announcement 15 days prior to an extraordinary general meeting.

For the purpose of calculating the starting date of the aforesaid “20 days” and “15 days”, the day on which the meeting is held shall be excluded, but including the day on which the notice is sent.

**Article 56** Notice of general meeting shall be made in writing and include the following contents:

- (I) the date, venue and duration of the meeting;
- (II) matters and proposals to be considered at the meeting;
- (III) an express statement that a shareholder is entitled to attend the general meeting, and to appoint proxy(ies) to attend and vote on his/her behalf at the meeting, and that a proxy need not be a shareholder of the Company;
- (IV) the record date on which the shareholders are entitled to attend the general meeting;
- (V) the name and telephone number of permanent contact persons for the affairs of the meeting;
- (VI) the voting time and procedure via internet or through other means (if any);
- (VII) the time and venue of serving a power of attorney of the voting proxy;

(VIII) other circumstances stipulated under the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The notice and the supplementary notice, if any, of the general meeting shall fully and completely disclose the contents of all proposals, as well as all information or explanations required for shareholders to make reasonable judgments on matters to be discussed. If the matters to be discussed require the opinions of the independent directors, the opinions of the independent directors and the reasons therefor shall be disclosed at the same time when the notice of general meeting or its supplementary notice is issued.

The interval between the record date and the date of the general meeting shall not be more than seven working days. Once the record date is confirmed, no change may be made thereto.

**Article 57** If the elections of directors and supervisors are intended to be discussed at the general meeting, the notice of the meeting shall fully disclose the details of the candidates for directors and supervisors, and shall at least include the following particulars:

- (I) personal information, such as education level, working experiences and any part-time work undertaken;
- (II) whether there is any connected relationship with the Company or its controlling shareholder or actual controller of the Company;
- (III) disclosure of their shareholding in the Company;
- (IV) whether or not the candidate has been subject to penalties by the CSRC or other relevant authorities as well as sanctions by any stock exchange;

Except for the election of directors and supervisors by cumulative voting system, the nomination proposal on each candidate for director or supervisor shall be submitted separately.

Shareholders shall be given the opportunity to notify the Company of nominating a person to stand for election as a director or supervisor at the general meeting. If the Company receives the above notice from shareholders after publishing the notice of the general meeting, it shall publish an announcement or issue a supplementary circular, which must include the information of the nominated person. The Company must give the Shareholders at least seven days to consider the relevant information disclosed in such announcement or supplementary circular prior to the date of the meeting of the election. The Company must assess whether

the meeting of the election needs to be adjourned to allow shareholders a longer period of time (at least ten working days) to consider the relevant information in the announcement or supplementary circular.

**Article 58** After the notice on convening the general meeting sent out, the general meeting shall not be postponed or cancelled, and the proposal listed in the notice of general meeting shall not be cancelled without justifiable causes. In the case of any circumstance for postponement or cancellation of the general meeting, the convener shall make an announcement and explain the reasons at least two working days before the scheduled date for the general meeting.

## **Section 5 Holding of General Meeting**

**Article 59** The Board of Directors and other conveners shall take necessary measures to ensure the normal order of the general meeting. They shall take measures to prevent any interference with the general meeting, disturbance and violation of the legitimate rights and interests of shareholders and promptly report the same to the relevant departments for investigation.

**Article 60** All shareholders whose names appear on the register of shareholders on the record date or their proxies are entitled to attend the general meeting and exercise their voting rights in accordance with relevant laws, regulations and the Articles of Association.

A shareholder may either attend the general meeting in person or appoint one or more proxies (who may not be a shareholder) to attend and vote at such meeting on his/her behalf. Such proxy(ies) may exercise the following rights as entrusted by such shareholder:

- (I) the right to speak at the general meeting of such shareholder;
- (II) the right to demand a poll or join in such a demand;
- (III) the right to vote by show of hands or by poll, but when more than one proxies are appointed, such proxies shall only exercise their voting rights by poll.

**Article 61** An individual shareholder who attends the meeting in person shall produce his/her own identification card or other valid documents or proof evidencing his/her identity. If a shareholder appoints a proxy to attend the meeting on his/her behalf, such proxy shall produce his/her own valid proof of identity and the power of attorney from the shareholder.

A corporate shareholder or other institutional shareholder shall attend the meeting by its legal representative/executive partner or proxy appointed by the legal representative/executive partner. Where the legal representative/executive partner attends the meeting, he/she shall

produce his/her own identification card, valid certificates evidencing his/her capacity as the legal representative/executive partner. Where a proxy is appointed to attend the meeting, he/she shall produce his/her own identification card, the written power of attorney issued by the legal representative/executive partner of the corporate or institutional shareholder according to law.

If the shareholder is a recognized clearing house (or its nominee) as defined in the relevant ordinances enacted in Hong Kong from time to time, such shareholder may authorize one or more persons as he/she deems appropriate to act on his/her behalf at any general meetings; however, if more than one persons are thus authorized, the power of attorney shall specify the numbers and classes of shares in respect of which such persons are authorized, and signed by the authorized person of the recognized clearing house. The person(s) so authorized may attend the meeting and exercise the rights on behalf of the recognized clearing house (or its nominee) without producing certificates of shareholding, the notarized power of attorney and/or further evidence to prove that he/she has been duly authorized as if such person is an individual shareholder of the Company.

**Article 62** A proxy of attorney issued by a shareholder to entrust another person as his/her proxy to attend the general meeting shall contain the following:

- (I) the name of the proxy;
- (II) whether the proxy has voting right or not;
- (III) separate instructions as to whether to cast affirmative, negative or abstention votes on each and every matter under consideration listed on the agenda of the general meeting, whether the proxy has the right to vote on the interim proposal that may be added to the agenda of the meeting and the specific instructions as to what vote to cast if he or she has such right to vote;
- (IV) the issuing date and validity period of the power of attorney;
- (V) signature (or seal) of the principal. If the principal is a legal person shareholder/institutional shareholder, the power of attorney shall be affixed with the seal of the legal person/institution.

**Article 63** The power of attorney shall indicate whether the proxy can vote as he/she thinks fit or not if the shareholder does not make specific instructions.

**Article 64** The power of attorney shall be lodged at the domicile of the Company or other places as specified in the notice of the meeting at least 24 hours prior to the relevant meeting for which the proxy is appointed to vote or 24 hours prior to the scheduled voting



time. Where the power of attorney is signed by a person authorized by the principal, the power of attorney or other authorization instruments authorized to be signed shall be notarized. The notarized power of attorney or other authorization instruments, together with the power of attorney, shall be lodged at the domicile of the Company or other places as specified in the notice of the meeting.

Where the principal is a legal person, its legal representative or the person authorized by the resolutions of its board of directors or other decision-making body shall be entitled to attend the general meeting of shareholders of the Company as a representative of the principal.

**Article 65** The meeting register for the attendees shall be prepared by the Company. The meeting register shall include, among other things, the name of attendee (or the entity name), the ID number, the domicile, the number of shares with voting rights held or represented by the attendee, and the name of the principal (or the entity name).

**Article 66** The convener and the lawyer (if any) engaged by the Company will examine legality of the shareholders' qualifications according to the register of members provided by the securities registrations and clearing organizations. The names of shareholders and the number of shares with voting rights held by them shall be registered. The registration at the meeting shall terminate before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the total number of the shares with voting rights held by them.

**Article 67** When the general meeting is held, all directors, supervisors and secretary to the Board of Directors of the Company shall attend the meeting, and the general manager and other senior management shall attend the meeting as non-voting participants.

**Article 68** The general meeting shall be presided by the chairman of the Board of Directors. Where the chairman of the Board of Directors is unable to or fails to perform his/her duty, the vice chairman of the Board of Directors elected by more than one-half of all directors shall preside. Where the vice chairman of the Board of Directors is unable or fails to perform his/her duties, a director elected by more than one-half of all directors shall preside over the meeting.

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

The general meeting convened by shareholder(s) itself/themselves shall be presided over by a representative elected by the convener.



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

**Article 69** The Company shall stipulate the rules of procedures for the general meeting and specify in detail the procedure for convening and voting at the general meeting, including notification, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing, public announcements as well as principles of authorization to the Board of Directors by the general meeting. The rules of procedures for the general meeting shall be appended to the Articles of Association. They shall be stipulated by the Board of Directors and approved by the general meeting.

**Article 70** In the annual general meeting, the Board of Directors and the Supervisory Committee shall report their work in the past year to the general meeting. Each independent director shall also present a work report.

**Article 71** Directors, supervisors and senior management shall explain and answer the enquiries and suggestions from shareholders at the general meeting.

**Article 72** The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting as well as the total number of voting shares held by them, which shall be the number of shareholders and proxies attending the meeting and the total number of their voting shares as indicated in the meeting register.

**Article 73** The general meeting shall have minutes prepared by the secretary to the Board of Directors. The minutes shall state the following contents:

- (I) Time, venue and agenda of the meeting and names of the convener;
- (II) The name of the chairman of the meeting and the names of the directors, supervisors, general manager, and other senior management attending or present at the meeting;
- (III) The numbers of shareholders and proxies attending the meeting, number of voting shares held by them and their respective proportions in the total number of shares of the Company;
- (IV) The process of review and discussion, summary of any speech and voting results of each proposal;

- (V) Shareholders' inquiries, opinions or suggestions and corresponding answers or explanations, if any;
- (VI) Names of lawyer, if any, vote counters and scrutinizer of the voting;
- (VII) Other contents to be included in the minutes as specified in the Articles of Association.

**Article 74** The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, supervisors, secretaries to the Board of Directors, conveners and their representatives and the chairman of the meeting shall sign on the minutes. The minutes shall be kept together with the registration record of attending shareholders, the power of attorney for proxy attendance, the valid documents relating to the voting over network and other means of voting, for a period of no less than ten years.

**Article 75** The convener shall ensure that the general meeting be conducted continuously until final resolutions are made. If the general meeting is suspended or resolutions cannot be made because of force majeure or other special circumstances, the convener shall take necessary measures to resume the meeting or directly terminate that meeting immediately followed by a timely public explanation or announcement.

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

**Article 76** The resolutions of the general meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution shall be adopted by a simple majority of the votes held by the shareholders (including proxies of shareholders) attending the general meeting.

A special resolution shall be adopted by a two-thirds or more of the votes held by the shareholders (including proxies of shareholders) attending the general meeting.

**Article 77** The following matters shall be approved by the general meeting through ordinary resolutions:

- (I) work report of the Board of Directors and the Supervisory Committee;
- (II) the profit distribution plans and loss recovery plans drafted by the Board of Directors;
- (III) appointment or dismissal of the members of the Board of Directors and the Supervisory Committee, and their payment and payment methods;

- (IV) annual budget and final account plan of the Company;
- (V) annual report of the Company;
- (VI) to make a resolution on the Company's engagement, dismissal or discontinuance of engagement of an accounting firm or the remuneration of the accounting firm;
- (VII) other matters other than those approved by special resolution stipulated in the laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 78** The following matters shall be approved by special resolution at the general meeting:

- (I) the increase or reduction of the registered capital of the Company;
- (II) the division, spin-off, merger, dissolution and liquidation, suspension and change of corporate form of the Company;
- (III) the amendment to the Articles of Association;
- (IV) the decisions on the Company's operational policies and investment plans;
- (V) the purchases or sales of material assets by the Company within one year or the guarantee amount exceeding 30% of the latest audited total assets of the Company;
- (VI) the formulation, modification and implementation of the share incentive plan scheme;
- (VII) to make a resolution on the issuance of corporate bonds or other securities and listing plans;
- (VIII) other matters stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, as well as other matters that the general meeting determines by ordinary resolution will have a significant impact on the Company and need to be passed by special resolution.

**Article 79** All shares held by the shareholders of the Company are ordinary shares and there are no shares with special voting rights. Shareholders (including proxies) may exercise their voting rights by the number of shares held by them which carry the right to vote. Each share shall have one vote. On a poll taken at a meeting, a shareholder (including proxy) entitled to two or more votes shall not cast all his/her votes for or against or abstain from voting in the same way.

When material issues affecting the interests of minority shareholders are considered at a general meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

If any laws, administrative regulations and the regulatory rules of the place where the Company's shares are listed require that the shareholders shall abstain from voting on a certain matter or limit any shareholder to cast affirmative or negative votes on a certain matter, any votes cast by the shareholder or proxy in violation of the aforesaid requirements or restrictions shall not be included in the voting results.

The shares which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders attending a general meeting.

If a shareholder purchases shares with voting rights of the Company in violation of paragraph 1 and paragraph 2 of Article 63 of the Securities Law, such shares in excess of the prescribed proportion shall not be allowed to exercise voting rights for a period of thirty-six months after the purchase and shall not be counted in the total number of shares with voting rights present at the general meeting.

The Board of Directors, independent directors, shareholders holding 1% or more of the voting shares of the Company or investor protection institutions established pursuant to laws, administrative regulations or the rules of the securities regulatory authorities of the place where the Company's shares are listed, may publicly solicit voting rights from shareholders. When soliciting voting rights from shareholders, the specific voting intention and other information shall be fully disclosed to the solicitation targets.

When the qualified shareholders of the Company publicly solicit the rights convening a general meeting, rights to submit proposals, rights of nomination, voting rights and other shareholder rights lawfully held by other shareholders, the solicitation with the provision of direct or indirect compensation shall be prohibited. The Company may not impose any minimum shareholding requirement for the solicitation of voting rights, except for statutory conditions.

**Article 80** When relevant connected transaction is considered at a general meeting, the connected shareholders may make appropriate statements regarding the connected transaction, but shall not vote, and the voting shares held by them shall not be counted in the total number of shares with valid voting rights.

Before the general meeting considers matters relating to connected transactions, the Company shall determine the scope of connected shareholders in accordance with relevant national laws, regulations, the Hong Kong Listing Rules and the regulatory requirements of the securities regulatory authority of the place where the shares of the Company are listed. Connected shareholders or their authorized representatives may attend the general meeting and may explain their views to the shareholders in accordance with the procedures of the meeting, but they shall abstain from voting in a poll. When the general meeting considers matters relating to connected transactions, connected shareholders shall take the initiative to abstain from voting; if the connected shareholders do not take the initiative to abstain from voting, other shareholders present at the meeting shall have the right to require them to abstain from voting.

After the connected shareholders abstaining from voting, the other shareholders shall vote according to their voting rights and adopt the corresponding resolution in accordance with the provisions of the Articles of Association. The abstaining and voting procedures of the connected shareholders shall be notified by the chairman of the general meeting and recorded in the minutes of the meeting.

A resolution on a connected transaction at a general meeting shall be valid only if it is passed by at least one-half of the voting rights held by the non-connected shareholders present at the general meeting. However, if the connected transaction involves matters requiring special resolution prescribed by the Articles of the Association, the resolution of the general meeting shall be valid only if it is passed by at least two-thirds of the voting rights held by the non-connected shareholders present at the general meeting.

**Article 81** Except in special circumstances such as when the Company is in crisis, the Company shall not enter into a contract with a person other than the directors, the general manager and other senior management to place the management of all or important business of the Company under the responsibility of such person unless approved by a special resolution of the general meeting.

**Article 82** The list of candidates for directors and supervisors shall be submitted to the general meeting in the form of a proposal for voting.

When voting in respect of the election of directors and supervisors at the general meeting is conducted, a cumulative voting system shall be implemented in accordance with the Articles of Association or resolutions at the general meeting.

The “cumulative voting system” mentioned in the previous paragraph refers to: in electing directors or supervisors at the general meeting, the voting right(s) carried by each share shall be the same as the number of directors or supervisors to be elected. The voting right(s) of the shareholders can be exercised in a concentrated manner. The Board of Directors shall provide the brief biographies and basic information of the candidates for directors and supervisors to the shareholders.

The nomination of directors and supervisors shall be in accordance with the following method and procedures:

- (I) The Board of Directors, the Supervisory Committee, and shareholders who individually or collectively hold 3% or above shares shall be entitled to submit proposals to the general meeting for the election of directors and shareholders’ representative supervisors. The Board of Directors, the Supervisory Committee, and shareholders who individually or collectively hold 1% or above shares shall be entitled to submit proposals to the general meeting for the election of independent directors. The Board of Directors and the Supervisory Committee shall examine the qualifications of the candidates and propose them to the general meeting for election.
- (II) The employee representatives of the Supervisory Committee shall be elected at the employee representatives’ meeting, employee meeting or otherwise democratically.

In adopting the cumulative voting system for the election of directors and supervisors, the general meeting shall comply with the following rules:

- (I) The total cumulative voting rights held by the shareholders (including shareholders’ proxies) attending the meeting shall be the number of shares of the Company held by such shareholders multiplied by the number of directors and supervisors to be elected at the general meeting.
- (II) The shareholders (including the shareholders’ proxies) present at the meeting shall be entitled to freely allocate the total voting rights calculated on a cumulative basis for the election of each candidate. The smallest unit of voting rights to be allocated to each candidate by each shareholder (including shareholders’ proxies) present at the meeting shall be the number of shares held by him/her. The total number of voting rights allocated to all candidates by each shareholder shall not exceed the total number of voting rights calculated on a cumulative basis but may be less than the total number of voting rights calculated on a cumulative basis, and the difference shall be deemed as the shareholder giving up that part of the voting rights.

- (III) If the number of candidates exceeds the number of positions to be elected, i.e. when differential election is held, any candidate will be elected in order from the most votes to the least. In the event of a tie, the candidates whose names are listed at the end of the list of candidates with the same number of votes shall be elected by all shareholders present at the general meeting by way of differential election as a director or supervisor.
- (IV) If the number of candidates is equal to the number of directors and supervisors to be elected, all candidates shall be elected in the order of the number of votes received. However, the cumulative number of votes received by each candidate shall be at least 1% of the total number of shares held by the shareholders (including shareholders' proxies) present at the general meeting. If not all the directors and supervisors are elected, a separate election shall be held at a future general meeting.

**Article 83** Other than proposal considered by cumulative voting system, all proposals shall be voted on at the general meeting on case-by-case basis. Where different proposals for the same issue are proposed, such proposals shall be voted on in the order in which they are proposed. Other than special reasons such as force majeure which results in the interruption of the general meeting or makes it impossible to come to resolution, the general meeting shall not set aside the proposals or withhold from voting.

**Article 84** No amendment shall be made on the proposals when it is considered at the general meeting, otherwise the relevant amendment shall be deemed as a new proposal and shall not be voted on at the general meeting.

**Article 85** When a vote is cast, it may be cast by only one of the following methods: in person or by other voting mean. If one vote is cast by more than one method, the first vote shall prevail.

**Article 86** Voting is conducted by open ballot at the general meeting.

**Article 87** Before voting on a proposal at the general meeting, two shareholders' representatives shall be elected to participate in counting votes and supervising the vote count. If any shareholder is related to any matters to be considered, such shareholder and his/her proxy shall not participate in the counting or supervision of votes.

When a proposal is voted on at the general meeting, attorney, if any, shareholders' representatives and supervisors' representative shall be jointly responsible for counting vote and supervising the vote count and announce the voting results on the spot, which shall be recorded in the minutes of the meeting.



Corporate shareholders or proxies thereof voting over the network or other voting method shall have the right to check their voting results via the corresponding voting system.

**Article 88** A on-site general meeting shall not conclude earlier than that held on-line or otherwise (if any), and the chairman of the meeting shall announce the voting result of every proposal and announce whether the proposal is passed based on the voting result.

Before the voting result is announced, the relevant parties including the companies, counting officer, supervising officer, substantial shareholders and network service provider (if any) involved in relation to the on-site voting, on-line or otherwise shall have the confidentiality obligation.

**Article 89** Shareholders present at the general meeting shall express one of following opinions on any proposals to be voted: for, against or abstain, save for the circumstance under which the securities registration and settlement institutions acting the nominal holders of shares the mutual stock market access mechanism between the Mainland China and Hong Kong makes declaration according to the intentions of actual holders.

Unfilled, wrongly filled, illegible or uncast votes are regarded as the voters giving up their voting rights and the voting results of their shares shall be “abstain”.

**Article 90** In the event that the chairman of the meeting has any doubt as to the result of a resolution put forward to the vote, the chairman may have the votes counted. In the event that the chairman of the meeting fails to have the votes counted, any shareholder present in person or by proxy who objects to the result announced by the chairman of the meeting may demand for the counting of votes immediately after the declaration of the voting result, the chairman of the meeting shall have the votes counted immediately.

**Article 91** Resolutions of the general meeting shall be announced in due time. The announcement shall specify the number of attending shareholders and their proxies, the total number of voting shares held by them and the proportion to the total number of the voting shares of the Company, the voting method, the voting results for every resolution and the details of each of the resolutions passed.

**Article 92** Where a proposal has not been passed or the resolutions of the preceding general meeting have been changed at the current general meeting, special mention shall be made in the announcement of the resolutions of the general meeting.

**Article 93** Where a proposal on election of directors or supervisors is passed at the general meeting, the term of office of a new director or supervisor shall commence at the time specified in the resolution of the general meeting; or it is not specified, on the date on which resolutions of the general meeting are approved.



**Article 94** Where a proposal on cash dividends, bonus shares or conversion of capital reserve into share capital is passed at a general meeting, the Company shall implement the specific scheme within two months after conclusion of the general meeting.

## **CHAPTER V THE BOARD OF DIRECTORS**

### **Section 1 Directors**

**Article 95** Directors of the Company are natural persons. The following person shall not serve as a director of the Company:

- (I) person without capacity or with limited capacity of civil conduct;
- (II) person who has committed offences relating to corruption, bribery, misappropriation of fund, misappropriation of property or disruption of social economic order and has been sentenced to criminal punishment, where less than five years has elapsed since the date of completion of the sentence, or who has been deprived of his/her political rights due to a criminal offense, where less than five years has elapsed since the date of restoring his/her political rights;
- (III) person who was a former director, factory manager or manager of a company or enterprise which was declared bankrupt and was liquidated and who was personally liable for the bankruptcy of such company or enterprise, where less than three years has elapsed since the date of completion of the bankruptcy and liquidation of the company or enterprise;
- (IV) person who was a legal representative of a company or enterprise which had its business license revoked and was ordered to close down due to violation of the law and who was personally liable, where less than three years has elapsed since the date of the revocation;
- (V) person who has a substantial number of debts due and outstanding;
- (VI) person who is subject to the CSRC's punishment which prohibits him/her from entering into the securities market for a period which has not yet expired;
- (VII) other circumstances specified by the laws, administrative regulations, departmental rules, other normative documents, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed.

Any election, designation or appointment of directors in violation of this article shall be void and null. Where a director falls into any of the aforesaid circumstances in his/her term of office, the director shall be removed from office.

**Article 96** Directors shall be elected or replaced by the general meeting and may further be removed from their office prior to the conclusion of the term thereof by the general meeting. Directors shall serve a term of three years for each session. A director shall be eligible for re-election and re-appointment upon the expiration of his/her term. Directors need not hold any shares of the Company.

The term of office of a director shall commence from the date on which the said director assumes office until the expiry of the term of office of the current session of the Board of Directors. A director shall continue to perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules and the Articles of Association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.

A director may serve concurrently as manager or other senior management, but the total number of directors serving concurrently as manager or other senior management and employee representative directors shall not be more than half of the directors of the Company.

There are no employee representative directors on the Board of Directors.

**Article 97** The directors shall comply with the laws, administrative regulations and the Articles of Association and shall faithfully perform their following obligations to the Company:

- (I) not to abuse their rights to accept bribes or other illegal income and not to misappropriate the properties of the Company;
- (II) not to misappropriate the money of the Company;
- (III) not to deposit any assets or money of the Company in any accounts under their names or in the names of other persons;
- (IV) not to violate the Articles of Association and lend the money of the Company to others or provide guarantee to others by charging the Company's assets without approval of the general meetings or the Board of Directors;
- (V) not to enter into contracts or transactions with the Company in violation of the Articles of Association or without approval of the general meeting;

- (VI) not to use their position to obtain business opportunities which should be available to the Company for themselves or others, or to run his/her own or others' business which is similar to the Company's business without approval of the general meeting;
- (VII) not to accept commissions from transactions with the Company for their own benefits;
- (VIII) not to disclose the secrets of the Company without consent;
- (IX) not to use their connected relationship to harm the interests of the Company;
- (X) to be bound by other duties of loyalty stipulated by the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of places where the Company's shares are listed and the Articles of Association.

The Company shall be entitled to the income gained by the directors in violation of this article; the director shall be liable for compensation if any loss is caused to the Company.

**Article 98** The directors shall comply with the laws, administrative regulations and the Articles of Association and shall diligently perform their following obligations to the Company:

- (I) to exercise prudently, conscientiously and diligently the rights granted by the Company to ensure that the Company's commercial activities are in compliance with the laws, administrative regulations and the requirements of economic policies of China and that its commercial activities are within the scope stipulated in the business license;
- (II) to treat all shareholders fairly;
- (III) to understand the operation and management of the Company in a timely manner;
- (IV) to approve regular reports of the Company in written form and to ensure the integrity, accuracy and completeness of the information disclosed by the Company;
- (V) to provide all relevant information and materials required by the Supervisory Committee and shall not intervene the performance of duties of the Supervisory committee or supervisors;

- (VI) to perform other obligations of diligence stipulated by the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of places where the Company's shares are listed and the Articles of Association.

**Article 99** A director shall be deemed incapable of carrying out his/her duties if he/she fails to attend two consecutive meetings of the Board of Directors either personally (attending or voting at the meeting of the Board of Directors by means of communication is deemed to attend in person) or by appointing other directors to attend on his/her behalf. The Board of Directors shall make a proposal to the general meeting to remove such a director.

**Article 100** A director may resign before expiry of his/her term of service. A director shall submit a written resignation notice to the Board of Directors when he/she resigns. The Board of Directors shall disclose the relevant matter within two days.

If number of the member of directors and its special committees falls below the minimum statutory requirement due to a director's resignation, the former directors shall still perform their duties as directors in accordance with the requirements of the laws, administrative regulations, departmental rules and the Articles of Association until an elected director assumes his/her office.

Save for the circumstances referred to in the preceding paragraph, the director's resignation takes effect upon delivery of his/her resignation report to the Board of Directors.

**Article 101** When a director's resignation takes effect or his/her term of service expires, the director shall complete all transfer procedures with the Board of Directors. His/her duty of loyalty towards the Company and the shareholders do not necessarily cease after the end of his/her term of service. The duty of confidentiality in respect of trade secrets of the Company shall still be in effect after the end of his/her term of office, until such secrets become publicly available information. The specific period for directors to fulfill the duty of loyalty shall be one year from the date when his/her resignation takes effect, or his/her term of service expires. Duration of other obligations shall be determined following the principle of fairness, taking into full account the nature of the matter, its importance to the Company, the length of time it has affected the Company and the Company's relationship with the director comprehensively.

**Article 102** No director may act on behalf of the Company or the Board of Directors in his/her personal capacity, unless specified in the Articles of Association or legally authorized by the Board of Directors. In the event that a director acts in his/her personal capacity, but a third party may reasonably think the said director is acting on behalf of the Company or the Board of Directors, such director shall state his/her stance and capacity in advance.

**Article 103** If a director breaches the laws, administrative regulations, departmental rules or the Articles of Association when performing his/her duties to the Company, thereby incurring any loss of the Company, the said director shall be liable for compensation.

**Article 104** The Company shall have independent directors (equivalent to the independent non-executive directors referred to in the Hong Kong Listing Rules), whose qualification requirements, nomination and selection procedures, term of office, resignation, and function and power shall be implemented in accordance with the relevant provisions of laws, administrative regulations, departmental rules and regulatory rules of the place where the Company's shares are listed. Unless otherwise stipulated in this Chapter, the provisions of the Articles of Association concerning the qualifications and duties of directors shall apply to independent directors.

Independent directors shall faithfully perform their duties and safeguard the interests of the Company; in particular, they shall see to it that the legitimate rights and interests of public shareholders are not harmed, so as to ensure that the interests of all shareholders are fully represented. The function and power and related matters of independent directors shall be carried out in accordance with laws, administrative regulations, departmental rules and the securities regulatory rules in the place where the Company's shares are listed.

## **Section 2 Board of Directors**

**Article 105** The Company shall have a Board of Directors, which shall be accountable to the general meeting.

**Article 106** The Board of Directors shall consist of nine directors, including three independent directors. The board of directors shall have one chairman and two vice chairmen. At all times, the Board of Directors shall have more than one-third independent directors, and the total number of independent directors shall not be less than three. At least one independent director shall have appropriate professional qualifications in line with regulatory requirements or be equipped with appropriate accounting or relevant financial management expertise. The term of office of an independent director shall not exceed nine years.

**Article 107** The Board of Directors shall be accountable to the general meeting and exercise the following functions and powers:

- (I) to convene the general meeting and report to the general meeting;
- (II) to implement resolutions of the general meeting;

- (III) to decide on the Company's business plans (covering the Company and the subsidiaries controlled by it (hereinafter referred to as the "**Group Companies**")) and investment plans;
- (IV) to formulate the annual financial budgets (covering all Group Companies) and final accounts of the Company;
- (V) to formulate the Company's profit distribution plans and plans on making up losses;
- (VI) to formulate proposals for the increase or reduction of the registered capital, the issuance of shares, debentures or other securities of the Company and the listing plan of the Company;
- (VII) to formulate plans for the Company's major acquisition, repurchase of the shares of the Company, or merger, division, dissolution or change of corporate form of the Company;
- (VIII) to decide on matters such as investments, purchase and sale of assets, pledge of assets, external guarantee, entrustment of financial management, connected transactions and donations of the Company within the scope of authorization by the general meeting;
- (IX) to decide on establishment of internal management organs of the Company;
- (X) to decide on the appointment or dismissal of the Company's general manager, secretary to the Board of Directors and other members of the senior management and decide on matters of their remuneration and rewards and punishments; according to the nomination of the general manager, decide to appoint or dismiss the Company's chief financial officer and other senior management, and decide on matters of their remuneration, rewards and punishments;
- (XI) to formulate the basic management system of the Company;
- (XII) to formulate proposals to amend the Articles of Association;
- (XIII) to manage the Company's information disclosures;
- (XIV) to propose to the general meeting the appointment or replacement of the accounting firm that provides audit service to the Company;

- (XV) to listen to the work report of the general manager of the Company and to inspect the work of the general manager;
- (XVI) to consider and approve the handling of the shares held by the domestic shareholders of the Company transferred to overseas investors, or the domestic shareholders of the Company are allowed to transfer their shares to overseas listed shares and list the said shares on overseas stock exchanges; and
- (XVII) other functions and powers provided for in laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Matters beyond the scope of authorization of the general meeting shall be submitted to the general meeting for deliberation.

**Article 108** The Board of Directors of the Company has established the Audit Committee, and shall establish the relevant special committees such as the Nomination Committee and Remuneration Committee as necessary. The special committees shall be accountable to the Board of Directors and perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors, and their proposals shall be submitted to the Board of Directors for consideration and approval. Each special committee shall be comprised of at least three members, who are all directors, in which the independent directors shall account for more than half of the members of Nomination Committee and Remuneration Committee, in which an independent director shall serve as the chairman (convener) of the Remuneration Committee, and an independent director shall serve as the chairman (convener) of the Nomination Committee. All members of the Audit Committee shall be the non-executive directors (including independent directors), of which at least one independent director shall possess the appropriate professional qualifications required by the Hong Kong Listing Rules, or have appropriate accounting or related expertise in financial management. The person in charge of each special committee shall be appointed by the Board of Directors.

The Board of Directors is responsible for the compilation of the rules of procedure and regulation of operation of each special committee, which regulate the formation, terms of reference and procedure of special committees, and regulate the operation of the special committees.

Special committees of the Board of Directors are designated organizations under the Board of Directors, which provide suggestions or consulting opinions to the Board of Directors on material decision-making. Special committees shall not make any decision in the name of the Board of Directors, but can exercise the right of decision-making on authorized matters in accordance with the special authorization from the Board of Directors.

Each special committee could engage an intermediary to provide professional opinion in accordance with the actual needs at the expense of the Company.

Each special committee shall be accountable to the Board of Directors and report its work to the same.

**Article 109** The Board of Directors of the Company shall explain to the general meeting regarding the non-standard audit opinion given by a certified accountant in respect of the financial report of the Company.

**Article 110** The Board of Directors shall formulate the Rules of Procedure for Meetings of the Board of Directors, to ensure the implementation by the Board of Directors of the resolutions of the general meeting, enhance the efficiency and ensure scientific decision-making. The Rules of Procedure for Meetings of the Board of Directors shall be annexed to the Articles of Association, and shall be prepared by the Board of Directors and approved by the general meeting.

**Article 111** The Board of Directors shall formulate stringent examination and approval system to determine the authority with respect to investments, purchase and sale of assets, pledge of assets, external guarantee, entrustment of financial management, connected transactions and donations, and organize relevant specialists or professional personnel to assess and examine any material investment projects, and report such investment projects to the general meeting for approval.

**Article 112** The Board of Directors has one chairman and two vice chairmen who shall be elected and removed by the Board of Directors with more than half of all directors. The terms of the chairman and vice chairmen is three years and they may be re-elected for successive reappointments.

**Article 113** The chairman of the Board of Directors shall exercise the following functions and powers:

- (I) to preside over general meetings, and convene and preside over meetings of the Board of Directors;
- (II) to supervise and review the implementation of resolutions passed by the Board of Directors;
- (III) to sign the share certificates, corporate bonds and other marketable securities issued by the Company;
- (IV) to sign the important documents of the Board of Directors;



- (V) in the event of emergency of force majeure such as catastrophic natural disaster, to enforce special discretion on the affairs of the Company in accordance with provisions of laws and the interests of the Company and to report to the Board of Directors of the Company and the general meeting afterwards;
- (VI) to exercise other functions and powers conferred by the Board of Directors or laws, administrative regulations and regulatory rules of the place where the Company's shares are listed.

The authorization to the chairman of the Board of Directors by the Board of Directors shall be granted clearly in the way of resolution passed by Board of Directors, which shall specify the particulars of authorization matters, content and authority. Matters that involve material interest of the Company shall be decided by the Board of Directors collectively, and the chairman of the Board of Directors or individual directors shall not be authorized to decide on his/her own.

**Article 114** In the event that the chairman of the Board of Directors cannot or does not perform his/her duties, the vice chairman nominated by half or more of the directors shall perform such duties. In the event that the vice chairman cannot or does not perform his/her duties, a director nominated by half or more of the directors shall perform such duties.

**Article 115** Any discussion of the Board of Directors shall be carried out by convening the Board meetings. Board meetings comprised of regular meetings and extraordinary meetings. Board meetings shall be held at least twice a year. Meetings shall be convened by the chairman of the Board of Directors. Written notice shall be given to all directors and supervisors at least 10 days before the meeting is held.

**Article 116** Interim Board meetings may be proposed to be convened by shareholders representing more than 10% of the voting rights, more than one-third of the directors or the Supervisory Committee. The chairman of the Board of Directors shall convene the meeting within 10 days of receiving such proposal, and preside over the meeting.

**Article 117** Notices of interim Board meetings shall be served to all the directors and supervisors 3 days before the meetings are convened. In case of urgency, which the interim Board meetings shall be convened as soon as possible, notice of the meeting could be given without being subject to the restriction listed in the preceding article.

**Article 118** A notice of the meeting of the Board of Directors shall include:

- (I) date and venue of the meeting;
- (II) duration of the meeting;

(III) subject matters and issues;

(IV) date of notice.

**Article 119** Meetings of the Board of Directors shall be held only if more than half of the directors are present. Resolutions of the Board of Directors shall be passed by more than half of all directors. Each director shall have one vote for a resolution to be approved by the Board of Directors.

**Article 120** If a director is associated with the enterprises that are involved in the matters to be resolved at a Board meeting, he/she shall not exercise his/her voting rights for such matters, nor shall exercise voting rights on behalf of other directors. Such Board meeting can be held if more than one half of the non-connected directors attend and the resolutions made by the Board meeting shall be passed by more than half of the non-connected directors. If less than three non-connected directors present at such meeting, relevant resolutions shall be submitted to the general meeting for consideration.

**Article 121** A vote at the Board meetings shall be taken by poll or by show of hands.

The Board meetings may be convened and the voting can be made by means of communication such as physical meetings, through communication devices and a combination of physical meeting and through the usage of communication devices.

The interim Board meetings may be convened and the voting can be made by means of communication such as telephone, video, facsimile, e-mail, etc. and signed by the participating directors, provided that the directors' opinions are fully expressed.

**Article 122** Directors shall attend the Board meeting in person. Where a director is unable to attend a meeting for any reason, he/she may, by a written power of attorney, appoint another director to attend the meeting on his/her behalf. The name of the proxy, the subject which the proxy is related to, the scope of authorization and valid period shall be stated in the power of attorney, which shall be signed or sealed by the appointor. The director who attends the meeting on behalf of others shall exercises the rights of the directors within the scope of the authorization. Director who does not attend the Board meeting and does not appoint a proxy to attend on his/her behalf shall be deemed as forgoing his/her rights of voting at that meeting.

**Article 123** The Board of Directors shall make minutes of its decisions on the matters discussed at the meeting and the directors present at the meeting shall sign the minutes.

The directors shall be responsible for the resolutions passed at Board meetings. If any resolution made by the Board of Directors violates the laws, administrative regulations or the Articles of Association, and causes any substantial losses to the Company, directors who

voted for the said resolution shall be liable for compensation to the Company. If it is proved that any director has expressed dissent during the voting and the such objection is recorded in the minutes of the meeting, the said director may be exempt from any liability.

The minutes of Board meetings shall be kept as the Company's record for a period of not less than 10 years.

**Article 124** The minutes of the Board meeting shall include:

- (I) convening date, place and the convener's name of the meeting;
- (II) names of directors present and names of directors (proxy(ies)) being appointed to attend the meeting on other's behalf;
- (III) agenda of the meeting;
- (IV) key points of speeches of the directors;
- (V) the voting method and the results of each resolution (the number of votes in favor, against or abstain shall all be clearly indicated).

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

**Article 125** The Company shall have one general manager, and three deputy general managers, who shall be appointed or dismissed by the Board of Directors.

The Company shall have a persons-in-charge of finance and a secretary to the Board of Directors. The general manager, deputy general manager, persons-in-charge of finance and secretary to the Board of Directors are the senior management of the Company.

**Article 126** Article 95 hereof relating to the circumstances in which a person may not serve a director shall also apply to senior management.

The Article 97 hereof concerning the duty of loyalty required for directors and items (IV), (V) and (VI) of Article 98 concerning the duty of diligence required for directors shall also apply to the senior management.

**Article 127** Any person holding any executive position working in the controlling shareholder of the Company other than as a director or supervisor shall not serve as senior management of the Company.

Senior management of the Company shall receive salaries only from the Company and shall not be paid by the controlling shareholders on behalf of the Company.

**Article 128** The general manager shall serve a term of three years and may serve consecutive terms upon reappointment.

**Article 129** The general manager shall be accountable to the Board of Directors and exercise the following functions and powers:

- (I) to be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board of Directors, and to report his/her works to the Board of Directors;
- (II) to organize the implementation of the Company's annual business plans and investment plans;
- (III) to draft plans for the establishment of the Company's internal management organization;
- (IV) to draft the Company's basic management system;
- (V) to formulate the specific rules and regulations of the Company;
- (VI) to propose to the Board of Directors on the appointment or dismissal of chief financial officer of the Company;
- (VII) to decide on appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (VIII) other functions and powers conferred by the Articles of Association or the Board of Directors.

The general manager may attend the meetings of the Board of Directors, but has no voting rights at the meetings if he/she is not a director of the Company.

**Article 130** The general manager shall formulate his/her working rules, which shall come into effect upon approval by the Board of Directors.

**Article 131** The working rules of general manager shall contain the following:

- (I) conditions for the convening of and the procedure for the general manager's meeting, and the personnel to attend the meeting;
- (II) specific duties and division of work of the general manager and other senior management;

- (III) the authority to utilize the Company's funds and assets and to enter into material contracts, and the reporting system to the Board of Directors and the Supervisory Committee;
- (IV) other matters which the Board of Directors considers necessary.

**Article 132** The general manager and other senior management may tender his/her resignation before the expiry of his/her term of office. The procedure and method for such resignation shall be governed by the employment contract between the general manager and other senior management and the Company.

**Article 133** The person in charge of finance shall be nominated by the general manager, and shall be recruited and removed by the Board of Directors.

**Article 134** The Company has a secretary to the Board of Directors who is responsible for matters such as preparing the Company's general meetings and Board meetings, safekeeping documents, managing the information of the Company's shareholders and handling information disclosures.

The secretary to the Board of Directors shall comply with the relevant provisions of the laws, administrative regulations, departmental rules and the Articles of Association. A director or senior management of the Company may serve concurrently as the secretary to the Board of Directors, but the accountant of the accounting firm engaged by the Company shall not serve as the secretary to the Board of Directors concurrently.

When a director serves as the secretary to the Board of Directors of the Company concurrently, if a particular action shall be taken by the director and the secretary to the Board of Directors of the Company individually, the person who is the director and secretary to the Board of Directors of the Company concurrently shall not take such action in both capacities.

**Article 135** The senior management shall be liable for any loss caused to the Company if they have violated any laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other security regulatory rules of the place where the Company's shares are listed or the Articles of Association in the course of performing their duties of the Company.

**Article 136** The senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If the senior management of the Company fails to perform their duties faithfully or violates their obligations of integrity and causes damage to the interests of the Company and the public shareholders, they shall be liable for compensation in accordance with the law.

## **CHAPTER VII THE SUPERVISORY COMMITTEE**

### **Section 1 Supervisors**

**Article 137** Article 95 of the Articles of Association relating to the circumstances in which a person may not serve a director shall also apply to supervisors.

Directors, general manager and other senior management shall not serve as supervisors concurrently.

**Article 138** The supervisors shall observe the laws, administrative regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association and perform the obligations faithfully and diligently. They shall not abuse their authority of office to accept any bribes or other illegal income or to seize the assets of the Company. The supervisors must possess the personality, experience and character suitable for being a supervisor, and shall prove that he/she possesses qualified competence for being a supervisor.

**Article 139** The term of office of a supervisor shall be three years. A supervisor may serve consecutive terms upon expiration of his/her term if re-appointed.

**Article 140** A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the Articles of Association until a re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of the supervisor results in the number of supervisors being less than the quorum.

**Article 141** Supervisors shall ensure that information disclosed by the Company is true, accurate and complete, and sign a written confirmation of the periodic report.

**Article 142** Supervisors may in attendance the meetings of the Board of Directors and make enquiries or proposals in respect of the resolutions of such meetings.

**Article 143** Supervisors shall not take advantage of their connected relationship to harm interests of the Company and shall indemnify the Company against losses caused thereby.

**Article 144** If a supervisor violates the laws, administrative regulations, department rules or the Articles of Association when performing his/her duties in the Company, he/she shall indemnify the Company against losses incurred due to such violation.

## **Section 2 Supervisory Committee**

**Article 145** The Company shall have a Supervisory Committee. The Supervisory Committee consists of three supervisors and shall have one chairman. The chairman of the Supervisory Committee shall be elected by more than half of the supervisors. The chairman of the Supervisory Committee shall convene and preside over meetings of the Supervisory Committee. Where the chairman of the Supervisory Committee is incapable of performing or is not performing his/her duties, a supervisor recommended by half or more of the supervisors shall convene and preside over meetings of the Supervisory Committee.

The Supervisory Committee shall include shareholder representatives and an appropriate proportion of company employee representatives, of which the proportion of employee representatives shall not be less than one-third. Employee representatives on the Supervisory Committee shall be democratically elected and removed by employees through the employee representative congress, the employee congress, or any other means. The shareholder representatives in the Supervisory Committee shall be elected and removed by the general meeting.

**Article 146** The Supervisory Committee shall exercise the following functions and powers:

- (I) to review and give written opinions on the periodic reports of the Company prepared by the Board of Directors;
- (II) to examine the Company's financial matters;
- (III) to supervise the performance by the directors and senior management of their duties to the Company and propose the dismissal of the directors and senior management who violates laws, administrative regulations, the Articles of Association or the resolutions of the general meeting;
- (IV) to demand rectification from the directors and senior management when the acts of such persons are harmful to the Company's interests;
- (V) to propose the convening of extraordinary general meetings; to convene and preside the general meeting in the event that the Board of Directors fails to perform its duties to convene and preside the general meeting in accordance with the Company Law and the Articles of Association;
- (VI) to submit proposals to the general meeting;

- (VII) to file lawsuits against directors and senior management in accordance with Article 151 of the Company Law;
- (VIII) in case of any abnormal matters during the business operation of the Company, to investigate, and if necessary, to engage professionals such as accounting firms or law firms to assist its work with expenses being borne by the Company;
- (IX) other functions and powers provided for in the Articles of Association and conferred by the general meeting.

**Article 147** Meetings of the Supervisory Committee consist of regular meetings and extraordinary meetings. Meetings of the Supervisory Committee shall be held at least once every six months, and at least twice each year, and which shall be convened by the chairman of the Supervisory Committee. Supervisors can propose the convening the extraordinary meetings of the Supervisory Committee.

Resolutions made by the Supervisory Committee shall be approved by more than half of the supervisors.

**Article 148** If any supervisor fails to attend in person (supervisor who participate the meeting of the Supervisory Committee or voting by adopting communication means shall be regarded as attend in person) or appoint other supervisors to attend meetings of the Supervisory Committee for two consecutive times, such supervisor shall be deemed to have failed to perform his/her duties, and the general meeting or staff assemblies shall removes such supervisor.

**Article 149** The Supervisory Committee shall formulate the Rules of Procedure for Meetings of the Supervisory Committee, clearly indicates the discussion rules and voting procedures of the Supervisory Committee, to ensure its efficiency and scientific decision-making.

The Rules of Procedure for Meetings of the Supervisory Committee shall be annexed to the Articles of Association, and shall be prepared by the Supervisory Committee and approved by the general meeting.

**Article 150** Notices of regular and extraordinary meetings of the Supervisory Committee shall be served to all the supervisors 10 days and 3 days before the meetings are convened, respectively. In case of urgency, which the extraordinary meetings of the Supervisory Committee shall be convened as soon as possible, notice of the meeting could be given without being subject to the restriction listed in the preceding article.



**Article 151** A notice of the meeting of Supervisory Committee shall include at least the following:

- (I) date, venue and duration of the meeting;
- (II) subject matters and issues;
- (III) date of notice.

**Article 152** The meetings of the Supervisory Committee may be convened and voting can be made by means of physical meetings, through communication devices and a combination of physical meeting and through the usage of communication devices.

Supervisors shall have one vote. Supervisors shall attend the meetings of the Supervisory Committee in person. Where a supervisor is unable to attend a meeting for any reason, he/she may, by a written power of attorney, appoint another supervisor to attend the meeting on his/her behalf. The name of the proxy, the subject which the proxy is related to, the scope of authorization and valid period shall be stated in the power of attorney, and shall be signed or sealed by the appointor. The supervisor who attends the meeting on behalf of others shall exercises the rights of the supervisor within the scope of the authorization.

**Article 153** The Supervisory Committee shall make minutes of its decisions on the matters discussed at the meeting and the supervisors present at the meeting shall sign the minutes.

Supervisors have the right to request certain explanatory record of their speech at the meeting to be recorded in the meeting minutes. The minutes of meetings of the Supervisory Committee shall be kept as the Company's record for a period of not less than 10 years.

In voting through communication means, supervisors shall submit their written opinion and voting intentions on the subjects being considered to the office of the Supervisory Committee through facsimile after signing the same for confirmation. Supervisors who participate in voting through communications shall submit the original of vote signed to the Supervisory Committee within the notification period of the meeting.

## **CHAPTER VIII FINANCIAL AND ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT**

### **Section 1 Financial and Accounting System**

**Article 154** The Company shall develop its financial and accounting systems pursuant to laws, administrative regulations and the requirements of the competent authorities of China. If the securities regulators of the place where shares of the Company are listed provide otherwise, such provisions shall prevail.

**Article 155** The Company shall prepare its annual financial and accounting reports within four months after the end of each financial year, and its interim financial and accounting reports within two months after the end of the first half of each financial year. The aforesaid financial and accounting reports shall be prepared and disclosed in accordance with relevant laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed.

**Article 156** The Company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

**Article 157** When distributing profits after taxation of the year, the Company shall set aside 10% of its profits for the Company's statutory reserve until the fund has reached 50% or more of the Company's registered capital.

When the Company's statutory reserve is not sufficient to make up for the Company's losses for the previous years, the profits of the current year shall first be used to cover the losses before any allocation is set aside for the statutory reserve pursuant to the preceding provision.

After making allocations to the statutory reserve from its profits after taxation, the Company may, upon passing a resolution at a general meeting, make further allocations from its profits after taxation to the discretionary reserve.

After the Company covers its losses and makes allocations to its reserve, the remaining profits after taxation shall be distributed in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by the Articles of Association.

Profits distributed to shareholders by a general meeting before losses are covered and allocations are made to the statutory reserve in violation of the preceding requirements must be returned to the Company.

The Company shall not distribute any profits in respect of the shares held by it.

**Article 158** The reserve of the Company shall be applied to making up for the Company's losses, expanding its business operations or increasing its capital. The capital reserve, however, shall not be used to make up for the Company's losses.

Upon the conversion of statutory reserve into capital, the balance of the statutory reserve shall not be less than 25% of the registered capital of the Company before such conversion.

**Article 159** After the resolution on the profit distribution plan is approved at the general meeting of the Company, the Board of Directors of the Company shall complete the distribution of dividends (or shares) within two months after conclusion of the general meeting.

**Article 160** The Company shall emphasize reasonable investment returns to shareholders and its profit distribution shall emphasize on shareholders' reasonable investment returns while facilitating the long-term development of the Company. The Company shall adopt consistent and stable profit distribution policies while complying with relevant provisions of laws and regulations. The Company may distribute dividends in the form of cash or shares. In the event that the Company has distributable profits, the Board of Directors of the Company may make a plan for the distribution of dividends in the form of cash and/or shares in the light of the Company's business and financial conditions.

## **Section 2 Internal Audit**

**Article 161** The Company shall implement an internal audit system, where dedicated auditing staffs carry out the internal audit and supervision over the revenue and expenditure and the economic activities of the Company.

**Article 162** The internal audit system of the Company and the duties of the auditing staffs shall be subject to the approval of the Board of Directors. The officer in charge of audit shall be accountable to the Board of Directors and report his/her work to the same.

## **Section 3 Engagement of an Accounting Firm**

**Article 163** The Company shall engage an accounting firm which is qualified under the provisions of the Securities Law, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed, to perform audits of accounting statements, verify net assets and provide other relevant consulting services. The term of such engagement is one year and can be renewed.

**Article 164** The engagement of an accounting firm by the Company shall be determined at the general meeting, and the Board of Directors shall not engage an accounting firm before any decision is made at the general meeting.

**Article 165** The Company shall ensure to provide true and complete accounting evidences, books, financial and accounting reports and other accounting data to the accounting firm it engages, without any refusal, withholding or misrepresentation.

**Article 166** Remuneration of the accounting firm shall be determined by shareholders in a general meeting.

**Article 167** A 15-day prior notice shall be given to the accounting firm if the Company decides to dismiss such accounting firm or not to renew the engagement thereof. The accounting firm is allowed to make representations when the general meeting of the Company conducts a vote on the dismissal of the accounting firm.

Where the accounting firm resigns, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.

## **CHAPTER IX NOTICES AND ANNOUNCEMENTS**

### **Section 1 Notices**

**Article 168** The notices of the Company may be sent out in the following manner:

- (I) by personal delivery;
- (II) by mail or fax;
- (III) by announcement;
- (IV) other means stipulated in the Articles of Association.

**Article 169** Notice given by the Company by way of announcement shall be deemed to have been received by all relevant persons once it is published.

**Article 170** Any notice convening a general meeting shall be given by personal delivery, mail, email, fax, announcement or other means specified in the Articles of Association.

**Article 171** Any notice convening a meeting of the Board of Directors shall be given by personal delivery, mail, email, fax, announcement or other means specified in the Articles of Association.

**Article 172** Any notice convening a meeting of the Supervisory Committee shall be given by personal delivery, mail, email, fax, announcement or other means specified in the Articles of Association.

**Article 173** If a notice of the Company is sent by personal delivery, the date of service shall be the date when the recipient signed (or stamped) to acknowledge receipt of the same; for a notice of the Company sent by mail, the date of service shall be the fifth working day from the date on which the post office receives the notice; if the Company's notice is sent by email, the date of service shall be the date when the email enters the mailbox system designated by the person to be served; if the Company's notice is sent by fax, the date of service shall be the date when the fax enters the designated receiving system of the person to be served; if it is issued by announcement, the date of delivery shall be the date when the Company publishes the first announcement.

**Article 174** The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting and resolution adopted thereat.

## **Section 2 Announcements**

**Article 175** The Company shall make announcements and disclosures to shareholders of domestic unlisted shares through newspapers and websites designated by the laws, administrative regulations or the relevant regulatory authorities in China. Where an announcement is required to be made to the H shareholders in accordance with the Articles of Association, such announcement shall at the same time be published on the designated newspapers, websites and/or the Company's website in accordance with the methods stipulated in the Hong Kong Listing Rules. All notices or other documents required to be sent by the Company to the Hong Kong Stock Exchange pursuant to Chapter 13 of the Hong Kong Listing Rules shall be in English or be accompanied by signed and certified translations in English.

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

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

**Article 176** The merger of the Company may take the form of either merger by absorption or merger by new establishment.

The absorption by one company of another company constitutes a merger by absorption, in which case the absorbed company shall be dissolved. The merger of two or more companies into a new company constitutes a merger by new establishment, in which case all the parties to the merger shall be dissolved.

**Article 177** In the case of a merger, a merger agreement shall be signed by all parties, and they shall prepare their balance sheets and inventory of assets.

The Company shall notify its creditors within 10 days upon the date of passing of the resolution which approves the merger, and announce the merger within 30 days. A creditor may request the Company to settle any outstanding debts or provide guarantees accordingly within 30 days upon receipt of the notification, or within 45 days of the date of the announcement if he/she/it have not received any notification.

**Article 178** Where companies merge, the credits and debts of the merging parties shall be assumed by the surviving company or the new company upon merging.

**Article 179** In case of a division, the Company's assets shall be divided accordingly.

In the case of a division, the parties shall prepare their balance sheets and inventory of assets. The Company shall notify its creditors within 10 days upon the date of passing of the resolution which approves the division, and announce the division within 30 days.

**Article 180** The debts of the Company which have accrued prior to the division shall be jointly borne by the divided companies, unless it is otherwise agreed by way of an agreement in writing with the creditors in respect of the settlement of debts before the Company's division.

**Article 181** A balance sheet and an inventory of assets shall be prepared by the Company if it needs to reduce its registered capital.

The Company shall notify its creditors within 10 days upon the date of passing of the resolution which approves the reduction of registered capital, and announce the reduction on a newspaper within 30 days. A creditor may request the Company to settle any outstanding debts or provide guarantees accordingly within 30 days upon receipt of the notification, or within 45 days of the date of the announcement if he/she/it have not received any notification.

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

**Article 182** Changes in registration as a result of a merger or division shall be completed with a relevant registration authority in accordance with the laws. Where a company is dissolved or a new company is established, company deregistration or company registration shall be completed respectively in accordance with the laws.

Where the Company increases or reduces its registered capital, the Company shall, in accordance with law, apply for change in its registration with the company registration authorities.

## **Section 2   Dissolution and Liquidation**

**Article 183**   The Company may be dissolved for the following reasons:

- (I)   the term of business operation as stipulated by the Articles of Association expires or other circumstances for dissolution as stipulated by the Articles of Association arise;
- (II)   the general meeting resolves to dissolve the Company;
- (III)   dissolution is necessary as a result of the merger or division of the Company;
- (IV)   the business license is revoked or it is ordered to close down or it is deregistered according to law;
- (V)   serious difficulties arise in the operation and management of the Company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding 10% or more of all shareholders' voting rights of the Company may petition a people's court to dissolve the Company.

**Article 184**   In the event of the circumstance described in (I) above, the Company may carry on its existence by amending the Articles of Association.

Amendments to the Articles of Association in accordance with the provisions set out above shall be passed by more than two-thirds of the shareholders with voting rights who attend the general meeting.

**Article 185**   Where the Company is to be dissolved pursuant to items (I), (II), (IV) and (V) of Article 183 hereof, a liquidation committee shall be established within 15 days from the date when the event of dissolution occurs and commence the liquidation process. The liquidation committee shall be composed of directors or members determined by the general meeting. Where the Company fails to form a liquidation committee to liquidate the Company within the prescribed period of time, its creditors may petition the people's court to appoint the relevant persons to establish a liquidation committee and liquidate the Company.

**Article 186**   Upon the establishment of the liquidation committee, the powers and duties of the Board of Directors and the general manager shall cease immediately. During the liquidation period, the Company shall not commence any new business activities.

**Article 187** A liquidation committee may exercise the following functions and powers during the liquidation period:

- (I) to notify the Company's creditors through notice or announcement;
- (II) to dispose of the Company's assets and to prepare a balance sheet and an inventory of the assets;
- (III) to handle the Company's outstanding businesses related to liquidation;
- (IV) to settle all tax overdue as well as tax amounts arising from the process of liquidation;
- (V) to settle credits and pay off debts;
- (VI) to handle the Company's remaining assets after settling its debts;
- (VII) to represent the Company in a civil lawsuit.

**Article 188** The liquidation committee shall notify the Company's creditors within 10 days upon its establishment and publish an announcement on newspapers within 60 days. A creditor shall file his/her/its claim with the liquidation committee within 30 days upon receipt of the notification, or within 45 days of the date of the announcement if he/she/it has not received any notification.

A creditor shall state all matters related to his/her/its creditor rights in making his/her/its claim and furnish evidence. The liquidation committee shall register such creditor's claims.

The liquidation committee shall not make any debt settlement with the creditors during the period of the claim.

**Article 189** Upon disposal of the Company's assets and preparation of the balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan to be submitted to the general meeting or the people's court for verification.

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

The Company shall continue to exist during the liquidation period, it however cannot commence any operating activities that are not related to the liquidation.



The Company's assets shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

**Article 190** If the liquidation committee, having sorted out the Company's assets and preparing the balance sheet and an inventory of assets, is of the opinion that there are insufficient assets in the Company to pay off its debts according to the order of repayment, it shall apply to the people's court for a declaration of bankruptcy of the Company. Upon the declaration of bankruptcy of the Company by the people's court, the liquidation committee shall hand over the liquidation matters to the people's court.

**Article 191** Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report to be submitted to the general meeting or the people's court for verification. The liquidation committee shall also file with the registration authority to apply for the deregistration of the Company, and announce the termination of the Company.

**Article 192** The members of the liquidation committee shall devote themselves to their duties and fulfill their obligations of liquidation according to laws.

None of the members of the liquidation committee may take any bribe or any other illegal proceeds by taking advantage of his/her position, nor may he/she misappropriate any of the assets of the Company.

Where any member of the liquidation committee causes any loss to the Company or any creditor with intention or due to gross negligence, such member shall be liable for compensation.

**Article 193** A company which has declared bankrupt in accordance with the laws shall be subject to liquidation of bankruptcy in accordance with the laws on corporate bankruptcy.

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

**Article 194** The Company shall amend the Articles of Association in any of the following circumstances:

- (I) after amendments are made to the Company Law, or relevant laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed, the Articles of Association run counter to the amended laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed;
- (II) the conditions of the Company have changed, and such change is not covered in the Articles of Association;

(III) the general meeting has resolved to amend the Articles of Association.

**Article 195** Where the amendments to the Articles of Association passed by the general meetings need the examination and approval of the competent authorities, these amendments shall be submitted thereto for approval. Where the amendment of the Articles of Association involves registration, it shall be necessary to carry out the lawfully prescribed procedures for registration change.

**Article 196** The Board of Directors shall amend the Articles of Association according to the resolutions of the general meeting and the opinions of the relevant competent authority.

**Article 197** Where the amendments to the Articles of Association belong to information required to be disclosed by laws and regulations, such amendments shall be announced in accordance with the regulations.

## **CHAPTER XII SUPPLEMENTARY PROVISIONS**

### **Article 198** Definitions

- (I) controlling shareholder means a person who meets one of the following conditions: (1) when acting alone or in concert with others, the person may elect more than half of the directors; (2) when acting alone or in concert with others, the person may exercise, or control the exercise of, more than 30% of the voting rights of the Company; (3) when acting alone or in concert with others, the person holds more than 30% of the issued shares of the Company; (4) when acting alone or in concert with others, the person actually controls the Company by other ways.
- (II) actual controller means a person who, though not a shareholder, through investment relationships, agreements, or other arrangements, may actually control the activities of the Company.
- (III) connected transaction or connected relationship shall have the meaning ascribed to it in accordance with the Hong Kong Listing Rules.

**Article 199** The Board of Directors may formulate by-laws in accordance with the provisions of the Articles of Association, provided that such by-laws shall not be in violation of the Articles of Association.

**Article 200** The Articles of Association are written in Chinese. In case of any inconsistency between the Articles of Association in any other language or of different version and the Articles of Association, the Chinese version of the Articles of Association last registered with the company registration authority shall prevail.

**Article 201** The terms “not less than”, “within”, “not more than”, as stated in the Articles of Association shall all include the given figure; the terms “not exceeding”, “beyond”, “less than”, “over”, “exceeding” shall all exclude the given figure.

**Article 202** In the event that any of the provisions in the Articles of Association are inconsistent with the laws, regulations, rules and regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company’s shares are listed, such laws, regulations, rules and regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company’s shares are listed shall prevail.

**Article 203** The Board of Directors shall be responsible for the interpretation of the Articles of Association.

**Article 204** Annexes to the Articles of Association include the Rules of Procedure for General Meetings, the Rules of Procedure for Meetings of the Board of Directors and the Rules of Procedure for Meetings of the Supervisory Committee.

**Article 205** The Articles of Association shall become effective and enforceable on the date on which the H shares issued by the Company in public offering are listed and traded on the Main Board of the Hong Kong Stock Exchange. The original Articles of Association of the Company shall automatically become null and void from the effective date of the Articles of Association.

**Mao Geping Cosmetics Co., Ltd.**

February 2025