



# **Datang Environment Industry Group Co., Ltd.\***

## **大唐環境產業集團股份有限公司**

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

**(Stock Code: 1272)**

### **Datang Environment Industry Group Co., Ltd.\* Rules of Procedures for Shareholders' Meetings**

#### **Chapter I General Provisions**

**Article 1** In order to regulate the behavior of Datang Environment Industry Group Co., Ltd. (the “**Company**”) and ensure that the shareholders’ meeting exercises its powers and functions in accordance with the laws, the Rules are formulated according to the Company Law of the People’s Republic of China (the “**Company Law**”), the Guidelines on Articles of Association of Listed Companies, the Rules for the Shareholders’ Meeting of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and other domestic and foreign regulatory laws and regulations, and the Articles of Association of Datang Environment Industry Group Co., Ltd. (the “**Articles of Association**”).

**Article 2** The Company shall hold the shareholders’ meeting strictly in accordance with the laws, regulations, normative documents, the Articles of Association and the Rules so as to ensure shareholders being able to lawfully exercise their rights. The Board of Directors shall earnestly perform its duties and organize the shareholders’ meeting in a careful and timely manner. All the directors of the Company shall perform their due diligence obligations to ensure that the shareholders’ meeting can be held in an orderly manner and its powers can be exercised in accordance with the laws.

**Article 3** A shareholders’ meeting is the organ of power of the Company and shall perform its functions and powers to the extent provided by the Company Law and other relevant laws, regulations, normative documents and the Articles of Association:

- (1) to elect and replace directors and to determine matters relating to the directors’ remunerations;
- (2) to consider and approve the reports of the Board;
- (3) to consider and approve the Company’s profit distribution plan and plan for recovery of losses;
- (4) to resolve on increases or reduction in the Company’s registered capital;

\* *For identification purpose only.*

- (5) to resolve on the merger, demerger, dissolution, liquidation or change of corporate form of the Company;
- (6) to resolve on the issue of bonds and other securities by the Company and the listing proposal of the Company;
- (7) to resolve on the appointment or dismissal of the accounting firm undertaking the Company's auditing business;
- (8) to amend the Articles of Association;
- (9) to consider and approve the following external guarantee:
  1. any guarantee to be provided by the Company and its controlled subsidiaries after the total amount of the external guarantees exceeds 50% of the latest audited net assets;
  2. any guarantee to be provided by the Company after the total amount of its external guarantees exceeds 30% of the latest audited total assets;
  3. the guarantee to be provided by the Company to others within one year in an amount exceeding thirty percent of the Company's latest audited total assets;
  4. the guarantee to be provided to any entity with gearing ratio over 70%;
  5. the guarantee with a single amount exceeding 10% of the latest audited net assets;
  6. the guarantee to be provided to the Company's shareholders, de facto controllers and their connected parties.
- (10) to consider and approve the purchases or sales of any material asset of the Company within a year, the amount of which exceeds 30% of its latest audited total assets;
- (11) to consider and approve the change of use of proceeds;
- (12) to consider and approve the equity incentive scheme and employee share ownership plan;
- (13) to consider the resolutions put forward by shareholders representing 1% or more of the Company's shares with voting rights (excluding treasury shares);
- (14) to resolve on any other matters as required by the laws, administrative regulations and the Articles of Association. Subject to the laws, regulations and mandatory provisions of the listing rules in the listing place, the shareholders' meeting may authorize or delegate the Board to handle the matters authorized or delegated by it.

**Article 4** A shareholders' meeting shall either be an annual shareholders' meeting or an extraordinary shareholders' meeting. Annual shareholders' meetings shall be held once every year and within six months from the close of the preceding financial year. The extraordinary shareholders' meeting shall be convened from time to time. An extraordinary shareholders' meeting shall be held within two months upon the occurrence of the circumstances where an extraordinary shareholders' meeting should be held as stipulated in the Articles of Association.

**Article 5** When holding a shareholders' meeting, the Company shall engage lawyers to advise on the following matters and make an announcement:

- (1) whether the procedures for convening and holding the meeting are compliant with the laws, administrative regulations, the Articles of Association and the Rules;
- (2) whether the qualifications of the attendees and the convener are lawful and valid;
- (3) whether the voting procedures and results of the meeting are lawful and valid;
- (4) legal advice on other relevant matters at the request of the Company.

## **Chapter II Convening of Shareholders' Meetings**

**Article 6** The Board of Directors shall convene shareholders' meetings as scheduled within the time frame as prescribed in Article 4 of the Rules. With the approval of more than half of all independent non-executive directors, independent non-executive directors shall be entitled to make a proposal to the Board on holding an extraordinary shareholders' meeting. For such a proposal, the Board shall give a written reply on whether to agree or not to hold an extraordinary shareholders' meeting within 10 days upon receipt of the proposal in accordance with the laws, administrative regulations and the Articles of Association.

Where the Board agrees to hold an extraordinary shareholders' meeting, a notice of shareholders' meeting shall be given within 5 days after the resolution of the Board is made. Where the Board does not agree to hold such a meeting, its reasons shall be given and an announcement shall be made.

**Article 7** The following procedures shall be followed by shareholders requesting for convening of extraordinary shareholders' meetings:

- (1) shareholders individually or jointly holding 10% or more of voting shares (excluding treasury shares) at such proposed meeting may request the Board to convene an extraordinary shareholders' meeting or class meeting by signing and submitting one or several written requests with the same format and contents and specifying the agenda of the meeting. An extraordinary shareholders' meeting or class meeting shall be convened by the Board as soon as practicable upon receipt of the aforesaid written request. The aforesaid proportion of shareholding shall be calculated on the date on which the relevant shareholders submit the written request.

- (2) if the Board fails to provide its feedback within ten days upon receipt of the aforesaid written request, shareholders individually or jointly holding 10% or more of the shares carrying voting rights (excluding treasury shares) at the proposed meeting shall be entitled to propose to the Audit Committee to convene an extraordinary shareholders' meeting or a class meeting, provided that such proposal shall be made in writing. If the Audit Committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days upon receipt of the aforesaid written request. Any changes to the original request in the notice shall be approved by the relevant shareholders. If the Audit Committee fails to give the notice of the shareholders' meeting within the specified time limit, it shall be deemed that the Audit Committee is not convening or presiding over the shareholders' meeting, in which case, the shareholders who individually or jointly holding 10% or more of the shares of the Company (excluding treasury shares) for more than 90 consecutive days may convene and preside over the meeting on their own.

The following procedures shall be followed by the Audit Committee proposing to convene an extraordinary shareholders' meeting:

- (1) the Audit Committee shall propose to the Board to convene an extraordinary shareholders' meeting or class meeting in writing, specifying the agenda of the meeting. The Board shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, reply in written form within ten days after receiving the proposal as for agreeing or disagreeing to convene the extraordinary shareholders' meeting or class meeting.
- (2) if the Board agrees to convene the extraordinary shareholders' meeting or class meeting, a notice of shareholders' meeting shall be issued within five days after the resolution made by the Board. Any changes to the original request in the notice shall be approved by the Audit Committee. If the Board does not agree to convene the extraordinary shareholders' meeting or class meeting, or fails to reply within ten days after receiving the proposal, it shall be deemed that the Board is incapable of performing or fails to perform the duty of convening a shareholders' meeting, in which case the Audit Committee may convene and preside over such meeting on its own.

If the Audit Committee or the shareholders decide to convene a shareholders' meeting on their own, it shall notify the Board in writing. All reasonable expenses incurred by shareholders or the Audit Committee arising from convening and holding the aforesaid meeting due to the Board's failure to hold such meeting in response to the aforesaid request shall be borne by the Company. Such expenses shall be deducted from the amounts due by the Company to the director(s) who have neglected their duties.

**Article 8** With respect to a shareholders' meeting convened by the Audit Committee or shareholders, the Board and the secretary of the Board shall give cooperation. The Board shall provide the register of members on the shareholding record date. The register of members offered to the convener(s) shall not be used for other purposes, except for the shareholders' meeting.

**Article 9** A shareholders' meeting convened by the Board shall be presided over and chaired by the chairman of the Board. If the chairman is unable to attend the meeting for reasons, a director jointly elected by more than half of the directors shall preside over the meeting and take the chair of the meeting in his/her stead. If no chairman of the meeting has been designated, shareholders present shall choose one person to be the chairman of the meeting. Where the shareholders fail to elect a chairman for any reasons, the shareholder (including his/her proxy) presents in person or by proxy who holds the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.

Where a shareholders' meeting is convened by the Audit Committee on its own, the meeting shall be presided over by the convener of the Audit Committee. In the event that the convener of the Audit Committee is incapable of performing or fails to perform his/her duties, the meeting shall be presided over by a member of the Audit Committee nominated by a majority of members of the Audit Committee.

A shareholders' meeting convened by shareholders shall be presided over by the convener or one representative nominated by the convener.

### **Chapter III Proposals and Notifications of Shareholders' Meetings**

**Article 10** The content of a proposal shall be within the scope of functions and powers of the shareholders' meeting, which shall have definite topics to be discussed and specific matters to be resolved, and in accordance with relevant regulations as stipulated in the laws, administrative regulations and the Articles of Association. The proposal shall be submitted in writing or delivered to the Board.

**Article 11** When the Company convenes a shareholders' meeting, the Board, the Audit Committee and the shareholders either individually or collectively holding 1% or more of the Company's shares (excluding treasury shares) may put up proposals. When the Company convenes a shareholders' meeting, shareholders either individually or collectively holding 1% or more of the Company's shares (excluding treasury shares) have the right to put up ad hoc proposals in writing to the Company, and the Company shall include such ad hoc proposals into the agenda for such shareholders' meeting if they are matters falling within the functions and powers of shareholders' meeting.

The ad hoc proposals raised by shareholders shall satisfy the following requirements: (1) free of conflicts with the provisions of laws and regulations, and fall into the terms of reference of the shareholders' meeting; (2) with definite topics to discuss and specific matters to resolve; (3) submitted or served to the convener in writing ten days prior to the date of the shareholders' meeting. Save as provided in the preceding paragraph, the convener shall not amend the proposals stated in or add new proposals to the notice of the shareholders' meeting after sending the notice. No voting or resolution shall be executed or adopted at the shareholders' meeting for proposals that have not been stated in the notice of the shareholders' meeting or that do not comply with this Article.

**Article 12** A twenty days' prior written notice for convening the annual shareholders' meeting of the Company shall be given. A fifteen days' prior written notice for convening the extraordinary shareholders' meeting of the Company shall be given. The Company shall notify all shareholders whose names appear on the register of shareholders of the matters to be considered at and the date and place of the meeting. A shareholder who intends to attend the meeting shall deliver to the Company his written reply concerning his/her attendance at such meeting 10 days before the date of the meeting. In determining the time for issuing notice, the Company shall not include the date on which the meeting is held and the date on which the notice is issued.

**Article 13** The Company shall, based on the written replies received 10 days before the date of the shareholders' meeting, calculate the number of voting shares represented by shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches not less than one half of the Company's total voting shares, the Company may hold the shareholders' meeting. If not, the Company shall within five days notify the shareholders again by notice of the matters to be considered, the place and the date of the meeting. The Company then may hold the meeting after publication of such notice. An extraordinary shareholders' meeting shall not decide on any matter not stated in the notice of the meeting.

**Article 14** Notice of a shareholders' meeting shall:

- (1) be in writing;
- (2) specify the place, date, way and time of the meeting, and set out the voting time and voting procedures of the meeting (if any) for the online voting or other means of voting;
- (3) set out the matters and proposals to be considered at the meeting;
- (4) set out the record date for shareholders who are entitled to attend the shareholders' meeting;
- (5) provide shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be considered. This principle includes (but not limited to) where a proposal is made to amalgamate the Company with another, to repurchase shares, to reorganize the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal shall be explained in detail;
- (6) disclose the nature and degree of the material interest of any director, general manager and other senior management member in the matters to be considered. In case that the impact of the matters to be considered on such director, general manager and other senior management member as a shareholder is different from that on other holders of a class of shares, the difference shall be clarified;
- (7) set out the full text of any special resolution proposed to be passed at the meeting;

- (8) contain a conspicuous statement that a shareholder eligible for attending and voting is entitled to appoint one or more proxies to attend and vote on his/her behalf and that a proxy need not be a shareholder;
- (9) specify the time and place for lodging proxy forms for the relevant meeting;
- (10) name and telephone number of the contact person;
- (11) other requirements stipulated in 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 interval between the record date and the date of the meeting shall be no more than seven working days. Once the record date is confirmed, it shall not be changed. The notice of the shareholders' meeting convened by the Audit Committee or shareholders in accordance with the Rules shall be subject to the provisions of this Article.

**Article 15** Any notice and supplementary notice of shareholders' meetings shall sufficiently and completely disclose all the details of all proposals, as well as all the materials or explanations necessary for shareholders to make a reasonable judgment on the matters to be discussed.

**Article 16** Where the election of directors is proposed to be discussed at a shareholders' meeting, the notice of the shareholders' meeting shall sufficiently disclose the detailed information about the director candidate(s), including at least the following contents:

- (1) personal information including education background, work experience and part-time job;
- (2) whether he/she is connected (related) with the Company or its controlling shareholders and actual controller;
- (3) his/her shareholding in the Company;
- (4) whether he/she has received any penalty from the CSRC and other relevant authorities.

In addition to the adoption of the accumulative voting system, election of every director candidate shall be conducted by a separate resolution.

**Article 17** After the notice of the shareholders' meeting is issued, the shareholders' meeting shall not be postponed or cancelled, and the proposals set out in such notice shall not be cancelled without valid reasons. In case of postponement or cancellation, the convener shall publish a notice stating the relevant reasons at least two working days before the original date of the shareholders' meeting.

**Article 18** Unless otherwise specified in the Articles of Association, for the notice delivered by the Company to the shareholders of overseas listed H shares, if delivered by an announcement, the Company shall, through the electronic upload system of the Hong Kong Stock Exchange, submit an electronic version to it on the same day available for immediate publishing in accordance with the requirements of the listing rules of such place, to publish it on the website of the Hong Kong Stock Exchange. The announcement shall also be published on the Company's website at the same time, to facilitate that the shareholders are fully informed and have sufficient time to exercise their rights or act in accordance with the notice.

In respect of the manner in which the Company provides and/or distributes corporate communications to shareholders as required by the Hong Kong Listing Rules, subject to compliance with the relevant provisions of laws, regulations, regulatory documents and the securities regulatory rules in the place where the Company is listed, the Company is required to (1) send or otherwise make available the corporate communications to the relevant holders of its securities in electronic form, or (2) publish the corporate communications through the Company's website and the website of the Hong Kong Stock Exchange (the Company should indicate on its website how it adopts the manner described in (1) and/or (2) to publish the corporate communications).

The shareholders of overseas listed H shares of the Company may choose in writing to receive the corporate communications from the Company in electronic way or by post, in Chinese version or English version or both. Such shareholders may also notify the Company at a reasonable time in advance to change the way to receive the above-mentioned information and in which language in accordance with appropriate procedures.

Unless the context otherwise requires, the "announcement" referred to herein means the publication on the media that meet the conditions prescribed by the CSRC for the purpose of the announcement made to holders of domestic non-tradable shares or the announcement required to be published in the PRC according to the relevant provisions and the Articles of Association. In respect of the announcement sent to holders of overseas listed H shares of the Company or required to be sent in Hong Kong pursuant to relevant regulations and the Articles of Association, the announcement shall be issued in accordance with the requirements of the Hong Kong Listing Rules or other applicable regulations.

**Article 19** If a notice is delivered by post, it is only necessary to write down the address, prepay the post and put the notice into the envelope. The notice is deemed to be delivered when it is put into the mailbox and served in forty-eight hours afterwards.

**Article 20** Notwithstanding the preceding which specifies that the Company shall provide with and/or deliver the corporate communications (including notice of shareholders' meeting) in writing to the shareholders, with regards to the way to provide with and/or deliver the corporate communications to shareholders as required by the Hong Kong Listing Rules, if the Company has obtained the shareholders' written or implied consent in advance in accordance with relevant laws and regulations and the Hong Kong Listing Rules as amended from time to time, the Company may deliver or provide with the corporate communications to the shareholders of the Company by electronic way or



by way of announcement on the Company's website. The corporate communications include but not limited to: notice of shareholders' meeting, circular, annual report, interim report, quarterly report and other types of corporate communications provided by the Hong Kong Listing Rules.

**Article 21** The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the meeting and the resolutions passed at the meeting.

**Article 22** When considering a proposed resolution at a shareholders' meeting, no amendments shall be made thereto. Otherwise, any change made thereto shall be considered as a new proposed resolution, for which the voting shall not proceed in such shareholders' meeting.

#### **Chapter IV Holding of Shareholders' Meetings**

**Article 23** Save for an electronic meeting, the Company shall hold the shareholders' meeting at the domicile of the Company or such other place as notified by the convener of the shareholders' meeting. A shareholders' meeting shall have a venue where it shall be held in the form of a physical meeting or simultaneously through electronic communication means. Subject to the laws, regulations and mandatory provisions of the listing rules in the listing place, the Company may also provide other ways for the convenience of shareholders. Any shareholders who attend the shareholders' meeting through the above means in the aforesaid manners shall be deemed as present. On the premise of the lawfulness and validity of shareholders' meetings, the Company shall facilitate the participation of shareholders in shareholders' meetings by various means and ways, with priority first given to the modern information technology means, such as an online voting platform, etc.

**Article 24** Where a shareholders' meeting of the Company is held online or through other means, the voting time and voting procedures online or through other means shall be clearly stated in the notice of the shareholders' meeting. The commencing time of voting online or through other means of any shareholders' meeting shall not be earlier than 3:00 p.m. on the date preceding the convening of onsite shareholders' meeting and shall not be later than 9:30 a.m. on the convening date of onsite shareholders' meeting. Its conclusion time shall not be earlier than 3:00 p.m. on the conclusion date of onsite shareholders' meeting.

**Article 25** The board of directors and other conveners shall take necessary measures to ensure the good order of the shareholders' meeting, take measures to deter any act disturbing the meeting, picking quarrels and provoking troubles and infringing the legitimate rights and interests of any shareholder, and shall report in a timely manner such act to the relevant authority for investigation and punishment.

**Article 26** All shareholders or their proxies whose names appear on the register of shareholders on the shareholding record date are entitled to attend the shareholders' meeting and exercise their voting rights in accordance with the relevant laws, regulations and the Articles of Association.

**Article 27** Any shareholder (including Recognized Clearing House) who is entitled to attend and vote at a shareholders' meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his proxy to attend and vote on his/her behalf. A proxy so appointed shall exercise the following rights pursuant to such authorization:

- (1) exercise such shareholder's right to speak at the meeting;
- (2) the right to demand a poll alone or jointly with others;
- (3) unless otherwise required by applicable listing rules or other securities laws and regulations, the right to vote by a show of hands or on a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights on a poll. Votes may be cast by such means, electronic or otherwise, as the chairman of the meeting may determine.

Where that shareholder is a Recognized Clearing House (or its nominees), it may authorise one or more persons as it thinks fit to act as its proxies at any shareholders' meeting or any class meeting; however, if one or more persons are so authorised, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorised. The person(s) so authorised will be entitled to exercise the same power on behalf of the Recognized Clearing House (or its nominees) as if it was an individual shareholder of the Company.

**Article 28** The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorized in writing; if the appointer is a legal entity or other organisations, either under seal or under the hand of a director or attorney duly authorized. The power of attorney shall state the number of shares represented by the said proxy; in the case that more than one proxy is appointed, the instrument shall state the number of shares respectively represented by each proxy of the shareholder.

**Article 29** The proxy form shall be deposited at the address of the Company or another place specified in the notice of the meeting not less than 24 hours prior to the time appointed for the holding of the meeting or 24 hours prior to the time appointed for voting. Where the proxy form is signed by a person authorized by the appointer, the power of attorney or other authorisation instruments shall be notarised. The notarized power of attorney and other authorisation instruments, together with the proxy form, shall be lodged at the address of the Company or such other place as specified in the notice to the meeting. Where the appointer is a legal entity or other organisations, its legal representative or other persons authorized by the resolutions of the Board or other decision-making organs may attend the shareholders' meeting of the Company as a representative of the appointer, and exercise the right to speak and vote at the meeting. The shareholder who has appointed a proxy to attend the shareholders' meeting shall be deemed to be present in person. A person duly authorized by the shareholder may execute a proxy form on behalf of the shareholder.

The Company is entitled to require the proxy attending the shareholders' meeting on behalf of a shareholder to produce his identification document.

If a shareholder of the legal entity or other organisations appoints its representative to attend the meeting, the Company is entitled to require the representative to present his own identification document and a notarially certified copy of the resolution or power of attorney authorized by the Board of such shareholder of the legal entity or other organisations or other competent authorities (except for the Recognized Clearing House or its proxies).

**Article 30** Any form issued to a shareholder by the Board for appointing a proxy by him shall allow the shareholder to freely instruct the proxy to cast vote in favour of, against or abstain each resolution dealing with the businesses to be transacted at the meeting. Such a form shall contain a statement that, in default of instructions, the proxy may vote as he/she thinks fit.

**Article 31** A registration record for attendees at the meeting shall be compiled by the Company. The registration record shall contain items including but not limited to the names of attendants (or names of organizations), identity card numbers (or registration number), residential addresses, the number of voting shares held or represented and names of appointers (or name of organizations).

**Article 32** The convener and the lawyer shall jointly examine legality of the shareholders' qualifications according to the register of shareholders. The names of shareholders and the number of voting shares held 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 voting shares held.

**Article 33** Where the appointer has deceased, incapacitated to act, withdrawn the appointment or the power of attorney, or where the relevant shares have been transferred prior to the voting, a vote given in accordance with the power of attorney shall remain valid provided that no written notice of such event has been received by the Company prior to the commencement of the relevant meeting.

**Article 34** Where a shareholders' meeting requires directors and senior management members to attend the meeting as non-voting participants, directors and senior management members shall so attend the meeting and accept any inquiries from shareholders.

## **Chapter V Voting and Resolutions at Shareholders' Meetings**

**Article 35** Resolutions of shareholders' meetings are classified as ordinary resolutions and special resolutions. To adopt an ordinary resolution, more than half of the voting rights represented by the shareholders present at the meeting must be cast in favour of the resolution. To adopt a special resolution, not less than two-thirds of the voting rights represented by the shareholders present at the meeting must be cast in favour of the resolution.

**Article 36** Chairman of the meeting should announce the number of shareholders and proxies present at the venue of the meeting and the total shares with voting rights held by them, and the number of shareholders and proxies present at the venue of meeting and the shares with voting rights held by them shall be subject to the register of the shareholders' meeting.

**Article 37** Shareholders (including proxies) exercise their voting rights in accordance with the number of shares with voting rights represented by them, and each share entitles the shareholder one voting right upon voting at the shareholders' meeting, unless individual shareholders are required to waive their voting rights in respect of individual matter in accordance with the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 38** When the shareholders' meeting considers material matters that affect the interests of small and medium-sized investors, the votes of the small and medium-sized investors shall be counted separately. The results of separate vote counting shall be publicly disclosed in a timely manner.

**Article 39** The shares held by the Company carry no voting rights and shall not be counted into the total number of shares with voting rights held by shareholders attending the meeting.

The Board, independent non-executive directors and shareholders who meet the relevant conditions may solicit the voting rights from shareholders. When soliciting votes of shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being solicited. No consideration or other form of de facto consideration shall be involved in the solicitation of voting rights from shareholders. The Company shall not impose any limitation related to the minimum shareholding ratio on the solicitation of voting rights except under statutory conditions.

In the event that a shareholder is connected with a matter to be considered at a shareholders' meeting, connected shareholders shall abstain from voting on such connected transactions and the number of shares they represent carrying voting rights shall not be counted into the valid votes.

Where any shareholder is, under the applicable laws and regulations, departmental rules and listing rules and regulatory requirements of the place where the Company's shares are listed, required to abstain from voting on any particular resolution or restricted to voting only for (or only against) any particular resolution at any shareholders' meeting, any votes cast by such shareholder (or their proxies) in contravention of such requirement or restriction shall not be counted.

**Article 40** In addition to the cumulative voting system, the shareholders' meeting shall resolve on all the proposed resolutions separately; in the event of several proposed resolutions for the same issue, such proposed resolutions shall be voted on and resolved in the order of time at which they are submitted. Unless the shareholders' meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposed resolutions shall neither be put aside nor denied at the shareholders' meeting.

**Article 41** All shareholders registered on the record date of the shareholders' meeting are entitled to exercise their voting rights through on-site voting or other voting methods in compliance with the regulations. The Company provides the means of electronic voting, but the same voting right can only be exercised in only one form of the on-site voting, internet or other voting methods. Where the same voting right is exercised more than once, the voting result of the first time shall prevail.

**Article 42** Shareholders attending the shareholders' meeting shall provide one of following opinions on proposals submitted for voting: for, against or abstain. Except for the case where the securities registration and clearing institution, as the nominal holders of shares subject to Mainland China-Hong Kong Stock Markets Connect Program, has made the declaration in accordance with the actual holder's intention. Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstain".

**Article 43** Before the relevant proposed resolution is voted on at the shareholders' meeting, two shareholders representatives shall be elected to take part in counting the votes and scrutinizing the conduct of the poll.

Any shareholder who is connected with the matter under consideration and such shareholder and his/her proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.

When votes are cast on proposals at the shareholders' meeting, the lawyers and shareholder representatives shall be jointly responsible for counting and scrutinizing votes and shall announce the voting results at the meeting. The voting result shall be recorded in the meeting minutes.

Shareholders of the Company or their proxies, who have cast their votes by online voting or other voting methods, shall have the right to check the voting results in the way in which they have cast their votes.

**Article 44** The on-site meeting of a shareholders' meeting shall end no earlier than the time of the network or other means, and the chairman of the meeting shall announce the voting status and result of each proposal at the on-site meeting and announce whether the proposal is passed or not based on the voting result.

Prior to the formal announcement of the voting results, the Company, the teller, the scrutineer, the shareholders, the network service provider and other relevant parties involved in the on-site, online and other voting methods of the shareholders' meeting shall be under an obligation of confidentiality with respect to the voting situation.

**Article 45** The list of candidates for directors shall be submitted to the shareholders' meeting for voting by way of a proposal. The Board shall inform the shareholders of the biographies and basic information of the candidates for directors in the notice of the shareholders' meeting. The cumulative voting system may be adopted for the election of directors at the shareholders' meetings according to the requirement of the Articles of Association or as resolved by the shareholders' meeting. Cumulative voting shall be adopted for the election of more than two independent non-executive directors at a shareholders' meeting.

The cumulative voting system referred to in the preceding paragraph means that when directors are elected at the shareholders' meeting, each Share held by a shareholder (including its proxies) has the same number of voting rights as the number of directors. The shareholders can cast all his/her votes to one person in a centralized manner, or they can cast his/her votes to several persons in a distributed manner, but the shareholders shall make an explanation on the allocation of the voting rights.

**Article 46** The following matters shall be resolved by an ordinary resolution at a shareholders' meeting:

- (1) work report of the Board;
- (2) annual profit distribution plans and loss recovery plans formulated by the Board;
- (3) appointment and removal of members of the Board and the method of their remuneration and payment;
- (4) employment, termination or non-reappointment of accounting firms and their remuneration;
- (5) matters other than those which require the approval by way of special resolution in accordance with the laws, administrative regulations, the listing rules of the stock exchange where the shares of the Company are listed or the Articles of Association.

**Article 47** The following matters shall be resolved by special resolutions at a shareholders' meeting:

- (1) increase or reduction of the registered capital of the Company;
- (2) demerger, merger, dissolution, liquidation or change of corporate form of the Company;
- (3) amendments to the Articles of Association;
- (4) equity incentive scheme;
- (5) material assets purchased or sold or the provision of guarantees to others by the Company within one year in an amount exceeding 30% of the latest audited total assets of the Company;
- (6) any other matter required by laws, administrative regulations or the Articles of Association, approved as an ordinary resolution at a shareholders' meeting that may have material impact on the Company and is required to be approved by a special resolution.

**Article 48** At the annual shareholders' meeting, the Board shall make a report to the shareholders' meeting on their work in the past year. Each independent non-executive director shall also make a report on his/her duties.

**Article 49** Directors and senior management shall provide explanations and clarifications on shareholders' queries at the shareholders' meeting.

**Article 50** If the chairman of the meeting has any doubt as to the result of a resolution which has been put to vote, he/she may have the votes counted. If the chairman of the meeting has not counted the votes, any shareholder, who is present in person or by proxy and objects to the result announced by the chairman of the meeting, may, immediately following announcement of the result, demand that the votes be counted and the chairman of the meeting shall forthwith have the votes counted.

**Article 51** If votes are counted at a shareholders' meeting, the result of the count shall be recorded in the minutes.

The minutes together with shareholders' attendance lists and proxy forms shall be kept at the Company's domicile. The aforesaid minutes, attendance lists and proxy forms shall not be destroyed for at least ten years.

**Article 52** The contents of the resolutions of the shareholders' meeting shall comply with the laws, administrative regulations and the provisions of the Articles of Association. The authorized drafter of a resolution at a shareholders' meeting shall faithfully perform his/her duties to ensure that the contents of the draft resolution are true, accurate and complete, and shall not use expressions that may easily give rise to ambiguities.

Resolutions of a shareholders' meeting shall be announced in a timely manner, and the announcement shall set out the number of shareholders and proxies attending the meeting, the total number of shares with voting rights held by them and the proportion to the total number of shares with voting rights of the Company, the manner of voting, as well as the results of the voting on each of the motions and details of each of the resolutions passed.

Where a resolution is made on a shareholder's proposal, the name of the shareholder making the proposal, the proportion of shares held and the content of the proposal shall be set out. If a proposal is not passed, or if a resolution of the previous shareholders' meeting is changed at this shareholders' meeting, a special reminder shall be made in the announcement of the resolution of the shareholders' meeting.

**Article 53** The convenor shall ensure that the shareholders' meeting is held consecutively until a final resolution is formed. In the event that a shareholders' meeting is suspended or a resolution cannot be reached due to force majeure or other special reasons, necessary measures shall be taken to resume the convening of the shareholders' meeting as soon as possible or to terminate the current shareholders' meeting directly, and a timely announcement shall be made.

**Article 54** Copies of the meeting minutes shall, during business hours of the Company, be open for inspection by any shareholder without charge. If a shareholder demands from the Company a copy of such minutes, the Company shall send a copy to him/her within seven days following the receipt of reasonable charges.

## **Chapter VI Minutes of Shareholders' Meetings**

**Article 55** Minutes of the shareholders' meetings shall be taken by the secretary of the Board. The minutes shall contain the following information:

- (1) the time, place, manner, agenda and the name of the convenor of the meeting;
- (2) the name of the presiding officer, the directors and senior management attending or present at the meeting;
- (3) the number of shareholders and the shareholders' proxies attending the meeting, the total number of shares with voting rights held by them and the proportion to the total number of shares of the Company;
- (4) the deliberation process, main points of speeches and voting results of each proposal;
- (5) shareholders' comments or suggestions on the proposals and the corresponding replies or explanations;
- (6) the names of the legal advisors, the tellers and scrutineers of the votes;
- (7) other contents that should be included in the minutes of the meeting as stipulated in the Articles of Association.

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

## **Chapter VII Enforcement of Resolutions of Shareholders' Meetings**

**Article 56** Resolutions of the shareholders' meeting shall be organized and implemented by the Board and assigned to the management of the Company in accordance with the contents of the resolutions and the division of responsibilities.

**Article 57** The general manager shall report to the Board on the implementation of the resolutions of the shareholders' meeting, and the Board shall report to the next shareholders' meeting.

**Article 58** The chairman of the Board of the Company shall supervise and inspect the implementation of the resolutions of the shareholders' meeting, and may, if necessary, convene an extraordinary meeting of the Board to receive and consider reporting on the implementation of the resolutions of the shareholders' meeting.



**Article 59** If a proposal for the election of directors is adopted at a shareholders' meeting, the new directors shall take office on the date when the resolution of the shareholders' meeting becomes effective.

**Article 60** In the event that the shareholders' meeting approves a proposal for cash distribution, stock dividends or capitalization of capital surplus, the Company will implement the specific plan within 2 months after the shareholders' meeting.

**Article 61** The controlling shareholders and actual controllers of the Company shall not restrict or hinder medium and small investors to exercise voting rights according to laws and harm the legitimate rights of the Company as well as medium and small investors.

**Article 62** If the content of a resolution at a shareholders' meeting of the Company violates any laws or administrative regulations, such resolution is invalidated. If the procedure for convening or the method of voting at a shareholders' meeting violates any laws, administrative regulations or the Articles of Association, or if the content of a resolution breaches the Articles of Association, a shareholder may file a petition with the people's court to revoke such resolution within 60 days from the date on which the resolution was passed; however, this does not apply if there are only minor flaws in the meeting convening procedures or voting methods of the shareholders' meeting that have no substantial impact on the resolution.

In the event of disputes between the Board, shareholders and other relevant parties regarding the qualifications of the convenor, the convening procedures, the legality of the contents of the proposal, and the validity of the resolution of the shareholders' meeting, such disputes shall be brought to the people's court in a timely manner. Before the people's court makes a judgment or ruling to revoke the resolution, the relevant parties shall execute the resolution of the shareholders' meeting. The Company, its directors and senior management shall fulfill their duties and execute the resolution of the shareholders' meeting in a timely manner to ensure the normal operation of the Company.

Where the people's court has made a judgment or ruling on a relevant matter, the Company shall fulfill its information disclosure obligations in accordance with the laws, administrative regulations, the requirements of the CSRC and the stock exchange, fully explaining the impact and actively cooperating with the execution of the judgment or ruling after it has taken effect. Where corrections to prior events are involved, they shall be handled in a timely manner and the corresponding information disclosure obligations shall be fulfilled.

## **Chapter VIII Supplementary Rules**

**Article 63** The Rules, as an annex to the Articles of Association, shall come into effect upon consideration and approval at the shareholders' meeting and shall be implemented on the effective date, and shall become a legally binding document regulating the organization and conduct of the Company's shareholders' meeting, and regulating the rights and obligations of shareholders of the Company.

**Article 64** The Company shall amend the Rules under any of the following circumstances:

- (1) in the event that the Company Law or relevant laws, administrative regulations or the Articles of Association are amended, the matters set out in the Rules conflict with the amended laws, administrative regulations or the provisions of the Articles of Association;
- (2) the shareholders' meeting decided to amend the Rules.

**Article 65** The amendments to the Rules shall be determined at the shareholders' meetings and the draft amendments shall be prepared by the Board with authorisation granted by the shareholders' meetings. The draft amendments are subject to the approval at the shareholders' meetings.

**Article 66** The words "above" and "within" in the Rules include the underlying number; "over", "exceeding", "less than" and "more than" do not include the underlying number.

**Article 67** The Rules shall be interpreted by the Board.

**Article 68** For matters not covered in the Rules or inconsistent with the provisions of laws, administrative regulations, the listing rules of places where shares of the Company are listed and the Articles of Association, the provisions of the laws, administrative regulations, the listing rules of places where shares of the Company are listed and the Articles of Association shall prevail.