

**Nanjing Leads Biolabs Co., Ltd.**  
**南京维立志博生物科技股份有限公司**

**ARTICLES OF ASSOCIATION**

**(Applicable upon the issuance of H Shares)**  
**August 2025**

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## CHAPTER 1 GENERAL PROVISIONS

**Article 1** These Articles are formulated in accordance with the Company Law of the PRC (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), Guidelines for the Articles of Association of Listed Companies, Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (hereinafter referred to as the “Trial Administrative Measures”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) and other relevant laws, regulations, departmental rules, normative documents, and relevant requirements of the securities regulatory authorities and stock exchanges in the place where the shares of the Company are listed, and based on the actual situation of the Company in order to meet the needs of establishing a modern corporate system, safeguard the organization and behavior of Nanjing Leads Biolabs Co., Ltd. (hereinafter referred to as the “Company”), and safeguard the legitimate rights and interests of the Company, shareholders, employees and creditors.

**Article 2** The Company is a joint stock limited company established in accordance with the Company Law and relevant provisions of any other laws, regulations and normative documents.

On the basis of Nanjing Leads Biolabs Co., Ltd. (南京维立志博生物科技有限公司), the Company was established by means of promotion with overall alteration in accordance with the laws. The Company has been registered with the Nanjing Market Supervision Administration and obtained the business license, and the unified social credit code is: 91320105057957145W.

**Article 3** The Company completed the filing with the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) on May 30, 2025 and was listed on the main board of the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”) on July 25, 2025.

**Article 4** The registered name of the Company: 南京维立志博生物科技股份有限公司 and its English name: Nanjing Leads Biolabs Co., Ltd..

**Article 5** The domicile address of the Company: Building 05, Accelerator IV, No. 122 Huakang Road, Jiangbei New District, Nanjing; Zip Code: 210031.

**Article 6** The registered capital of the Company: RMB198,891,800.

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

**Article 8** The legal representative of the Company shall be the director who represents the Company to carry out the Company’s affairs, and shall be elected by the board of directors. The resignation of a director who holds the position of the legal representative shall be deemed to be the resignation of the legal representative at the same time. If the legal representative resigns, the Company shall designate a new legal representative within 30 days from the date of resignation of the legal representative.

**Article 9** All assets of our Company shall be divided into equal shares. The shareholders' liabilities to our Company are limited to the shares subscribed by them, the liability of the Company to its debts are limited to all its assets.

**Article 10** The Articles of Association of the Company comes into effect from the date of listing and trading of the H shares of the Company on the Hong Kong Stock Exchange upon consideration and approval at the shareholders' meeting of the Company. The original Articles of Association of the Company automatically ceases to be valid from the valid date of the Articles of Association of the Company. These Articles shall become a legally binding document governing the organization and conduct of our Company, and the rights and obligations between our Company and its shareholders and among shareholders since its effective date, and shall constitute a legally binding document governing on our Company, its shareholders, directors, supervisors, and senior management. According to these Articles, any shareholder may bring a lawsuit against another shareholder, and any shareholder may bring a lawsuit against a director, a supervisor, the general manager and other senior management of the Company, any shareholder may bring a lawsuit against our Company, and our Company may bring a lawsuit against any shareholder, director, supervisor, the general manager and other senior management.

**Article 11** Other senior management as referred in these Articles refers to the deputy general manager of the Company (employed according to the needs of the Company), Chief Financial Officer (i.e. the person in charge of finance, same interpretation hereinafter), the secretary of the board of directors and other senior management appointed by the board of directors.

**Article 12** In accordance with the provisions of the Constitution of the Communist Party of China, the Company shall establish a Communist Party organization and carries out Party activities. The Company shall provide necessary conditions for the activities of the Party organization.

**Article 13** The Company may, according to its needs, establish subsidiaries, branches or representative offices within or outside the territory of China in accordance with the laws of China and the provisions of these Articles.

## **CHAPTER 2 BUSINESS OBJECTIVE AND SCOPE**

**Article 14** The business object of the Company is to become a world-class pharmaceutical research and development and manufacturing enterprise.

**Article 15** As registered in accordance with the laws, the business scope of the Company covers: "Permitted items: drug manufacturing; entrusted manufacturing of drugs; drug retail; Internet information service of drugs; drug wholesale; drug import and export (for items that must be approved in accordance with the laws, the operating activities can only be carried out with the approval of relevant departments, and the specific items of the operation are subject to the approval). General items: research and development and application of cell technology; science and technology promotion and application services; medical research and test development (excluding human stem cells, gene diagnosis and treatment technology development and application); technology services, technology development, technology consultation, technology exchange, technology transfer, technology promotion; conference and exhibition services; health consultation services (excluding diagnosis and treatment services); making investments with its own funds; import and export of goods; import and export of technology (except for items that must be approved according to the laws, operating activities are carried out independently in accordance with the laws and its business licenses)"

## **CHAPTER 3    SHARES**

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

**Article 16** The capital of our Company shall be divided into shares. The shares of our Company shall be in the form of share certificates. The share certificates of our Company shall be in registered form. In addition to those required by the Company Law, the matters to be set out in the share certificates of our Company also include those required by the stock exchange where the shares of the Company are listed.

**Article 17** Shares of the Company shall be issued in an open, fair and impartial manner, and each share of the same class has the same rights. The overseas listed shares issued by the Company may be in any other derivative forms such as depository receipts or depository stocks in accordance with the laws of the place where the shares of the Company are listed and the practice of securities registration and depository. If the share capital of the Company includes non-voting shares, the words “non-voting” shall be added to the name of those shares. Alteration of the rights attached to a class of shares is subject to the approval of at least two-thirds of the voting right of the shareholders who hold such class shares with relevant rights to be present at the class shareholders’ meeting and have the voting rights to alter the rights of such class shares.

Shares issued at the same time and within the same class must be issued on the same conditions and at the same price for each share; the subscriber shall pay the same price for each share of the same class issued at the same time for which it/he/she subscribes for.

**Article 18** The par value of the shares issued by the Company is denominated in RMB, and the par value of each share is equal to RMB1.

**Article 19** Among the shares issued by the Company, the regulatory rules of the overseas listing place are applicable to the registration and settlement arrangements for the overseas listed shares; the domestic unlisted shares are deposited in the China Securities Depository and Clearing Co., Ltd. on a collective basis.

**Article 20** Shareholders who hold domestic unlisted shares of the Company and apply to convert their domestic unlisted shares into overseas listed shares for listing and circulation on the Hong Kong Stock Exchange shall comply with relevant provisions of the CSRC, and entrust the Company to file with the CSRC. Shareholders’ application of converting their domestic unlisted shares into overseas listed shares for listing and circulation on the Hong Kong Stock Exchange is not subject to the approval of a shareholders’ meeting.

The overseas listed shares as mentioned above refer to the overseas listed shares issued by the Company to overseas investors for subscription in foreign currency and overseas listing (hereinafter referred to as “H shares” or “overseas listed shares”); The domestic unlisted shares as mentioned above refer to the shares issued by the Company but not listed or listed for trade on a domestic or overseas exchange.

**Article 21** At the time of establishment of the Company, the name of each promoter and the number of shares being subscribed for, and the method of capital contribution are as follows:

No.	Name of promoter	Number of shares subscribed for (ten thousand shares)	Proportion of capital contribution	Method of capital contribution
1.	XIAOQIANG KANG	787.4617	5.2497%	Net assets
2.	DONGCHENG LU	702.3307	4.6822%	Net assets
3.	SHOUPENG LAI	638.4821	4.2565%	Net assets
4.	Shanghai Zhuangzhong Venture Investment Co., Ltd.	394.1250	2.6275%	Net assets
5.	CCBI Venture Capital Shenzhen Co., Ltd	227.5954	1.5173%	Net assets
6.	Guangdong Bozi Tongze No. 1 Equity Investment Partnership (Limited Partnership)	166.5296	1.1102%	Net assets
7.	Nanjing Lizhi Management & Consulting Center (Limited Partnership)	1,284.5442	8.5636%	Net assets
8.	Beijing Hankang Jianxin Venture Investment Co., Ltd.	397.4369	2.6496%	Net assets
9.	Nanjing Jieyuan Growth Venture Capital Partnership (Limited Partnership)	397.4369	2.6496%	Net assets
10.	Nanjing Kaitai Venture Investment Partnership Enterprise (Limited Partnership)	264.9579	1.7664%	Net assets
11.	Beijing Chongshan Yuanwei Investment Center (Limited Partnership)	326.1914	2.1746%	Net assets
12.	Nanjing Jingyong Medical Health Venture Investment Fund Partnership Enterprise (Limited Partnership)	158.9744	1.0598%	Net assets
13.	Suzhou Jianxin Hankang Venture Investment Partnership Enterprise (Limited Partnership)	685.3584	4.5691%	Net assets
14.	Nanjing Ennovation Raylight Venture Capital Partnership (Limited Partnership)	590.1290	3.9342%	Net assets
15.	Kunming High-tech Nuotai Big Health Industry Investment Partnership Enterprise (Limited Partnership)	346.9379	2.3129%	Net assets
16.	Hangzhou Hofon Heyi Investment Management Partnership Enterprise (Limited Partnership)	86.7343	0.5782%	Net assets
17.	Ningbo Huaige Gongxin Venture Investment Partnership Enterprise (Limited Partnership)	461.1383	3.0743%	Net assets

<b>No.</b>	<b>Name of promoter</b>	<b>Number of shares subscribed for (ten thousand shares)</b>	<b>Proportion of capital contribution</b>	<b>Method of capital contribution</b>
18.	Nanjing Jiangbei Medical Innovation Industry Fund (Limited Partnership)	481.7264	3.2115%	Net assets
19.	Wuhan Hofon Jianmin Yichao Investment Partnership Enterprise (Limited Partnership)	122.1511	0.8143%	Net assets
20.	Nanjing Qiruiyoukang Venture Capital Partnership (Limited Partnership)	305.3782	2.0359%	Net assets
21.	Shanghai Guohong Zhiyan Venture Investment Partnership Enterprise (Limited Partnership)	366.4534	2.4430%	Net assets
22.	Xinyu City Shangrun Investment Partnership Enterprise (Limited Partnership)	183.2271	1.2215%	Net assets
23.	Nanjing Jiangbei High-tech Industrial Development Equity Investment Fund (Limited Partnership)	122.1511	0.8143%	Net assets
24.	Jiaxing Minglang No. 2 Equity Investment Fund Partnership Enterprise (Limited Partnership)	183.2271	1.2215%	Net assets
25.	KPC Pharmaceuticals, Inc.	244.3022	1.6287%	Net assets
26.	Ningbo Lan Hui Investment Management Partnership Enterprise (Limited Partnership)	122.1511	0.8143%	Net assets
27.	New Hope Medical Health Nanjing Investment Center (Limited Partnership)	566.2889	3.7753%	Net assets
28.	Gongqingcheng Jiuyou Shengrui Investment Management Partnership Enterprise (Limited Partnership)	118.4865	0.7899%	Net assets
29.	Gongqingcheng Jiuyou Shenghui Investment Management Partnership Enterprise (Limited Partnership)	125.8157	0.8388%	Net assets
30.	Loyal Valley Capital Advantage Fund III LP	999.1770	6.6612%	Net assets
31.	Shanghai Leyong Investment Partnership Enterprise (Limited Partnership)	199.8356	1.3322%	Net assets
32.	Gongqingcheng Ruiji Phase V Investment Partnership Enterprise (Limited Partnership)	133.2237	0.8882%	Net assets
33.	Hangzhou Yuhang Longpan Health Medical Equity Investment Fund Partnership Enterprise (Limited Partnership)	466.2821	3.1085%	Net assets
34.	Shenzhen Capital Group Co., Ltd.	166.5296	1.1102%	Net assets
35.	Shenzhen Hongtu Medical Health Industry Equity Investment Fund Partnership (L.P.)	166.5296	1.1102%	Net assets



<b>No.</b>	<b>Name of promoter</b>	<b>Number of shares subscribed for (ten thousand shares)</b>	<b>Proportion of capital contribution</b>	<b>Method of capital contribution</b>
36.	AJS Alphatech Limited	213.1578	1.4211%	Net assets
37.	Yellow River Delta Rongchang (Yantai) Venture Capital Partnership Enterprise (Limited Partnership)	199.8356	1.3322%	Net assets
38.	Xiamen Dyee Evergreen Venture Investment Partnership Enterprise (Limited Partnership)	333.0584	2.2204%	Net assets
39.	Truman Enterprises (Hong Kong) Limited	133.2237	0.8882%	Net assets
40.	Nanjing Enjie Venture Capital Partnership (Limited Partnership)	133.2237	0.8882%	Net assets
41.	Jiaxing Tongren Hefu Equity Investment Partnership Enterprise (Limited Partnership)	133.2237	0.8882%	Net assets
42.	Hankang Small and Medium Enterprises Development Fund (Weifang) Partnership Enterprise (Limited Partnership)	199.8356	1.3322%	Net assets
43.	Xinyu City Xinguolu Investment Partnership Enterprise (Limited Partnership)	66.6110	0.4441%	Net assets
44.	Jingning Huaige Ruixin Venture Investment Partnership Enterprise (Limited Partnership)	166.5296	1.1102%	Net assets
45.	LEADSBIO LIMITED	240.0000	1.6000%	Net assets
46.	LEADSTECH LIMITED	192.0004	1.2800%	Net assets
<b>Total</b>		<b>15,000.0000</b>	<b>100.0000%</b>	<b>–</b>

**Article 22** The total number of shares of the Company is 198,891,800, all of which are ordinary shares.

**Article 23** The share capital structure of the Company will consist of 198,891,800 ordinary shares, comprising 45,613,109 unlisted shares and 153,278,691 H shares.

**Article 24** The Company shall not provide grants, loans, guarantees and other financial assistance for others to acquire shares of the Company or the parent company thereof, except for the implementation of an employee stock ownership plan.

For the benefits of the Company, the Company may, upon a resolution by the shareholders' meeting or by the board of directors under these Articles or the authorization of the shareholders' meeting, provide financial aids for others to obtain the shares of the Company or the parent company thereof, provided that the total accumulative amount of the financial aids shall not exceed 10% of the total issued registered capital. A resolution by the board of directors shall be adopted by more than two-thirds of all the directors.

If any violation of the preceding two paragraphs causes losses to the Company, the directors, supervisors and senior management who bear the liability shall be liable for the damages.

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

**Article 25** Based on its operating and development needs, the Company may, pursuant to the laws and regulations and with the approval by resolution at the shareholders' meeting, increase stock capital by the following means:

- (I) issuing shares in a public offering;
- (II) issuing shares via a private placement;
- (III) giving bonus shares to existing shareholders;
- (IV) converting reserve funds into shares;

(V) other means approved by the laws, the administrative regulations and relevant regulatory authorities such as the securities regulatory authorities and the stock exchange of the place where the shares of our Company are listed.

If the Company is to increase its capital by an offering of new shares, it shall do so by the procedure provided for in relevant state laws, the administrative regulations and the Hong Kong Listing Rules after such increase has been approved in accordance with these Articles.

**Article 26** The Company may decrease its registered capital. Any reduction in the registered capital of the Company shall comply with the procedures stipulated in the Company Law, other related regulations and these Articles.

**Article 27** The Company may not purchase its shares other than for one of the following purposes:

- (I) to reduce the Company's registered capital;
- (II) to merge with another company that holds shares of the Company;
- (III) to grant its shares for carrying out an employee stock ownership plan or equity incentive plan;
- (IV) to request our Company to buy back its shares from shareholders who vote against any resolutions adopted at the shareholders' meeting concerning the merger and division of our Company;
- (V) to apply shares for conversion into corporate bonds issued by our Company which is convertible to stock;
- (VI) necessary for our Company to maintain our Company's value and shareholders' equity;
- (VII) other circumstances as permitted by the laws, the administrative regulations, department rules, the regulatory rules of the place where the Company's shares are listed.

**Article 28** The Company may purchase its own shares through centralized public trading, or through any other means accepted by the laws, the administrative regulations, the regulatory rules of the place where the Company's shares are listed, the securities regulatory authorities, stock exchanges and other relevant regulatory authorities.

Where the Company purchases its own shares under any of the circumstances specified in items (III), (V) and (VI) of paragraph 1 under Article 26 of these Articles, centralized public trading shall be used, provided that the requirements of the Hong Kong Listing Rules and the regulatory rules and guidelines of the Hong Kong Stock Exchange are complied with.

The purchase by the Company of its own shares under any of the circumstances specified in items (I) and (II) of paragraph 1 under Article 26 of these Articles shall be subject to resolution passed by the shareholders' meeting. The purchase by the Company of its own shares under any of the circumstances specified in items (III), (V) and (VI) of paragraph 1 under Article 26 of these Articles shall be subject to a board resolution approved by more than two-thirds of directors attending the board meeting in accordance with the provisions of these Articles or as authorized by the shareholders' meeting.

After the Company purchases its own shares pursuant to the provisions of Paragraph 1 under Article 26 of these Articles, such shares shall be cancelled within ten days from the date of repurchase under the circumstance as referred to in item (I); such shares shall be transferred or cancelled within six months under the circumstances as referred to in items (II) and (IV); the aggregate number of shares held by the Company shall not exceed 10% of the Company's total issued shares and such shares shall be transferred or cancelled within three years under the circumstance as referred to in items (III), (V) and (VI).

Where the laws and regulations, normative documents and relevant requirements of the securities regulatory authorities and the stock exchanges in the place where the Company's shares are listed have any other provisions on matters related to share repurchase, such provisions prevail.

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

**Article 29**    Shares held by the shareholders of the Company may be transferred to other shareholders or to individuals other than the shareholders. After the transfer, the Company shall enter the name and the address of the transferee in the register of members.

**Article 30**    All the fully paid-up H shares are freely transferable pursuant to these Articles. However, the board of directors may refuse to recognize any instrument of transfer without giving any reason thereof, unless:

- (I)    the instrument of transfer involves only the H shares;
- (II)    the stamp duty payable on the instrument of transfer has been paid;
- (III)    the relevant share certificates and evidence reasonably required by the board of directors showing that the transferor has the right to transfer such shares shall be provided;
- (IV)    the relevant shares are free of any lien in favor of the Company; and
- (V)    no transfer shall be made to minors or persons of unsound mind or others under legal disability.

Where the board of directors refuses to register the transfer of shares, the Company shall give the transferor and transferee a notice of refusal to register the transfer of shares within two months from the date of the formal application for transfer. All transfers of the Company's H shares shall be effected by instruments of transfer in writing in an ordinary or usual form or in any other form acceptable to the board of directors (including the standard transfer format or transfer form as prescribed by the Hong Kong Stock Exchange from time to time). The written instrument of transfer may be signed by hand or affixed with a valid seal of the corporation (if the transferor or transferee is a corporation). If the transferor or the transferee is a recognized clearing house (hereinafter referred to as the "Recognized Clearing House") or proxy thereof as defined by relevant provisions of the Hong Kong laws in force from time to time, the written instrument of transfer may be signed under hand or by machine-printed signature.

All the instruments of transfer are required to be maintained at the legal address of the Company or such other address as the board of directors may specify from time to time.

**Article 31** The Company shall not accept its own shares as the subject matter of pledge.

**Article 32** Shares issued by the Company prior to the public issuance of shares shall not be transferred within one year from the date on which the shares of the Company are listed on a stock exchange. Where the laws, the administrative regulations or the securities regulatory authorities have any other provisions for the transfer of shares of the Company held by shareholders or actual controllers of the Company, such provisions prevail.

Directors, supervisors and the senior management of the Company shall declare to the Company their shareholdings in the Company and any changes of such shareholdings; they shall not transfer more than 25% of all the shares they hold in the Company annually during their term of office as determined at the time of his/her assumption of office; and they shall not transfer the shares they hold in the Company within one year from the date on which the Company's shares are listed and traded. The aforesaid persons are not allowed to transfer their shares of the Company within half a year from the date of their resignation.

Where the relevant provisions of the securities regulatory authorities and stock exchanges in the place where the Company's shares are listed have any other provisions for restrictions on the transfer of overseas listed shares, such provisions prevail.

Where the shares are pledged within the period of restriction on transfer prescribed by the laws or the administrative regulations, the pledgee is not allowed to exercise the pledge right within such period of restriction.

**Article 33** Where the Company's directors, supervisors, the senior management or shareholders who hold more than 5% of the Company's shares sell the Company's shares or any other securities that are equity in nature which they hold within six months after the date of purchase or repurchases them within six months after the date of sale, the proceeds received therefrom shall belong to the Company, and the board of directors of the Company is entitled to recover such proceeds, except where a securities company, Hong Kong Securities Clearing Company Limited or HKSCC Nominees Limited holds more than 5% of the shares due to its purchase of any unsubscribed shares in an underwriting transaction, or for other circumstances stipulated by the securities regulatory authorities, stock exchanges and any other relevant regulatory authorities in the place where the Company's shares are listed.

The shares or any other securities that are equity in nature referred to in the preceding paragraph held by directors, supervisors, the senior management and natural person shareholders include those held by their spouses, parents and children, as well as those held through other parties' accounts.

In the event that the board of directors of the Company fails to comply with the provisions of paragraph 1 under this Article, the shareholders have the right to demand the board of directors to take action within 30 days. If the board of directors of the Company fails to take action within such time limit, the shareholders are entitled to institute proceedings in their own names at the people's court for the benefit of the Company.

In the event that the board of directors of the Company fails to comply with the provisions of paragraph 1 under this Article, the directors who are responsible for the matter shall assume joint liability under the laws.

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

### **Section 1 Shareholders**

**Article 34** The Company shall establish a register of members based on the vouchers provided by securities registries. The register of members shall be the sufficient evidence proving the shareholders' holding of our Company's shares. Shareholders enjoy rights and assume obligations according to the class of shares held by him/her; shareholders who hold shares of the same class enjoy equal rights and assume equal obligations.

The Company's register of members records the following particulars, or record the registration of the members in accordance with the laws, the administrative regulations, departmental rules and the Hong Kong Listing Rules: (I) the name, address (place of domicile), occupation or capacity of each shareholder; (II) the class and number of the shares held by each shareholder; (III) the amount paid-up or payable in respect of the shares held by each shareholder; (IV) the serial numbers of the shares held by each shareholder; (V) the date on which each shareholder was registered as a member; (VI) the date on which each shareholder ceased to be a member. Unless there is evidence to the contrary, the register of members shall be the sufficient evidence proving the shareholders' holding of our Company's shares. Subject to compliance of these Articles and any other applicable provisions, once the shares of the Company are transferred, the name of the transferee shall be entered into the register of members as holder of such shares.

Assignment or transfer of shares shall be registered in the register of members. The Company may, in accordance with the understandings and agreements entered into between the competent securities authority under the State Council and overseas securities regulatory authorities, maintain its register of members of overseas listed shares outside the PRC and entrust an overseas agent/agents to manage such register(s). The original register of members of overseas listed shares listed in Hong Kong shall be kept in Hong Kong. The Company shall keep at its premise a copy of the register of members of overseas listed shares; the entrusted overseas agent(s) has/have the duty to always ensure that the original register of members of overseas listed shares and the copies thereof are consistent. Where the original and duplicated registers of members of overseas listed shares are inconsistent, the original register prevails.

The Company shall keep a complete register of members which includes the following: (I) the register of members that is maintained at the premise of the Company, other than those mentioned in items (II), (III) of this Article; (II) the register of members of the overseas listed shares kept at the place of the overseas stock exchange on which the Company is listed; (III) the register of members kept at any other places as determined by the board for the need of listing of the Company's shares.

Different parts of the register of members must not overlap with each other. The transfer of shares registered in one part of the register of members must not be registered in other parts during the duration of the registration of such shares. Change or rectification of any parts of the register of members shall be made in accordance with the laws of the places where that parts of the register of members are maintained.

**Article 35** When the Company convenes a shareholders' meeting, distributes dividends, conducts liquidation or is engaged in any other acts requiring the identification of shareholders, the board of directors or the convener of the shareholders' meeting shall determine the record date. The shareholders whose names appear on the register of members after the trading hours of the record date are those entitled to relevant rights and interests. Where the laws, the administrative regulations, departmental rules, normative documents and the stock exchanges or regulatory authorities of the place where the Company's shares are listed stipulate on the period of closure of the share transfer registration procedures, such provisions prevail.

No changes in the register of members may be made within 20 days before the date of a shareholder's meeting or within 5 days before the record date for the Company's distribution of dividends. However, where the laws, the administrative regulations or securities regulatory authorities have any other provisions for the change in the register of members, such provisions prevail.

**Article 36** The rights of the Company's shareholders are as follows:

(I) to receive distribution of dividends and other forms of benefits in proportion to the number of shares held;

(II) to demand, convene, preside, attend or appoint proxies to attend the shareholders' meetings lawfully and to exercise corresponding voting rights;

(III) to supervise the business operations of the Company, provide suggestions or submit queries;

(IV) to transfer, grant or pledge the Company's shares held according to the provisions of the laws, the administrative regulations and these Articles;

(V) to inspect and copy these Articles, register of members, minutes of shareholders' meetings, resolutions of the meetings of the board of directors and the board of supervisors, and financial and accounting reports. Where the securities regulatory rules of the place where the shares of the Company are listed have any other provisions, such provisions prevail;

The Company shall keep the full copies of the register of members and the minutes of the shareholders' meetings at the address of the Company in Hong Kong for inspection by the shareholders for free in accordance with the requirements under the Hong Kong Listing Rules. However, the Company may suspend registration of shareholders under the clause with equivalent effect under section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). Where any shareholder demands to read the relevant information or obtain any of the materials, he/she shall submit to the Company written documents proving the class(es) and number of shares he/she holds. The Company shall provide the relevant information or materials in accordance with the shareholder's demand after verifying the shareholder's identity.



(VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining property of our Company in proportion to the number of shares held;

(VII) shareholders who object to resolutions of merger or division made by the shareholders' meeting may request the Company to acquire the shares they hold;

(VIII) any other rights as provided for by the laws, the administrative regulations, departmental rules, the regulatory rules of the place where the Company's shares are listed or these Articles. These Articles, resolutions of the shareholder's meeting or resolutions of the board of directors are required to be in compliance with the laws and regulations, and must not deprive of or restrict the legal rights of shareholders. The Company has the duty to protect the legitimate rights of shareholders and ensure they are treated fairly.

Where any shareholder demands to read or copy the relevant information or obtain any of the materials as mentioned in the preceding Article, he/she shall submit to our Company written documents proving the class(es) and number of shares he/she holds. Our Company shall provide the relevant information or materials in accordance with the shareholder's demand after verifying the shareholder's identity.

**Article 37** In the event that the content of resolutions of the shareholders' meeting or the board of directors of the Company violates the laws or the administrative regulations, any shareholder is entitled to request the people's court to hold it as invalid.

**Article 38** In the event that the convening procedure or method of voting of the shareholder's meeting or meeting of the board of directors of the Company violates any laws, administrative regulations or these Articles, or the resolution of which violates these Articles, any shareholder is entitled to ask the people's court to revoke the resolution within 60 days after the resolution was passed, except where the convening procedure or method of voting of the shareholders' meeting or meeting of the board of directors only has some minor defects which produces no substantial effect on the resolution.

Shareholders who are not notified to attend the shareholders' meeting may request the people's court to revoke the resolution within 60 days from the date they become aware or ought to become aware of the resolution. If they fail to exercise the right to revoke within one year from the date the resolution was passed, the right to revoke shall be extinguished.

Where a resolution of the shareholders' meeting or the board of directors of the Company is declared invalid, revoked or confirmed to be not established by the people's court, our Company shall file an application with the company registration authority for cancelling the registration having been made pursuant to the resolution.

Under any of the following circumstances, a resolution of the shareholders' meeting or the board of directors of the Company is not established:

(I) the resolution was passed without holding a shareholders' meeting or meeting of the board of directors;

(II) the shareholders' meeting or meeting of the board of directors fails to vote on the matter of the resolution;

(III) the number of persons attending the meeting or the number of the voting rights held by them does not reach the number of attendees and voting rights as prescribed by the Company Law or these Articles;

(IV) the number of persons consenting to the resolution or the number of the voting rights held by them fails to reach the number of attendees and voting rights as prescribed by the Company Law or these Articles.

**Article 39** If directors and senior management personnel violate the laws, the administrative regulations, or the provisions of these Articles while performing their duties to the Company, causing losses to the Company, shareholders who individually or jointly hold more than 1% of the Company's shares for more than 180 consecutive days have the right to request in writing that the board of supervisors file a lawsuit with the people's court. If the board of supervisors violates the laws, the administrative regulations, or the provisions of the Articles while performing its duties to the Company, causing losses to the Company, the aforementioned shareholders may request in writing that the board of directors file a lawsuit with the people's court.

If the board of supervisors or the board of directors refuses to file a lawsuit after receiving a written request from the shareholders specified in the preceding paragraph, or fails to file a lawsuit within 30 days from the date of receiving the request, or if the situation is urgent and the failure to file a lawsuit immediately will cause irreparable damage to the Company's interests, the shareholders specified in the preceding paragraph have the right to directly file a lawsuit in their own name to the people's court for the benefit of the Company.

If another person infringes on the legitimate rights and interests of the Company and causes losses to the Company, shareholders specified in the paragraph 1 of this Article may file a lawsuit with the people's court in accordance with the provisions of the preceding two paragraphs.

If directors, supervisors and senior management of the Company's wholly-owned subsidiaries violate the laws, the administrative regulations, or the provisions of these Articles while performing their duties, causing losses to the Company's wholly-owned subsidiaries, or if another person infringes on the legitimate rights and interests of the Company's wholly-owned subsidiaries and causes losses, shareholders who individually or jointly hold more than 1% of the Company's shares for more than 180 consecutive days have the right to demand in writing that the board of supervisors and the board of directors of the wholly-owned subsidiaries file a lawsuit with the people's court or directly file a lawsuit in their own name to the people's court in accordance with the provisions of the preceding three paragraphs.

**Article 40** If directors and senior management personnel violate the laws, the administrative regulations, or the provisions of these Articles and harm the interests of shareholders, shareholders may file a lawsuit with the people's court.

If any controlling shareholder or actual controller of the Company instructs any director or senior management to carry out any act damaging the interests of the Company or the shareholders, they shall bear joint and several liability with the director or senior management.

**Article 41** Shareholders of the Company have the following obligations:

(I) to abide by the laws, the administrative regulations, department rules, the regulatory rules of the place where the Company's shares are listed and these Articles, and to exercise shareholders' rights in accordance with the laws;

(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 the laws and regulations;

(IV) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders;

(V) to assume other obligations required by the laws, the administrative regulations, the regulatory rules of the place where the Company's shares are listed and these Articles.

If the shareholders of the Company abuse their shareholder's rights and cause losses to the Company or any other shareholders, they shall bear compensation liability in accordance with the law. If the shareholders of the Company abuse the independent status of the Company's legal person and the limited liability of shareholders, evade debts, and seriously harm the interests of the Company's creditors, they shall bear joint and several liability for the Company's debts. If such shareholder uses more than two companies under its control to carry out the foregoing acts, each company shall be jointly and severally liable for the debts of any one of them.

**Article 42** Where a shareholder holding more than 5% of the voting shares of the Company pledges any of his/her shares, he/she shall make a written report to the Company on the date on which he/she pledges his/her shares.

**Article 43** The controlling shareholders, actual controllers, directors, supervisors and senior management of the Company shall not take advantage of their connected relationship to damage the interest of the Company.

Any losses caused to the Company as a result of the violation of the provisions of the preceding paragraph shall be compensated.

The controlling shareholders and actual controllers of the Company are obliged to act in good faith to the Company and the public shareholders of the Company. The controlling shareholders shall exercise their rights as capital contributors in strict accordance with the law. The controlling shareholders shall not impair the lawful rights and interests of the Company and the public shareholders by means of the distribution of profits, reorganization of assets, external investment, misappropriation of assets, loan, or guarantee, nor make use of their controlling position to impair the interests of the Company and the public shareholders.

**Article 44** Any shareholder who is registered on the register of members or any person who requests his/her name to be entered into the register of members may, if he/she has lost his/her share certificate (hereinafter referred to as the “Original Share Certificate”), apply to the Company for a new certificate in respect of the shares (hereinafter referred to as the “Relevant Shares”) represented by the Original Share Certificate.

A holder of overseas listed shares who has lost his/her share certificate and applies for a replacement certificate to be issued may do so in accordance with the laws, the rules of the stock exchange and any other relevant requirements of the place where the original register of shareholders of overseas listed shares is maintained.

The issuance of a replacement share certificate to the holder of overseas listed shares who has lost his/her share certificates and applied for a replacement shall comply with the following requirements: (I) the applicant shall submit an application in standard form designated by the Company and attach a notarial certificate or statutory declaration, containing the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificate. and a declaration that no other person is entitled to request to be registered as the shareholder in respect of the Relevant Shares; (II) no other declaration has been received by the Company from any person other than the applicant for having his/her name registered as the holder of the Relevant Shares before the Company came to a decision to issue the replacement share certificate; (III) if the Company decides to issue a replacement share certificate to the applicant, it shall prior to the issuance make an announcement of such intention in such newspapers as may be prescribed by the board of directors that complies with relevant requirements for this purpose. The announcement period shall be 90 days during which such announcement shall be published repeatedly at least once every 30 days; (IV) prior to publication of the announcements on its intention to issue the replacement share certificate, the Company shall deliver to the stock exchange on which it is listed a copy of such announcement. The announcement shall be published after the receipt of a reply from such stock exchange confirming that the announcement proposed to be published has been exhibited on such stock exchange. The period for exhibiting such announcement in such stock exchange shall be 90 days; in the case that an application for issuing a replacement share certificate is not approved by a registered holder of the Relevant Shares, the Company shall send to such registered shareholder a copy of the announcement proposed to be published; (V) if, by the expiration of the 90-day display period of the announcement specified in paragraphs (III) and (IV) of this Article, no objection to the issuance of the replacement share certificate has been received, the Company may issue a replacement share certificate for the Relevant Shares to the applicant pursuant to the application; (VI) when the Company issues a replacement share certificate under this Article, it shall forthwith cancel the Original Share Certificate and enter the details of the cancellation and replacement issuance in the register of members; (VII) all expenses relating to the cancellation of the Original Share Certificate and the issuance of the replacement share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.

**Article 45** As for the holder of overseas listed shares, where two or more persons are registered as joint shareholders of any share, they shall be deemed as joint holders of the Relevant Shares and subject to the following restrictions:

(I) all joint shareholders of any share shall jointly and severally assume liability for all amounts payable for the Relevant Shares;

(II) if one of the joint shareholders passes away, only the surviving joint shareholder(s) is regarded by the Company as having ownership of the Relevant Shares. However, the board of directors has the right, for the purpose of making changes to the register of members, to demand the death certificate of the relevant shareholder it deems appropriate;

(III) in the case of joint shareholders of any share, only the joint shareholder whose name stands first in the register of members is entitled to receive a certificate for the Relevant Shares and notices from the Company, and any notice served on such person is deemed to have been served on all the joint shareholders of the Relevant Shares. Any one of such joint shareholders may sign a form of proxy provided that, if more than one joint shareholder is present in person or by proxy, the vote of the joint shareholders having a higher priority, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders. For this purpose, the seniority of the joint shareholders is determined by the order in which their names appear in the register of members of the Company in relation to the Relevant Shares;

(IV) a receipt from any one of the joint shareholders for any dividend, bonus or return of capital payable to such joint shareholders shall be deemed to be a valid receipt from such joint shareholders to the Company.

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

**Article 46** The shareholders' meeting is composed of all shareholders and is the organ of authority of the Company, which exercises the following powers in accordance with the law:

(I) to elect or remove the directors and supervisors and to decide on matters relating to the remuneration of directors and supervisors;

(II) to examine and approve reports of the board of directors;

(III) to examine and approve reports of the board of supervisors;

(IV) to examine and approve the Company's proposals for profit distribution plans and loss recovery plans;

(V) to decide on any increase or reduction of the Company's registered capital;

(VI) to decide on the issue of bonds by the Company;

(VII) to decide on the merger, division, dissolution and liquidation of the Company or transformation of the Company;

(VIII) to amend these Articles;

(IX) to decide on the appointment or dismissal of accounting firms by the Company as well as matters relating to the remuneration of accounting firms;

(X) to examine and approve the guarantee matters set out in Article 46 of these Articles;

(XI) to examine the acquisition or disposal of significant assets by the Company within one year with an amount exceeding 30% of the Company's total assets in the latest audited financial statement;

(XII) to examine and approve substantial transactions and connected transactions that are subject to examination and approval by the shareholders' meeting as stipulated by laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed, and these Articles;

(XIII) to examine and approve the change in use of proceeds raised;

(XIV) to examine and approve the equity incentive plan and employee stock ownership plan;

(XV) to examine other matters that are required to be resolved on by the shareholders' meeting according to laws, administrative regulations, departmental rules, Hong Kong Listing Rules or these Articles.

The shareholders' meeting may authorize the board of directors to adopt resolutions on the issuance of bonds or other securities and listing of the Company.

The above powers of the shareholders' meeting shall not be delegated to the board of directors or other institutions and individuals, except as otherwise permitted by laws, administrative regulations or the regulatory rules of the place where the shares of the Company are listed.

**Article 47** The following external guarantees made by the Company shall be considered and approved by the shareholders' meeting:

(I) the total amount of the external guarantees provided by the Company and its holding subsidiary beyond 50% of the net assets in the latest audited financial statement;

(II) the total amount of external guarantees provided by the Company beyond 30% of the total assets in the latest audited financial statement;

(III) the amount of a guarantee provided by the Company within one year beyond 30% of the Company's total assets in the latest audited financial statement;

(IV) a guarantee provided to a party with a debt ratio of more than 70%;



(V) the amount of a single guarantee beyond 10% of the net assets in the latest audited financial statement;

(VI) a guarantee provided to shareholders, actual controllers and their connected persons;

(VII) other external guarantees that are subject to examination and approval by the shareholders' meeting as stipulated by laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed, or these Articles.

Matters concerning the above-mentioned external guarantees that are subject to the approval of the shareholders' meeting must be considered and approved by the board of directors before they are submitted to the shareholders' meeting for approval. The board of directors shall be entitled to consider and approve external guarantees other than those subject to the approval of the shareholders' meeting as aforesaid.

The external guarantees within the scope of authority of the board of directors shall also be approved by more than two-thirds of the directors present at the board meeting other than being approved by more than half of all directors. The external guarantees under item (III) of paragraph 1 of Article 46 of these Articles shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting.

When the shareholders' meeting considers a proposal to provide guarantees for shareholders, actual controllers and their connected persons (as defined in the Hong Kong Listing Rules), such shareholders or the shareholders controlled by the such actual controllers shall abstain from voting on such proposal, and the proposal is subject to approval by more than half of the voting rights held by other shareholders present at the shareholders' meeting.

Where the Company provides guarantees to connected persons (as defined in the Hong Kong Listing Rules), it shall comply with the applicable provisions of the Hong Kong Listing Rules (except where exempted by the Hong Kong Stock Exchange).

If the board of directors or the shareholders' meeting violates the provisions of these Articles and the relevant laws and regulations relating to the approval authority and deliberation procedures for external guarantees, and decides on external guarantees, the relevant directors and shareholders who violate the approval authority and deliberation procedures shall bear joint and several liability. If external guarantees are provided in violation of the approval authority and deliberation procedures, the Company shall have the right to require the relevant parties be held accountable for such violation based on the extent of the loss, risk and seriousness.

**Article 48** The shareholders' meetings are divided into annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be convened once a year and be held within six months of the end of the previous fiscal year.



**Article 49** Under any of the following circumstances, the Company shall convene an extraordinary shareholders' meeting within two months:

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

(II) the uncovered losses of the Company reach one-third of its total capital;

(III) the shareholders with 10% or more shares of the Company separately or jointly request to convene such meeting in writing;

(IV) the board of directors considers it necessary;

(V) the board of supervisors makes such proposal;

(VI) other circumstances stipulated in laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed, or these Articles.

**Article 50** The place for convening a shareholders' meeting of the Company shall be the residence of the Company, other places of office or such place as specified in the notice of the meeting, which shall be specified by the convener in the notice of each shareholders' meeting.

The shareholders' meeting will set up a venue and will be convened in form of physical meeting or by other means permitted by laws and regulations. The Company will also provide communication methods such as internet, telephone, video, fax and email as necessary to facilitate shareholders attending the meeting, and the specific means and requirements are subject to the provisions of laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed, and these Articles. Shareholders attending a shareholders' meeting through the above means shall constitute presence.

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

**Article 51** Shareholders' meetings shall be convened by the board of directors in accordance with laws, and presided over by the chairman of the board of directors.

Where the board of directors is incapable of performing or not performing its duties of convening the shareholders' meeting, the board of supervisors shall convene and preside over such meeting in a timely manner. In case the board of supervisors fails to convene and preside over such meeting, shareholders alone or in aggregate holding more than 10% of the Company's shares for more than 90 days consecutively may unilaterally convene and preside over such meeting.

**Article 52** Independent non-executive directors shall have the right to propose to the board of directors to convene an extraordinary shareholders' meeting. For such proposal, the board of directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and these Articles, provide written feedback on whether it agrees to convene such extraordinary shareholders' meeting within ten days after receipt of the written proposal. If the board of directors agrees to convene an extraordinary shareholders' meeting, a notice for convening such meeting shall be given within five days after the resolution is made by the board of directors. Where the board of directors does not agree to convene an extraordinary shareholders' meeting, it shall give a written explanation and make an announcement in accordance with the regulatory rules of the place where the shares of the Company are listed.

Where the securities regulatory authorities of the place where the shares of the Company are listed have any other provisions, such provisions shall prevail.

**Article 53** The board of supervisors shall have the right to propose to the board of directors in writing to convene an extraordinary shareholders' meeting. The board of directors shall, in accordance with laws, administrative regulations, the Hong Kong Listing Rules and these Articles, provide written feedback on whether it agrees to convene such extraordinary shareholders' meeting within ten days after receipt of the written proposal.

If the board of directors agrees to convene an extraordinary shareholders' meeting, a notice for convening such meeting shall be given within five days after the resolution is made by the board of directors, and any changes to the original proposal set out in the notice are subject to approval of the board of supervisors.

Where the board of directors does not agree to convene an extraordinary shareholders' meeting or fails to give feedback within ten days after it receives the written proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the shareholders' meeting, in which case the board of supervisors may unilaterally convene and preside over the meeting.

**Article 54** The shareholders that separately or jointly hold 10% or more of the shares (excluding voting rights attached to treasury shares) of the Company shall have the right to request the board of directors to convene an extraordinary shareholders' meeting and to include proposals in the agenda of the meeting, which shall be submitted in writing to the board of directors. The board of directors shall, in accordance with laws, administrative regulations, the Hong Kong Listing Rules and these Articles, make a decision on whether it agrees to convene such extraordinary shareholders' meeting within ten days after receipt of the request, and reply to the shareholders in writing.

Where the board of directors agrees to convene an extraordinary shareholders' meeting, a notice for convening such meeting shall be given within five days after the resolution is made by the board of directors, and any changes to the original request set out in the notice are subject to approval of relevant shareholders. Where the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed have any other provisions, such provisions shall prevail.

Where the board of directors does not agree to convene an extraordinary shareholders' meeting or fails to give feedback within ten days after it receives the request, the shareholders who separately or jointly hold 10% or more of the shares of the Company shall have the right to propose to the board of supervisors to convene an extraordinary shareholders' meeting, and shall put forward the request to the board of supervisors in writing. The board of supervisors shall, in accordance with laws, administrative regulations and these Articles, make a decision on whether it agrees to convene such extraordinary shareholders' meeting within ten days from the date of receipt of the request, and reply to the shareholders in writing.

Where the board of supervisors agrees to convene an extraordinary shareholders' meeting, a notice for convening such meeting shall be given within five days after it receives the request, and any changes to the original request set out in the notice are subject to approval of relevant shareholders.

In case the board of supervisors fails to convene and preside over a shareholders' meeting, shareholders alone or in aggregate holding more than 10% of the Company's shares for more than 90 days consecutively may unilaterally convene and preside over such meeting.

**Article 55** Where the board of supervisors or shareholders decide(s) to unilaterally convene an extraordinary shareholders' meeting, it/they shall give a written notice to the board of directors.

Prior to the announcement of the resolutions of the shareholders' meeting, the shares held by the convening shareholders shall not be less than 10%.

Where the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed have any other provisions, such provisions shall prevail.

**Article 56** For shareholders' meetings unilaterally convened by the board of supervisors or the shareholders, the board of directors and the board secretary shall coordinate accordingly. The board of directors shall provide the register of shareholders as at the record date. The register of shareholders so obtained by the convener shall not be used for other purposes other than convening the shareholders' meeting.

**Article 57** All necessary expenses incurred by the board of supervisors or the shareholders to convene a shareholders' meeting on a unilateral basis shall be borne by the Company.

#### **Section 4 Proposal and Notice of Shareholders' Meeting**

**Article 58** The contents of a proposal shall be within the scope of the functions and powers of the shareholders' meeting and contain a clear topic for discussion and specific matters for resolution, and shall comply with the relevant provisions of the laws, administrative regulations, the Hong Kong Listing Rules and these Articles.

**Article 59** Where the Company convenes a shareholders' meeting, the board of directors, the board of supervisors, and shareholders severally or jointly holding more than 1% of shares of the Company shall have the right to put forward proposals to the Company.

Shareholders severally or jointly holding more than 1% of shares of the Company may submit written provisional proposals to the board of directors ten days before the shareholders' meeting. The provisional proposal shall contain a clear topic for discussion and specific matters for resolution. The board of directors shall serve a notice to other shareholders within two days after receipt of the proposals, which shall include the contents of the said provisional proposals and the name and the shareholding of the shareholder making the provisional proposal, and submit the provisional proposals to the shareholders' meeting for consideration, unless the provisional proposals are in violation of the provisions of laws, administrative regulations or these Articles or are beyond the scope of functions and powers of the shareholders' meeting. Prior to the resolution made by a shareholders' meeting, the shareholding of the shareholder making the provisional proposal shall not be less than 1%.

Save as specified in the preceding paragraph, the convener shall not change the proposals set out in the notice of the shareholders' meeting or add any new proposal after the said notice is served.

Proposals not set out in the notice of the shareholders' meeting or not complying with Article 57 of these Articles shall not be voted on or resolved at the shareholders' meeting.

**Article 60** The convener shall notify the shareholders by announcement at least 21 days prior to the convening of the annual shareholders' meetings, or at least 15 days prior to the convening of the extraordinary shareholders' meetings. Where the laws, regulations, and the securities regulatory authorities and the stock exchange of the place where the shares of the Company are listed have any other provisions, such provisions shall prevail. If the shareholders' meeting must be postponed due to the issuance of a supplementary notice of the shareholders' meeting in accordance with the securities regulatory rules of the place where the shares of the Company are listed, the convening of the shareholders' meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed.

**Article 61** The notice of the shareholders' meeting shall include the following contents:

- (I) the time, place, manner and duration of the meeting;
- (II) all matters and all specific content of the proposals submitted to the meeting for consideration;
- (III) conspicuous statement that all shareholders are entitled to attend the meeting, and may appoint a proxy in writing to attend and vote at the meeting, and that proxy of shareholder need not be a shareholder of the Company;
- (IV) the record date of the shareholders who are entitled to attend the shareholders' meeting;

(V) the name and telephone number of the permanent contact person for the meeting;

(VI) the time and procedure of voting online or by any other means (if applicable);

(VII) other contents stipulated by relevant laws, regulations, departmental rules, regulatory rules of the place where the shares of the Company are listed and these Articles.

The notice and supplementary notice of the shareholders' meeting shall include contents stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and these Articles, and shall fully and completely disclose all specific contents of all proposals. If the matters to be discussed require the opinions from the independent non-executive directors, the opinions and reasons expressed by the independent non-executive directors shall be disclosed when the notice or supplementary notice of the shareholders' meeting is issued.

The notice of the shareholders' meeting shall provide a full and clear explanation of the proposal of the meeting, and for the proposals to be voted on, it shall provide directors' recommendations on how the shareholders should vote in the best interests of the shareholders as a whole. The notice of the shareholders' meeting shall clearly state whether (and how) shareholders attending the shareholders' meeting by remote means may vote.

If the shareholders' meeting is convened online or by other means, the time and procedure of voting online or by other means shall be stated in the notice of the shareholders' meeting. The commencement of voting online or by other means at the shareholders' meeting shall not be earlier than 3:00 p.m. on the day before the convening of the physical shareholders' meeting, and shall not be later than 9:30 a.m. on the day of the convening of the physical shareholders' meeting, and the completion shall not be earlier than 3:00 p.m. on the day of the closing of the physical shareholders' meeting.

The interval between the record date and the date of the meeting shall not be more than seven working days. Once the record date is confirmed, it shall not be changed.

If the Company is required to provide supplemental important information of the proposed matters of the shareholders' meeting, it shall provide such information not less than ten working days before the convening of the meeting. If necessary, the Company shall postpone the shareholders' meeting to ensure the compliance with this requirement.

**Article 62** If the election of directors and supervisors is intended to be discussed at the shareholders' meeting, the notice of the shareholders' meeting shall fully disclose the details of the candidates for directors and supervisors, including at least the following contents:

(I) personal particulars such as educational background, work experience and part-time jobs;

(II) any connected relationship with the Company or the controlling shareholders and actual controllers of the Company;

(III) disclosure of the shareholding in the Company;

(IV) whether he/she has been subject to penalties by the CSRC and other relevant departments and punishment by the stock exchange;

(V) information on the newly appointed, re-elected or reassigned directors or supervisors that shall be disclosed in accordance with the securities regulatory rules of the place where the shares of the Company are listed.

In addition to the cumulative voting system for the election of directors and supervisors, the nomination of each candidate of directors and supervisors shall be submitted in the form of single proposal.

**Article 63** After the notice of the shareholders' meeting is issued, the shareholders' meeting shall not be postponed or cancelled without proper reasons, and the proposals set out in the notice of the shareholders' meeting shall not be cancelled. In the case of any circumstance for postponement or cancellation of the meeting, the convener shall issue a notice and explain the reasons in accordance with laws, regulations and the securities regulatory rules of the place where the shares of the Company are listed at least two working days before the original date of convening the meeting.

After the notice of the shareholders' meeting is issued, the venue for convening the shareholders' meeting shall not be changed without proper reasons. If the change is necessary, the convener shall issue a notice and explain the reasons in accordance with laws, regulations and the securities regulatory rules of the place where the shares of the Company are listed at least two working days before the date of convening the meeting.

Where the Hong Kong Listing Rules have other provisions on the aforesaid matters, such provisions shall prevail.

## **Section 5 Convening of Shareholders' Meeting**

**Article 64** The board of directors of the Company and other conveners shall take necessary measures to ensure the proper order of the shareholders' meeting. For the acts of interruption to the shareholders' meeting, provoking trouble and infringing upon the legitimate rights and interests of shareholders, measures will be taken to stop such acts and a report thereon will be made to the relevant departments for investigation and handling in a timely manner.

**Article 65** All ordinary shareholders registered in the register of shareholders on the record date or their proxies shall be entitled to attend the shareholders' meeting, and speak thereat and exercise voting rights in accordance with relevant laws, regulations and these Articles, unless an individual shareholder is, under the Hong Kong Listing Rules, required to abstain from voting for a particular matter (such as the circumstances in which a shareholder has material interests in a particular transaction or arrangement to be voted on).

Any shareholder entitled to attend and vote at the shareholders' meeting shall be entitled to attend the shareholders' meeting in person, or appoint one or more other persons (who may not be shareholders) as his/her proxy to attend and vote on his/her behalf. If such proxies attend the meeting, the appointer shall be deemed to be present in person at the meeting.



**Article 66** If an individual shareholder attends the meeting in person, he/she shall produce his/her identity card or other valid documents or certificates or the stock account card that can show his/her identity. If a proxy has been appointed to attend the meeting, the proxy shall produce his/her valid identity card and the power of attorney of the shareholder.

An institutional shareholder shall attend the meeting by its legal representative (responsible person) or a proxy appointed by the legal representative (responsible person). If the legal representative (responsible person) attends the meeting, he/she shall produce his/her identity card or a valid proof of the qualification of the legal representative (responsible person); where a proxy is appointed to attend the meeting, the proxy shall produce his/her identity card, the written power of attorney issued by the legal representative (responsible person) of the institutional shareholder in accordance with the laws (except for a recognized clearing house or its proxy), or the form of appointed representative executed by its duly authorized officer. If the institutional shareholder has appointed a representative to attend the meeting, he/she shall be deemed as present in person.

Shareholders who are not separate legal entity shall attend the meeting by the responsible person (in the case of a partnership, the executive partner or the general partner or the representative appointed by the executive partner, same interpretation hereinafter) or the proxy appointed by the responsible person. If the responsible person attends the meeting, he/she shall produce his/her identity card or a valid proof of the qualification as a responsible person. If he/she appoints a proxy to attend the meeting, the proxy shall produce his/her identity card and a written power of attorney issued by the responsible person of the shareholder unit according to law.

Where a shareholder appoints a proxy to attend the shareholders' meeting, the matters, authority and duration of the proxy shall be specified.

**Article 67** The power of attorney issued by a shareholder to appoint another person to attend a shareholders' meeting shall contain the following contents:

- (I) the name of the proxy;
- (II) matters and authority of the proxy;
- (III) whether the proxy has voting rights;
- (IV) instructions to vote for, against or abstain from voting on each matter to be considered on the agenda of the shareholders' meeting, respectively;
- (V) the date of issuance and the term of validity of the power of attorney;
- (VI) the signature (or seal) of the appointer or its proxy appointed in writing. If the appointer is an institutional shareholder, it should be made under the seal of the institutional shareholder or under the hand of its directors, duly appointed proxy or duly authorized officer.

Where the Hong Kong Listing Rules have special provisions on powers of attorney, such provisions shall prevail.

**Article 68** The power of attorney shall state whether the proxy of shareholder may vote at his/her discretion in the absence of specific instructions from the shareholder. The proxy of shareholder shall exercise the voting rights within the scope of authorization. If no statement is made, the proxy of shareholder shall be deemed to be entitled to vote at his/her discretion.

**Article 69** Where the power of attorney for voting of a proxy is signed by another person authorized by the appointer, power of attorney authorized to be signed or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents and the power of attorney for voting shall be kept at the domicile of the Company or other places specified in the notice of convening the meeting.

If the appointer is a corporate shareholder or a shareholder who are not separate legal entity, its legal representative (responsible person) or the person authorized by the resolution of the board of directors or other decision-making bodies shall attend the shareholders' meeting of the Company as a representative.

**Article 70** If the appointer of shareholder is a recognized clearing house (or its proxy) within the definition of the relevant ordinances made from time to time in Hong Kong, such shareholder may authorize its corporate representative or such person or persons as it thinks fit to act as its proxy(ies) or representative(s) at any meeting of shareholders and meeting of creditors. However, if more than one person is authorized, the power of attorney or letter of authorization shall state the number and class of shares of each such person so authorized, and the letter of authorization shall be signed by an authorized personnel of the recognized clearing house. The person so authorized may attend the meeting on behalf of the recognized clearing house (or its proxy) (without showing a certificate of shareholding, notarized authorization and/or further evidence to prove its duly authorization, and without showing the power of attorney signed by the appointer or signed by the legal representative of the appointer), and exercise the same legal rights as other shareholders, including the rights to speak and vote, as if that person were an individual shareholder of the Company.

**Article 71** The Company shall be responsible for preparing the meeting register of the attendees. The meeting register specifies matters such as the names (or unit names), identity card numbers, domiciles addresses, the number of shares with voting rights held or represented of the attendees, and the names (or unit names) of the appointer.

**Article 72** The convener of the shareholders' meeting and the lawyer (if any) engaged by the Company shall jointly verify the legality of the shareholders' qualification in accordance with the register of shareholders provided by the securities registration and clearing institution, and register the names of the shareholders and the number of shares with voting rights held by them. The registration of the meeting shall be completed before the chairman of the meeting announces the number of shareholders and proxies attending the meeting in person and the total number of shares with voting right held by them.

**Article 73** When a shareholders' meeting is convened, all directors, supervisors and the secretary of the board of directors of the Company shall attend the meeting, and the general manager and other senior management shall attend the meeting. Subject to the securities regulatory rules of the place where the shares of the Company are listed, the aforesaid persons may attend the meeting through the Internet, video, telephone or other means with the same effect, except for those who are unable to attend the meeting for special reasons.



**Article 74** The shareholders' meeting shall be presided over by the chairman of the board of directors. If the chairman is incapable of performing or not performing his duties, the meeting shall be presided over by a director jointly elected by more than half of the directors. If more than half of the directors are still unable to elect a chairman, the shareholders attending the meeting shall jointly elect a shareholder (or a proxy of the shareholder) to preside over the meeting.

A shareholders' meeting convened by the board of supervisors itself shall be presided over by the chairman of the board of supervisors. In the event that the chairman of the board of supervisors is incapable of performing or not performing his duties, the meeting shall be presided over by a supervisor jointly elected by more than half of the supervisors.

A shareholders' meeting convened by the shareholders themselves shall be presided over by a representative elected by the convener.

If, at the time of convening a shareholders' meeting, the chairman of the meeting violates the rules of procedure as a result of which the shareholders' meeting is unable to proceed, the shareholders' meeting may elect a person to act as the chairman of the meeting and continue the meeting with the consent of more than half of the shareholders with voting rights attending the shareholders' meeting in person.

**Article 75** The Company formulates the rules of procedure of the shareholders' meeting, specifying in detail the procedures for convening and voting at the shareholders' meeting, including notice, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of resolutions of the meeting, minutes of the meeting and their signatures, and the principles of authorization of the shareholders' meeting to the board of directors, and the contents of authorization shall be clear and specific. The rules of procedure of the board of shareholders shall be formulated by the board of directors and approved by the board of shareholders as an appendix to the Articles of Association.

**Article 76** At the annual shareholders' meeting, the board of directors and the board of supervisors shall report at the shareholders' meeting on their work in the past year.

**Article 77** The directors, supervisors and senior management shall make explanations and advice on the inquiries and suggestions from the shareholders at the shareholders' meeting.

**Article 78** The chairman of the meeting shall announce the number of shareholders and proxies attending the meeting in person and the total number of shares with voting rights held by them before voting, which are subject to the registration of the meeting.

**Article 79** Minutes of the meeting shall be kept for the shareholders' meeting by the secretary of the board of directors. The minutes of the meeting record the following contents:

(I) the time, place and agenda of the meeting and the name of the convener;

(II) the name of the chairman of the meeting and the name of the directors, supervisors, general manager and other senior management attending the meeting;

(III) the number of shareholders and proxies of shareholders attending the meeting, the total number of shares with voting rights held by them and the percentage of the total number of shares of the Company;

(IV) the process of deliberation, the key points of speeches and the voting results of each proposal;

(V) the inquiries, opinions or suggestions of the shareholders and the corresponding replies or explanations;

(VI) the name of the lawyer (if any) and the teller and the scrutineer;

(VII) other contents that shall be recorded in the minutes of the meeting as considered by the shareholders' meeting or as required by these Articles.

**Article 80** The convener shall ensure that the contents of the minutes of the meeting are true, accurate and complete. The directors, supervisors, the secretary of the board of directors, the convener or his/her representative and the chairman of the meeting who attend the meeting shall sign the minutes of the meeting and ensure that the contents of the minutes of the meeting are true, accurate and complete. The minutes of the meeting shall be kept together with the attendance register of the attending shareholders, the power of attorney of the attending proxies, and the valid information on voting through the Internet (if applicable) and other means for a retention period of not less than ten years.

**Article 81** The convener shall ensure that the shareholders' meeting is held on a continuous basis until the final resolution is made. If the shareholders' meeting is suspended or fails to make a resolution due to special reasons such as force majeure, necessary measures shall be taken to resume the shareholders' meeting as soon as possible or directly terminate the shareholders' meeting, and an explanation and announcement shall be made in a timely manner.

## **Section 6 Voting and Resolution at Shareholders' Meeting**

**Article 82** The resolutions of the shareholders' 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 shareholders' meeting.

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

**Article 83** The following matters shall be passed by an ordinary resolution of the shareholders' meeting:

(I) work reports of the board of directors and the board of supervisors;

(II) profit distribution proposals and loss recovery proposals proposed by the board of directors;

(III) appointment or dismissal of the members of the board of directors and their remunerations and relevant means of payment;

(IV) annual reports of the Company;

(V) other matters other than those required by the laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed or these Articles shall be passed by special resolutions.

**Article 84** The following matters shall be passed by a special resolution of the shareholders' meeting:

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

(II) the division, merger, dissolution, and liquidation of the Company;

(III) amendment to these Articles;

(IV) purchases or sales of significant assets by the Company or guarantees provided to others with an amount exceeding 30% of the total assets in the latest audited consolidated financial statements of the Company within one year;

(V) equity incentive plan;

(VI) other matters required by the laws, regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed or these Articles, as well as those determined by ordinary resolutions of the shareholders' meeting to have a significant impact on the Company, and which require special resolutions to be passed.

Where the securities regulatory rules of the place where the shares of the Company are listed have any other provisions, such provisions prevail.

**Article 85** The shareholders (including proxies) present at the shareholders' meeting may exercise his/her voting rights based on the number of shares with voting rights held with each share representing one vote at the shareholders' meeting. When a poll is taken, shareholders (including proxies) entitled to two or more votes need not cast all their votes in the same way (for or against or abstaining from voting).

The shares held by the Company shall have no voting right and shall not be counted in the total number of the shares held by shareholders with the voting rights at the shareholders' meeting.

A shareholder who is required by the laws, the administrative regulations and the regulatory rules of the place where the shares of the Company are listed to abstain from voting on a resolution or is restricted to cast an affirmative or a negative vote shall abstain from voting or be required to so vote; any vote cast by or on behalf of such shareholder which is cast in violation of abovementioned requirement or restriction shall not be counted in the voting result.

In the event that the securities regulatory authorities and/or the stock exchange of the place where the shares of the Company are listed have established a mechanism for publicly soliciting voting rights from shareholders, the board of directors, independent non-executive directors, shareholders holding 1% or more of the voting shares of the Company or the investor protection bodies established in accordance with the laws, the administrative regulations, or the requirements of securities regulatory authorities of the place where the shares of the Company are listed may publicly solicit voting rights from shareholders. When soliciting voting rights from shareholders, the specific voting intention and other information are required to be fully disclosed to the solicitation targets. When qualified shareholders of the Company publicly solicit from other shareholders of the shareholders' rights lawfully possessed by them such as right to convene meetings, right to proposal, nomination rights and voting rights, solicitation by means of consideration or disguised consideration is prohibited. Except for the conditions required by relevant laws, regulations, and the requirements of the Hong Kong Listing Rules, the Company is not allowed to propose any minimum shareholding requirements for the solicitation of voting rights.

**Article 86** When relevant connected transactions (as defined in the Hong Kong Listing Rules) are considered at the shareholders' meeting, shareholders constituting connected persons (as defined in the Hong Kong Listing Rules) (hereinafter referred to as "connected shareholders") shall not participate in voting, and the number of voting shares represented by them shall not be counted in the total number of valid votes; the announcement of any resolution of the shareholders' meeting shall adequately disclose the voting by unconnected shareholders.

Before connected transactions are considered at the shareholders' meeting, the Company is obliged to determine the scope of connected shareholders in accordance with relevant laws, regulations, normative documents and the Hong Kong Listing Rules. Connected shareholders or their authorized representatives may attend the shareholders' meeting and present their views to the shareholders present at the meeting in accordance with the procedures of the shareholders' meeting, but are required to voluntarily abstain from voting on matters in respect of relevant connected transactions and shall not take part in the voting; if connected shareholders fail to voluntarily abstain from voting, other shareholders present at the meeting have the right to demand them to abstain from voting.

Upon abstention of the connected shareholders, other shareholders may vote based on the voting rights they hold and pass corresponding resolutions in accordance with the provisions of these Articles. Before voting on relevant connected transactions, the chairperson of the meeting is required to declare the number of unconnected shareholders present at the meeting and the total number of their voting shares.

Resolution at the shareholders' meeting on a connected transaction is valid only if passed by votes representing more than half of the voting rights held by unconnected shareholders present at the shareholders' meeting. However, if such connected transaction involves a matter requiring approval by a special resolution as stipulated in these Articles, the resolution of the shareholders' meeting is valid only if passed by votes representing two-thirds or more of the voting rights held by unconnected shareholders present at the shareholders' meeting.

If a connected shareholder participates in the voting for a connected transaction in violation of this Article, his/her vote on relevant connected transaction is deemed as invalid.

**Article 87** The Company is required to provide convenience for shareholders to attend the shareholders' meeting by whatever methods and means including the use of up-to-date information technology means such as online voting platform, provided that the shareholders' meeting is held legally and validly.

**Article 88** Unless the Company is in a crisis or under any other special circumstance, the Company may not enter into any contract with any person other than a director, general manager and other senior management to transfer the management of all or significant part of the Company's business to such person, unless with the approval by special resolutions at the shareholders' meeting.

**Article 89** The list of candidates for directors and supervisors is required to be submitted by way of proposal to the shareholders' meeting for voting.

The nomination of directors and supervisors of the Company is required to be made in accordance with the following methods and procedures:

(I) Re-election at expiration of the terms of office for the board of directors or addition of directors to the existing board of directors: a list of candidates for directors may be proposed by the nomination committee based on the number of directors to be elected, which is subject to the number specified by these Articles, and after the resolution is passed by the existing board of directors, the board of directors shall submit the proposal to the shareholders' meeting for voting; shareholders severally or jointly holding more than 1% of shares of the Company may propose candidates for directors to the existing board of directors for qualification review by the board of directors, and may submit the proposal to the shareholders' meeting for voting after it is approved.

(II) Re-election at expiration of the terms of office for the board of supervisors or addition of supervisors (not being employee representatives) to the existing board of supervisors: a list of candidates for supervisors (not being employee representatives) may be proposed by the chairman of the existing board of supervisors based on the number of supervisors to be elected, which is subject to the number specified by these Articles, and after the resolution is passed by the existing board of supervisors, the board of supervisors shall submit the proposal to the shareholders' meeting for voting; shareholders severally or jointly holding more than 1% of shares of the Company may propose the candidates for supervisors (not being employee representatives) to the existing board of supervisors for qualification review by the board of supervisors, and may submit the proposal to the shareholders' meeting for voting after it is approved.

(III) The methods and procedures for nomination of independent non-executive directors shall be implemented in accordance with relevant provisions of the laws, regulations and the securities regulatory rules of the place where the shares of the Company are listed.

(IV) The supervisors (being employee representatives) of the board of supervisors shall be elected at the employee representatives' meeting or otherwise democratically.

The nominator shall, before nominating candidates for directors or supervisors, shall obtain written undertakings from such candidates to confirm their acceptance of the nomination, and undertake to publicly disclose true and complete particulars of such candidates for directors or supervisors, and assure their proper performance of their duties after they are elected as directors or supervisors.

Pursuant to the provisions of these Articles or a resolution of the shareholders' meeting, the accumulative voting system may be adopted for the voting in respect of the election of directors and supervisors at the shareholders' meeting.

Under the accumulative voting system mentioned in the preceding paragraph, when electing directors or supervisors at the shareholders' meeting, each share shall be entitled to vote equivalent to the number of directors or supervisors to be elected at the meeting and shareholders may consolidate their voting rights when casting a vote. The board of directors shall provide and explain the biographies and basic information of the candidates for directors and supervisors to shareholders by way of announcement.

**Article 90** Where there are separate provisions in the Hong Kong Listing Rules on methods and procedures for the nomination of directors and supervisors of the Company, those provisions prevail. Except for the accumulative voting system, all proposals shall be voted on one by one at the shareholders' meeting; in the event of different proposals for the same issue, such proposals shall be voted on in the order of time at which they are submitted. Unless the shareholders' meeting is adjourned or no resolution can be passed for special reasons such as force majeure, voting of such proposals will neither be shelved nor refused at the shareholders' meeting.

**Article 91** No amendment shall be made to a proposal when it is considered at the shareholders' meeting, otherwise the amendment shall be deemed as a new proposal and shall not be voted on at this shareholders' meeting.

**Article 92** For the same voting, only one of the methods of voting, i.e. on-site, online (if applicable) or by any other means, is allowed. In the event of same vote is voted more than once, the first voting result shall be recognized.

**Article 93** Except for proposals in relation to procedural or administrative matters of the shareholders' meeting which can be voted upon by a show of hands as decided by the chairperson of the meeting in good faith, the voting at the shareholders' meeting shall be conducted by a registered poll.

The abovementioned procedures and administrative matters shall:

1. not be set out in the agenda of the shareholders' meeting or any supplementary circular to shareholders; and
2. involve the duties of the chairperson of the meeting to keep the meeting in order and/or to allow the business of the meeting to be handled more properly and efficiently and give all shareholders a reasonable opportunity to express their views.



**Article 94** Before voting on a proposal at the shareholders' meeting, two shareholders' representatives shall be elected to count and scrutinize the votes. In the event that a shareholder has connections with the matter to be considered, the shareholder and his/her proxy shall not participate in counting and scrutinizing of the votes.

When proposals are voted on at the shareholders' meeting, the solicitor (if any), the shareholders' representatives, the supervisors' representative and other relevant persons appointed in accordance with the Hong Kong Listing Rules shall be jointly responsible for the counting and scrutinizing of the votes under the Hong Kong Listing Rules and shall announce the voting results on the spot, voting results of which shall be recorded in the meeting minutes.

Shareholders of the Company or their proxies who cast their votes online (if applicable) or by any other methods have the right to inspect their own voting results through the corresponding voting system.

**Article 95** A physical shareholders' meeting shall not end earlier than the one held via internet (if applicable) or by another method. The chairperson of the meeting shall announce the details and voting results on each proposal, and announce whether a proposal is passed according to the voting results.

Before the formal announcement of voting results, the Company, vote counters, vote scrutineers, major shareholders, internet services providers and other related parties involved at the physical shareholders' meeting, via internet (if applicable) and by other voting means shall have an obligation to keep the details of the voting confidential.

**Article 96** Shareholders present at the shareholders' meeting may express one of the following views on the proposals submitted for voting: for, against or abstention.

Blank, incorrectly marked, illegible or uncast votes will be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters will be counted as "abstention".

**Article 97** If the chairperson of the meeting has any doubt as to the result of any resolution put to vote, he/she may have the votes counted. If the chairperson of the meeting has not counted the votes, any shareholders or their proxies present at the meeting who dissents on the results announced by the chairperson of the meeting may demand that the votes shall be counted immediately after the declaration of the voting result, and the chairperson of the meeting shall have the votes counted immediately.

**Article 98** The resolutions of the shareholders' meeting shall be announced in a prompt manner according to relevant laws, regulations, normative documents, the regulatory rules of the place where the shares of the Company are listed and these Articles, and the announcement shall state the number of shareholders and proxies attending the meeting, the total number of voting shares held by them and the proportion of these shares to the total number of voting shares of the Company, the voting means, the voting result of each proposal and the particulars of each resolution passed.

**Article 99** In the event that a proposal is not passed, or a resolution passed at a previous shareholders' meeting is modified at this shareholders' meeting, a special note shall be made in the announcement on the resolutions made at the shareholders' meeting.

**Article 100** In the event that a proposal on the election of directors and supervisors is passed at the shareholders' meeting, the time for taking office of such new directors and supervisors shall be the time specified in the resolution of the shareholders' meeting. If the resolution of the shareholders' meeting fails to specify the time of taking office, it shall be the time when the resolution is made at the shareholders' meeting.

**Article 101** Where a proposal in relation to the payment of cash dividends, the issue of bonus shares or the capitalization of capital reserves has been passed at a shareholders' meeting, the Company shall implement the specific plans within six months upon the conclusion of the shareholders' meeting. If the specific plan cannot be implemented within six months due to the provisions of the laws and regulations and the securities regulatory rules of the place where the shares of the Company are listed, the implementation date may be adjusted accordingly in accordance with relevant regulations and based on the actual situation.

## **CHAPTER 5 BOARD OF DIRECTORS**

### **Section 1 Directors**

**Article 102** Directors of the Company shall be natural persons. A person shall be disqualified from being a director of the Company in each of the following circumstances:

(I) a person who does not have or who has limited capacity for civil conduct;

(II) a person who has been convicted of and sentenced for offences relating to corruption, bribery, trespass to assets, misappropriation of assets or disrupting the order of the socialist market economy or who has been deprived of his/her political rights as a result of him/her having committed an offence and, in each case, a period of 5 years has not elapsed since the completion of the term of the sentence or deprivation; and, in case of suspension of sentence, no more than two years have elapsed since the date of expiration of the probationary period;

(III) a person who was a director or factory manager or manager of a company or enterprise which had become insolvent and liquidated and who incurred personal liability for the insolvency of that company or enterprise, and a period of 3 years has not elapsed since the date of completion of insolvent liquidation of that company or enterprise;

(IV) a person who was a legal representative of a company or enterprise which had its business license revoked or was ordered to close down on the grounds of contravention of law, and who incurred personal liability thereof, and a period of 3 years has not elapsed since the date of revocation of the business license or order of closure of that company or enterprise;

(V) a person who is listed as a dishonest person subject to enforcement by the people's court due to his/her failure to repay his/her relatively large amount of debts when due;



(VI) a person who has been subject to administrative penalties imposed by the CSRC in the last three years;

(VII) a person who has been forbidden by the CSRC with a penalty to access the securities market and who is still in the period of penalty;

(VIII) other circumstances stipulated by the laws, regulations, departmental rules and the regulatory rules of the place where the shares of the Company are listed.

For any of the aforementioned periods, it shall be calculated forward from the date of the shareholders' meeting at which the election of directors is proposed.

Where the Company elects or appoints any director in violation of the provisions above, such elections, appointments or hiring shall be deemed invalid. Where any director, during his/her term of office, is under any of the circumstances as mentioned above, the Company shall remove him/her from his/her office.

**Article 103** Directors shall be elected or replaced by the shareholders' meeting and may be removed by the shareholders' meeting before the expiration of their term of office. The term of office of directors shall be three years, and the directors shall be eligible for re-election upon expiration of their term of office in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed. However, independent non-executive directors may not serve for more than nine consecutive years.

The term of office of a director shall commence from his/her accession till the expiry of the term of the current session of the board of directors. Where the election of directors fails to be timely conducted upon expiry of the term of office of the former directors or the resignation of a director during his/her term of office results in the number of members of the board of directors being less than the quorum or the Company's failure in complying with the Hong Kong Listing Rules, the former directors shall, prior to the accession of the newly elected directors, perform their duties as directors in accordance with laws, administrative regulations, departmental rules and these Articles.

Any director appointed by the board of directors to fill a casual vacancy or as an addition to the board of directors shall hold office only until the first annual shareholders' meeting of the Company after his/her appointment and shall be eligible for re-election at the meeting. Unless otherwise stipulated by the laws, the regulations and the regulatory rules of the place where the shares of the Company are listed, shareholders shall have the power to remove any director before the expiration of his/her term of office at the shareholders' meeting by way of an ordinary resolution, without prejudice to claims for damages made by the director in accordance with the laws or any contract.

A director may serve concurrently as general manager or any other senior management member, provided that the aggregate number of the directors who serve concurrently as general manager or other senior management members does not exceed one half of the total number of directors of the Company.

**Article 104** The directors shall comply with the laws, the administrative regulations and these Articles, and shall assume the following duties of royalty towards the Company:

(I) shall not take advantage of power to accept bribes or other illegal income, or embezzle of the Company's property;

(II) shall not misappropriate the Company's funds;

(III) shall not deposit the Company's assets or funds into accounts under his own name or the name of other individuals;

(IV) shall not, in violation of these Articles, provide loans to others using the Company's funds or provide guarantee for others with the Company's property without the consent of the shareholders' meeting or the board of directors;

(V) shall not enter into contracts or effect transactions with the Company, directly or indirectly, without such contracts or transactions being resolved and passed by the board of directors or the shareholders' meeting in accordance with the provisions of these Articles;

(VI) shall not take advantage of their positions to seek business opportunities belonging to the Company for themselves or others, save for the following circumstances: (1) they have report the matter to the board of directors or the shareholders' meeting and obtained approval from the board of directors or the shareholders' meeting by way of a resolution in accordance with the provisions of these Articles; (2) the Company is unable to take advantage of such business opportunities in accordance with the provisions of the laws, the administrative regulations or these Articles;

(VII) shall not engage in any business similar to those of the Company for himself/herself or others without reporting the matter to the board of directors or the shareholders' meeting and obtaining approval from the board of directors or the shareholders' meeting by way of a resolution in accordance with these Articles;

(VIII) shall not accept and possess commissions paid by a third party for transactions conducted with the Company;

(IX) shall not unauthorized divulgence of confidential business information of the Company;

(X) shall not take advantage of their connected relationship to harm the interests of the Company;

(XI) shall perform any other duties of royalty stipulated by the laws, the administrative regulations, departmental rules and these Articles.

The Company is entitled to the profit gained by a director in violation of this Article. For any loss caused by a director to the Company, the director shall be liable for damages.

The directors shall take measures to avoid conflicts between their own interests and the interests of the Company, and shall not procure undue benefit by taking advantage of his/her functions and powers.

**Article 105** The directors shall comply with the laws, the administrative regulations and these Articles, with reasonable care that managers is ordinarily required to exercise for the best interests of the Company, and fulfil duties of diligence to the Company as follows:

(I) they shall prudently, earnestly and diligently exercise their powers granted by the Company to ensure that the Company's commercial activities are in compliance with the provisions of national laws, the administrative regulations and various economic policies of China, and the Company does not conduct any commercial activities beyond the business scope specified in its business license;

(II) they shall treat all shareholders fairly;

(III) they shall keep abreast of the business operation and management of the Company;

(IV) they shall sign written confirmation and opinion for the regular report of the Company and ensure the veracity, accuracy and completeness of the information disclosed by the Company;

(V) they shall truthfully provide relevant information and materials to the board of supervisors and shall not obstruct the board of supervisors or any supervisor from performing their duties;

(VI) they shall perform any other duties of diligence stipulated by the laws, the administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed and these Articles.

**Article 106** Directors shall commit sufficient time and effort to the affairs of the Company, and prudently assess the risks and benefits that may arise from the matters considered.

Directors shall attend the meeting of the board of directors in person in principle. Any director who authorizes another director to attend on his/her behalf for any reason shall cautiously appoint a proxy, with specific and clear authorization and intent of decision-making, and shall not give carte blanche to his/her proxy.

A director will be deemed incapable of performing his/her duties if he/she fails to attend the meeting of the board of directors, either in person (the director shall be deemed to be present in person if he/she attends or votes at the meeting of the board of directors by correspondence) or by appointing another director to attend on his/her behalf, for two consecutive meetings. The board of directors shall make a proposal to the shareholders' meeting to remove such director.

**Article 107** A director may tender resignation before the expiration of his/her term of office. A director shall submit a written resignation report to the Company for resignation. The board of directors will disclose relevant information within two working days.

If relevant laws and regulations impose no additional provisions, shareholders shall be entitled to remove any director (including executive directors) by ordinary resolution at a shareholders' meeting before the expiration of their term of office, provided that such removal shall be without prejudice to any claim for damages such director may have under any contract. Where the number of members of the board of directors falls below the minimum requirement as a result of the resignation of any director, or the Company being unable to comply with other requirements under the Hong Kong Listing Rules, the original director shall perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules and these Articles until a newly-elected director takes office.

Save for the circumstances set out in the preceding paragraph, the resignation of a director shall take effect when the resignation report is served to the Company.

**Article 108** When a director's resignation takes effect, or his/her term of office expires, or he/she is dismissed, he/she shall complete all handover procedures with the board of directors, and his/her duties of loyalty to the Company and shareholders shall not be automatically discharged after the end of his/her term of office and will remain effective within one year after the end of tenure. His/her obligation to keep the Company's business secrets (including core know-how, etc.) confidential will remain valid after the end of tenure until the business secrets are made publicly available, and he/she shall not use the Company's business secrets in his/her possession to engage in business that is the same as or similar to that of the Company. The duration of other duties of loyalty shall be determined based on the arm's length principle, taking into account factors such as the nature of the matter, its importance to the Company, the time of its impact on the Company, and the relationship with the director.

**Article 109** Unless provided by these Articles or legally authorized by the board of directors, no director shall act on behalf of the Company or the board of directors in his/her own name. When a director acts in his/her own capacity, but a third party may reasonably consider that such director is acting on behalf of the Company or the board of directors, such director shall declare in advance his/her stance and capacity.

**Article 110** Where a director causes damage to other party(ies) in performing his/her duties, the Company shall be liable for compensation. The director shall be liable for compensation if there is intentionality or gross negligence on his/her part.

Directors shall safeguard the interests of the Company and all shareholders, and shall not prejudice the interests of the Company for the interest of actual controllers, shareholders, employees, himself/herself or other third parties. Directors shall actively promote the standardized operations of the Company, supervise the Company to fulfill information disclosure obligation, timely rectify and report the irregularities of the Company and support the Company to perform its social responsibilities. Directors shall keep the Company's business secrets confidential, and shall not disclose material information to be disclosed or use inside information to obtain unlawful benefits. Directors shall pay attention to matters such

as the operating condition of the Company and timely report relevant issues and risks to the board of directors, and shall not claim exemption from liability on the grounds that they are not familiar with the Company's business or do not understand the relevant matters.

The Company has independent non-executive director and issues including conditions of appointment, nomination and election procedures, tenure of office, resignation and power of independent non-executive directors are implemented in accordance with the provisions of laws, administrative regulations, departmental rules and the regulatory rules of the place where the shares of the Company are listed. Unless otherwise provided in this section, the provisions relating to the qualifications and obligations of directors in these Articles shall apply to independent non-executive directors.

Independent non-executive directors shall faithfully perform their duties and safeguard the interests of the Company, with particular attention to ensuring that the legitimate rights and interests of public shareholders are not jeopardized, so as to ensure that the interests of all shareholders are adequately represented.

## **Section 2 Board of Directors**

**Article 111** The Company shall establish a board of directors accountable to the shareholders' meeting.

**Article 112** The board shall consist of 9 directors, including 1 chairman. At any time, the board of directors shall have at least three independent non-executive directors, the number of whom shall not be less than one-third of the number of directors of the Company and at least one of whom shall have appropriate professional qualifications that meet the requirements of the Hong Kong Listing Rules or have appropriate accounting or related financial management expertise. All independent directors must satisfy the independence requirements set out in the Hong Kong Listing Rules.

**Article 113** The board of directors exercises the following powers:

- (I) to convene shareholders' meeting and report on its work to the shareholders' meeting;
- (II) to implement the resolutions of the shareholders' meeting;
- (III) to decide on the Company's business plans and investment proposals;
- (IV) to formulate the Company's profit distribution proposals and loss recovery proposals;
- (V) to formulate proposals for the increase or reduction of registered capital, issue of bonds or other securities and listing of the Company;
- (VI) to formulate proposals for material acquisition, repurchase of the Company's shares or merger, division, dissolution and change of corporate form of the Company;

(VII) to decide on external investment, acquisition or disposal of assets, assets security, external guarantee, entrusted wealth management, connected transactions and external donations of the Company within the scope authorized by the shareholders' meeting or in accordance with the listing rules of the exchange where the shares of the Company are listed;

(VIII) to decide on the setup of the Company's internal management organs;

(IX) to decide on appointment or dismissal of the Company's general manager, secretary of the board of directors and other senior management, and to decide on their remuneration, rewards and punishments; to decide on appointment or dismissal of the Company's deputy general manager, Chief Financial Officer and other senior management based on the nomination by the general manager, and to decide on their remuneration, rewards and punishments;

(X) to formulate the Company's basic management system;

(XI) to formulate proposals for amendment to these Articles;

(XII) to manage Company's information disclosure;

(XIII) to propose to hire or replace an accounting firm auditing for the Company to the shareholders' meeting;

(XIV) to listen to the work report of the general manager of the Company and inspect the work of the general manager;

(XV) to formulate and review the corporate governance policies and practices of the Company;

(XVI) to review and monitor the training and continuous professional development of the directors and senior management;

(XVII) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(XVIII) to formulate, review and monitor the code of conduct and compliance manual (if any) for employees and directors;

(XIX) to review the Company's compliance with the Corporate Governance Code under the Hong Kong Listing Rules and disclosure in the Corporate Governance Report;

(XX) other powers as conferred by laws, administrative regulations, departmental rules, regulatory rules of the place where the shares of the Company are listed, these Articles or the shareholders' meeting.

Matters which are beyond authorization of the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.



**Article 114** The board of directors shall provide explanations to the shareholders' meeting for the unqualified audit opinions issued by the certified accountants on the financial reports of the Company.

**Article 115** The board of directors shall formulate the rules of procedures for the board of directors to ensure its implementation of the resolutions passed at the shareholders' meeting to enhance efficiency and to ensure scientific decision-making. The rules of procedures for the board of directors shall specify the convening and voting procedures of the board meetings. Such rules of procedures as an appendix to these Articles shall be formulated by the board of directors and subject to approval by the shareholders' meeting.

**Article 116** The board of directors shall lay down strict procedures to inspect and decide on the approval limit for external investment, acquisition or sale of assets, mortgage of assets, provision of external guarantees, entrusted assets management, connected transactions and external donations. For major investment projects, the board of directors shall organize the relevant experts and professional to conduct assessment for approval by the shareholders' meeting.

The following transactions shall be considered by the board of directors:

(I) transactions with total assets involved (the higher of the book value and assessed value, if both exist) accounting for more than 10% of the latest audited total assets of the Company, provided that transactions with total assets involved accounting for more than 50% of the latest audited total assets of the Company shall be submitted to the shareholders' meeting for consideration;

(II) transactions with transaction amount accounting for more than 10% of the Company's market capitalization, provided that transactions with transaction amount accounting for more than 50% of the Company's market capitalization shall be submitted to the shareholders' meeting for consideration;

(III) transactions in which the net assets of the subject (such as equity) for the latest accounting year account for more than 10% of the Company's market capitalization, provided that transactions in which the net assets of the subject (such as equity) for the latest accounting year account for more than 50% of the Company's market capitalization shall be submitted to the shareholders' meeting for consideration;

(IV) transactions in which the relevant operating revenue of the subject (such as equity) for the latest accounting year accounts for more than 10% of the Company's audited operating revenue for the latest accounting year and the absolute amount of which is more than RMB10 million, provided that transactions in which the relevant operating revenue of the subject (such as equity) for the latest accounting year accounts for more than 50% of the Company's audited operating revenue for the latest accounting year and the absolute amount of which is more than RMB50 million shall be submitted to the shareholders' meeting for consideration;



(V) transactions that generate profits accounting for more than 10% of the Company's audited net profit for the latest accounting year and the absolute amount of which exceeds RMB1 million, provided that transactions that generate profits accounting for more than 50% of the Company's audited net profit for the latest accounting year and the absolute amount of which exceeds RMB5 million shall be submitted to the shareholders' meeting for consideration;

(VI) transactions in which the relevant net profit of the subject (such as equity) for the latest accounting year accounts for more than 10% of the Company's audited net profit for the latest accounting year and the absolute amount of which exceeds RMB1 million, provided that transactions in which the relevant net profit of the subject (such as equity) for the latest accounting year accounts for more than 50% of the Company's audited net profit for the latest accounting year and the absolute amount of which exceeds RMB5 million shall be submitted to the shareholders' meeting for consideration;

(VII) transactions that may constitute discloseable transactions or connected transactions under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules.

External guarantees that shall be considered by the board of directors refer to external guarantees other than those required to be approved by the shareholders' meeting as stipulated in Article 46 of these Articles.

**Article 117** The chairman of the board of directors shall be elected by more than half of all directors.

**Article 118** The chairman of the board of directors shall exercise the following powers:

(I) to preside over shareholders' meetings and to convene and preside over board meetings;

(II) to supervise and inspect the implementation of resolutions of the board of directors;

(III) to sign share certificates, debentures and other marketable securities of the Company;

(IV) to sign important documents of the board of directors and other documents that shall be signed by the Company's legal representative;

(V) in the event of any urgent situation due to force majeure such as catastrophic natural disasters, to exercise special powers of disposal in relation to the Company's affairs in compliance with legal requirements and in the interests of the Company and subsequently report such activities to the board of directors and the shareholders' meeting of the Company;

(VI) to exercise other powers granted by the board of directors or laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed.

Except for routine or long-term authorizations that have been clearly specified in these Articles, the authorization of the board of directors to the chairman of the board of directors shall be clearly made by means of a resolution of the board of directors, and there shall be clear and specific authorization matters, contents and authority. Any matters involving the significant interests of the Company shall be determined collectively by the board of directors and shall not be determined by the chairman or any individual director on their own upon authorization.

**Article 119** In the event that the chairman is incapable of performing or not performing his duties, a director nominated by more than half of the directors shall perform his duties.

**Article 120** The board of directors shall discuss matters by holding a board meeting. Board meetings shall be classified as regular meetings and interim meetings. Regular board meetings shall be held at least four times a year (about once every quarter) and shall be convened by the chairman of the board of directors by giving a written notice (including by hand, fax and mail) to all directors and supervisors 14 days prior to the meeting.

**Article 121** Interim board meetings may be proposed to be convened by shareholders representing more than 10% of voting rights, more than one-third of the directors, more than one half of the independent non-executive directors or the board of supervisors. The chairman may also convene an interim board meeting if he/she deems it necessary. The chairman shall convene and preside over such meeting within 10 days after receiving such proposal.

**Article 122** The board of directors may convene an interim board meeting by giving a telephone call or a written notice (including by hand, fax and mail). The notice of the meeting shall be delivered to all directors and supervisors 3 days prior to the interim board meeting. The notice period for convening board meetings may be shortened or waived upon unanimous consent of all the directors of the Company.

Where an interim board meeting is necessary to be convened as soon as possible in case of an emergency, the notice of the meeting may be delivered at any time by telephone or by other verbal means, and the delivery of the notice of the meeting may be exempted from the time limit specified in the preceding paragraph, provided that the convener shall give an explanation at the meeting.

**Article 123** The notice of the board meeting shall include the following:

- (I) date and venue of the meeting;
- (II) duration of the meeting;
- (III) subject matter and topic;
- (IV) date of issue of notice;
- (V) the manner in which the meeting is to be held;
- (VI) meeting materials necessary for the directors to vote;

(VII) contact person and contact information.

The verbal notice of the meeting shall at least include the contents set forth in items (I) and (II) above and an explanation that an extraordinary meeting of the board of directors is necessary to be convened as soon as possible in case of an emergency.

**Article 124** Meetings of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board shall be adopted by more than half of all directors. If the relevant laws and regulations and these Articles provide otherwise, such provisions shall prevail.

Voting at meetings of the board of directors shall be on a one-person-one-vote basis.

**Article 125** Where a director or any of his/her close associates (as defined in the Hong Kong Listing Rules) is materially interested in or connected with the matters to be resolved at the board meeting, such director shall promptly report to the board of directors and shall not exercise his/her voting right on that resolution while the board of directors is deliberating on such matters, nor shall he/she exercise voting rights on behalf of other directors or be counted in the quorum present at the meeting. Any director with connected relationships shall voluntarily recuse himself/herself and abstain from voting before the board of directors votes on the connected matters; if a director without connected relationships considers that another director is connected with the matters to be resolved at the board meeting and should recuse himself/herself, he/she shall propose before the board of directors votes on the resolution, and whether or not the director who has been proposed to recuse himself/herself should do so shall be decided by the board of directors in accordance with the procedures as stipulated in these Articles. Such board meeting may be held with the attendance of a majority of the directors without connected relationships, and resolutions made at the board meeting shall be approved by a majority of the directors without connected relationships. The recusal of a director and the reasons for such recusal shall be recorded in the minutes of the board meeting. If the number of directors without connected relationships present at the board meeting is less than three, the matter shall be submitted to the shareholders' meeting for consideration. If the Hong Kong Listing Rules provides otherwise, such provisions shall prevail.

If any related shareholder or director, from the perspective of the board of directors, has any major conflict of interest in the matters to be considered by the board of directors, the relevant matters shall be dealt with at a board meeting (rather than by a written resolution). Independent non-executive directors who themselves and whose close associates have no material interests in the transactions shall attend the relevant board meetings. If laws and regulations and the securities regulatory rules of the place where the Company's shares are listed have other provisions on directors' participation in and voting at the board meeting, such provisions shall prevail.

**Article 126** Voting at board meetings shall be conducted by open ballot or by a show of hands.

To the extent that all directors can fully express their opinions, the board meetings may be held by means of physical meeting and communication such as telephone, video, fax, email, and a combination of physical meeting and communication, and resolutions can be made thereat and be signed by all participating directors.

The directors shall be liable for the resolutions of the board of directors. If a resolution of the board of directors violates the laws, administrative regulations, these Articles or the resolutions of the shareholder's meeting, and as a result of which the Company sustains significant losses, the directors participating in the resolution are liable to compensate the Company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be released from that liability.

**Article 127** Directors shall attend board meetings in person. If a director is unable to attend a board meeting, he/she may appoint another director by a written power of attorney to attend the meeting on his/her behalf. An independent non-executive director shall appoint another independent non-executive director to attend on his/her behalf. The power of attorney shall contain the name of the proxy, the matters to be represented, the scope of authorization and the validity period, and shall be signed or sealed by the appointer. The appointer shall expressly state whether he/she agrees or disagrees with or abstains from voting on each resolution. The director attending the meeting on other's behalf shall exercise the rights of a director within the scope of authorization. If a director fails to attend a board meeting and has not appointed a proxy to attend on his/her behalf, such director shall be deemed to have waived his/her right to vote at such meeting.

A director may not accept proxies from more than two directors to attend a single board meeting on their behalf.

Directors shall make a statement in writing in the following circumstances:

- (I) fail to attend the board meeting in person for two consecutive times;
- (II) fail to attend in person more than half of the board meetings held in any twelve consecutive months during his/her term of office.

**Article 128** Meeting minutes shall be prepared in respect of decisions on matters discussed at the board meeting. Directors attending the meeting shall sign to endorse such minutes.

The minutes of the board meeting shall be kept as the Company's archives for a period of not less than 10 years.

**Article 129** The minutes of the board meeting shall include the following:

- (I) the session, date and venue of the meeting and name of the convener;
- (II) the issue of the meeting notice;
- (III) the convener and chairperson of the meeting;
- (IV) names of the directors present and names of the directors (proxies) appointed by others to attend the board meeting;

(V) proposals discussed at the meeting, highlights and principal opinions of each director on relevant matters and voting intentions on the proposals;

(VI) agenda of the meeting;

(VII) voting method and results of each resolution (the voting results shall contain the number of affirmative, negative or abstention votes);

(VIII) other matters that the directors attending the meeting deem necessary.

### **Section 3 Special Committees of the Board**

**Article 130** The board of directors shall establish an audit committee, a nomination committee, and a remuneration and appraisal committee to assist it in performing its duties. These special committees are accountable to the board of directors and shall perform their duties in accordance with these Articles and the authorization of the board. They shall review proposals, and such proposals shall be submitted to the board for consideration and decision. All members of each special committee shall be directors. The chairman of each committee shall be appointed and removed by the board of directors. The specific composition, qualification requirements, and other matters regarding the special committees shall comply with laws, administrative regulations, departmental rules, and the regulatory rules of the place where the Company's shares are listed. Where the regulatory rules of the place where the Company's shares are listed provide otherwise, such provisions shall prevail.

The audit committee shall be composed of directors, with 3 or more members. More than half of its members shall not hold any position in the Company other than that of director and shall not have any relationship with the Company that may affect their independent and objective judgment.

Resolutions of the audit committee shall be voted on a one-member-one-vote basis. A resolution of the audit committee shall be passed by more than half of its members.

The board of directors shall formulate the rules of procedures for the audit committee, nomination committee, and remuneration and appraisal committee, setting out the details of the meeting methods and voting procedures. The remuneration appraisal mechanism for directors, supervisors and senior management shall comply with the provisions of the Company's relevant rules and internal systems.

## **CHAPTER 6 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT**

**Article 131** The Company has one general manager, appointed or dismissed by the board of directors.

The Company shall have several deputy general managers according to its needs, who shall be appointed or dismissed by the board of directors.

The Company's general manager, deputy general managers (appointed according to the needs of the Company), secretary to the board of directors and Chief Financial Officer are the senior management members of the Company.

**Article 132** The circumstances of disqualification from being a director stipulated in Article 101 of these Articles shall be applicable to senior management members. Any appointment of senior management in violation of the provisions of Article 101 of these Articles shall be invalid. The board of directors of the Company shall dismiss a senior management member if any of the circumstances set forth in Article 101 of these Articles occurs during his/her tenure of office.

Provisions regarding the duty of royalty of directors under Article 103 and duties of diligence of directors under items (IV), (V) and (VI) of Article 104 hereof shall also be applicable to the senior management members.

**Article 133** Any person who takes an administrative role other than a director or a supervisor in the controlling shareholders of the Company shall not serve as a senior management member of the Company.

The senior management of the Company shall only receive remuneration from the Company, and shall not be remunerated by the controlling shareholders.

**Article 134** The term of office of the general manager shall be three years, renewable upon reappointment.

**Article 135** The general manager shall be accountable to the board of directors and exercise the following powers:

(I) be in charge of the producing and operational management of the Company, organize the enforcement of resolutions of the board of directors and report to the board of directors on work;

(II) organize the implementation of the annual operation plans and investment schemes of the Company;

(III) formulate the structure scheme of the internal management department of the Company;

(IV) formulate the fundamental management policies of the Company;

(V) formulate the specific rules of the Company;

(VI) propose to the board of directors the appointment or dismissal of the Company's deputy general manager, Chief Financial Officer and other senior management;

(VII) decide on the appointment or dismissal of management personnel and employees of the Company, except for those who shall be appointed or dismissed by the board of directors;

(VIII) determine the salaries, benefits, rewards and punishments of the Company's employees;



(IX) other responsibilities authorized by these Articles or the board of directors.

The general manager attends the meeting of the board of directors. The general manager who is not a director attends the meeting of the board of directors with no voting rights.

In accordance with the provisions of laws, regulations and these Articles, the general manager is responsible for making decisions on matters not considered and decided by the shareholders' meeting and the board of directors of the Company. The Company's daily operation matters are decided by the general manager.

**Article 136** The general manager shall formulate his/her working rules and submit them to the board of directors for approval before implementation.

**Article 137** The working rules for the general manager include the following:

(I) the conditions and procedures for convening general manager meetings, and the attendees thereof;

(II) the respective duties and division of labor between the general manager and other senior management;

(III) the use of funds and assets of the Company, limits of authority to enter into material contracts and the reporting system to the board of directors and the board of supervisors;

(IV) other matters that the board of directors deems necessary.

**Article 138** The general manager may resign before the expiration of his/her term of service. The specific procedures and methods for the resignation of the general manager shall be specified in the employment contract between the general manager and the Company.

**Article 139** The deputy general manager and Chief Financial Officer shall be nominated by the general manager and appointed or dismissed by the board of directors. When nominating the deputy general manager or the Chief Financial Officer, the general manager shall submit to the board of directors the detailed information of the candidates, including educational background, work experience, and whether they have been punished by the CSRC and other relevant departments, as well as by stock exchanges. The deputy general manager and the Chief Financial Officer shall be accountable to the general manager and carry out their work under the unified leadership of the general manager. Their powers are reasonably determined by the general manager's office meeting.

**Article 140** The Company shall have a secretary of the board of directors, who is responsible for the preparation of shareholders' meeting and meetings of the board of the Company, the keeping of documentation as well as the management of the information of the Company's shareholders, handling the matters relating to information disclosure and other matters. The secretary of the board of directors, as a senior management of the Company, shall be accountable to the board of directors. The secretary of the board of directors shall comply with relevant provisions of laws, administrative regulations, departmental rules and these Articles.



The secretary of the board of directors shall comply with relevant provisions of laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed and these Articles.

The secretary of the board of directors shall possess the necessary expertise and experience, and shall be appointed by the board of directors. A director or other senior management of the Company may concurrently act as the secretary to the board of directors. The certified public accountants of the accounting firm and the lawyers of the law firm engaged by the Company shall not concurrently act as the secretary of the board of directors of the Company.

The primary duties of the secretary of the board of directors include the following:

(I) organize and prepare the board meetings and shareholders' meetings in accordance with the legal procedures, prepare and submit the documents to be considered at the board meetings and shareholders' meetings;

(II) attend the board meetings and shareholders' meetings, prepare meeting minutes and sign thereon;

(III) be responsible for the confidentiality work related to information disclosure of the Company, formulate confidentiality measures, and procure all members of the board of directors of the Company and relevant informed personnel to keep the relevant information confidential before its official disclosure and take timely remedial measures as soon as insider information is revealed;

(IV) be responsible for keeping the Company's register of members, register of directors, particulars of shareholding in the Company held by controlling shareholders and directors, supervisors and senior management, as well as the meeting documents and minutes of shareholders' meetings and board meetings;

(V) procure the board of directors to exercise its function and powers in compliance with laws; remind the attending directors and draw attention to the supervisors presented to express their opinions when the proposed resolutions of the board of directors may violate laws, administrative regulations, department rules and the Articles of Association; if the board of directors insist to make the above resolutions, the secretary of the board of directors shall record in the minutes the opinions of relevant supervisors and his/her personal comments;

(VI) ensure that eligible shareholders receive the information and materials disclosed by the Company in a timely manner. Be in charge of the Company's consulting services, coordinate and handle relevant affairs between the Company and shareholders, as well as shareholders' daily reception and letters and visits;

(VII) other duties as required by laws, administrative regulations, the Articles of Association or the Hong Kong Listing Rules.

**Article 141** A senior management who contravenes any laws, administrative regulations, departmental rules or these Articles in the performance of his duties resulting in any loss to the Company shall be personally liable to the Company.

**Article 142** Senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. The senior management of the Company shall be liable for compensation in accordance with the law for any damage caused to the interests of the Company and its public shareholders due to failure in faithfully performing their duties or violation of his/her duties of loyalty.

## **CHAPTER 7 BOARD OF SUPERVISORS**

### **Section 1 Supervisors**

**Article 143** The circumstances under which a person may not serve as a director under Article 101 shall also apply to a supervisor.

Directors, general manager and other senior management may not act concurrently as supervisors.

**Article 144** Supervisors shall abide by the laws, administrative regulations and these Articles, and be bounded by the duty of loyalty and duty of diligence to the Company, and shall not take bribes or other illegal income by exploiting their positions and powers, and shall not misappropriate the Company's properties.

**Article 145** The supervisors serve three-year terms. The supervisors may, after the expiration of the term of office, be re-elected and re-appointed.

**Article 146** If the term of office of a supervisor expires without timely re-election, or if the number of members of the board of supervisors is less than quorum due to the resignation of a supervisor during his/her term of office, the original supervisor shall perform his/her duties as a supervisor in accordance with laws, administrative regulations and the requirements of these Articles before the re-elected supervisor takes office.

**Article 147** The supervisors shall ensure that the information disclosed by the Company is true, accurate and complete, and shall sign a written confirmation opinion on the regular report.

**Article 148** The supervisors may attend the meetings of the board of directors, query or provide suggestions on the resolution matters of the board meeting.

**Article 149** The supervisors shall not damage the interests of the Company by taking advantage of their connected relationship, and shall be liable for compensation if any loss is caused to the Company.

**Article 150** A supervisor who contravenes the laws, administrative regulations, departmental rules or the requirements of these Articles in the performance of the duties of the Company and cause any loss to the Company shall be liable for compensation.

## **Section 2 Board of Supervisors**

**Article 151** The Company sets up a board of supervisors. The board of supervisors is composed of 3 supervisors and 1 chairman. The chairman of the board of supervisors shall be elected by more than half of all supervisors. The chairman of the board of supervisors convenes and presides over the meeting of the board of supervisors; if the chairman of the board of supervisors is incapable of performing or fails to perform his duties, a supervisor jointly elected by more than half of the supervisors shall convene and preside over the meeting of the board of supervisors.

The board of supervisors shall include representatives of the shareholders and an appropriate proportion of representatives of the employees of the Company, in which the proportion of representatives of the employees shall be not less than one-third. Representatives of the employees in the board of supervisors shall be democratically elected by the employees of the Company through the employees' representative assembly, employees' general meeting or otherwise.

**Article 152** The board of supervisors exercises the following powers:

(I) to review the Company's securities issuance documents prepared by the board of directors and regular reports and put forward written review opinions, and the supervisors shall sign written confirmation opinions;

(II) to examine the financial affairs of the Company;

(III) to supervise the directors and senior management in their performance of their duties of the Company and to propose suggestions on the removal of directors and senior management who have violated the laws, administrative regulations, these Articles or the resolutions of the shareholders' meeting;

(IV) when the acts of directors and senior management are harmful to the Company's interests, to require correction of those acts;

(V) to propose the convening of extraordinary shareholders' meetings and to convene and preside over shareholders' meetings when the board of directors fails to perform the duty of convening and presiding over shareholders' meeting under the Company Law and the requirements of these Articles;

(VI) to submit proposals to the shareholders' meetings;

(VII) to initiate proceedings against directors and senior management in accordance with Section 189 of the Company Law;

(VIII) to conduct investigation if any abnormality in the operation of the Company is found, and, where necessary, engage an accounting firm, law firm or any other specialized agency to assist in its work at the expense of the Company;

(IX) other powers as conferred by the laws, administrative regulations, departmental rules or these Articles.

The board of supervisors may require the directors and senior management to submit reports on the performance of their duties. Directors and senior management shall truthfully provide relevant information and materials to the board of supervisors, and shall not hinder the board of supervisors or supervisors from exercising their powers.

The necessary expenses incurred by the board of supervisors to exercise its powers shall be borne by the Company.

**Article 153** The board of supervisors shall hold a meeting at least once every six months, and shall deliver a notice of the meeting to all supervisors in writing 10 days prior to the meeting. Supervisors may propose the convening of extraordinary meetings of the board of supervisors. The notice of convening an extraordinary meeting of the board of supervisors shall be delivered to all supervisors in writing 5 days prior to the meeting.

The notice period for convening the above meetings and extraordinary meetings of the board of supervisors can be shortened or waived with the unanimous consent from all supervisors of the Company. If it is required to convene an extraordinary meeting of the board of supervisors as soon as possible in case of an emergency, the notice of the extraordinary meeting can be given at any time by telephone or other verbal means, and the delivery of the notice regarding the forthcoming meeting shall not be subject to the time limit specified in the preceding paragraph, provided that the convener shall make an explanation thereon at that meeting.

A resolution of the board of supervisors shall be passed by more than half of all the supervisors.

Voting at meetings of the board of supervisors shall be on a one-person-one-vote basis.

**Article 154** The board of supervisors formulates the rules of procedure of the board of supervisors, specifying the meeting methods and voting procedure thereof, to ensure the work efficiency and scientific decision-making of the board of supervisors. The convening and voting procedures of the meeting of the board of supervisors shall be specified in the rules of procedure of the board of supervisors. The rules of procedure of the board of supervisors shall be formulated by the board of supervisors and approved by the shareholders' meeting as an appendix to these Articles.

**Article 155** Meeting minutes shall be prepared in respect of decisions on matters discussed at the meeting. Supervisors attending the meeting shall sign to endorse such minutes.

A supervisor is entitled to request that an explanatory note should be made in the meeting minutes with regard to his/her speech at the meeting. The minutes of meetings of the board of supervisors shall be kept as archives of the Company for at least 10 years.

**Article 156** The notice of a meeting of the board of supervisors shall include the following:

- (I) date, venue, duration, manner of the meeting and the date of notice;
- (II) subject matter and topic;
- (III) the convener and chairperson of the meeting, the proposer of the extraordinary meeting and his/her written proposal;
- (IV) meeting materials necessary for the supervisors to vote;
- (V) contact person and contact information.

The verbal notice of the meeting shall at least include the contents set forth in items (I) and (II) above and an explanation that an extraordinary meeting of the board of supervisors is necessary to be convened as soon as possible in case of an emergency.

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

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

**Article 157** The Company establishes its financial and accounting system in accordance with the laws, administrative regulations and requirements of relevant departments of the State. Where the securities regulatory authorities of the place where the shares of the Company are listed have other provisions, such provisions shall prevail.

**Article 158** The Company shall prepare, publish and distribute the annual reports and interim reports in accordance with relevant laws, regulations and the provisions of the Hong Kong Listing Rules.

**Article 159** The aforesaid annual reports and interim reports shall be prepared in accordance with relevant laws, administrative regulations and requirements of the CSRC and the stock exchange of the place where the shares of the Company are listed. The Company shall not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

**Article 160** When the annual after-tax earnings of the Company are distributed, the Company must allocate 10% of the earnings to the statutory common reserve fund of the Company. When the total amount of the statutory common reserve fund of the Company exceeds 50% of its registered capital, no more allocations need to be drawn.

If the Company's statutory common reserve fund is insufficient to offset the losses during the previous year, the earnings generated during the current year must be used to make up the losses before allocating to the statutory common reserve fund in accordance with the requirements set forth above.

After allocation to the statutory common reserve fund from the after-tax earnings of the Company, the Company may also allocate to the reserves at will from after-tax earnings in line with the resolution(s) adopted at the shareholders' meeting.

The remaining after-tax profits after making up losses and allocation of common reserve fund shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in these Articles.

Where the Company distributes profits to shareholders in violation of the provisions of the Company Law, the shareholders shall return the profits distributed in violation of the provisions to the Company; where losses are caused to the Company, the shareholders and the responsible directors, supervisors and senior management shall be liable for compensation.

The own shares held by the Company shall not be entitled to profit distribution.

(I) Decision-making procedures and mechanism for the profit distribution of the Company

1. The annual profit distribution proposal of the Company is proposed and formulated by the board of directors having taken into account the provisions of these Articles, profitability, capital sources and requirements, profit distribution plan, etc. The board of directors shall carefully study and deliberate matters such as the timing, conditions and minimum proportion of the cash dividends of the Company, the conditions for adjustment and the requirements for decision-making procedures when considering the specific plan for cash dividends. Independent non-executive directors may solicit the opinions of minority shareholders and submit the dividend proposal directly to the board of directors for consideration.

Before the profit distribution plan is submitted to the board of directors for discussion, it shall be approved by more than half of all independent non-executive directors and a written review opinion shall be formed thereon; when the board of directors considers the profit distribution plan, it shall be approved by more than half of all directors and a written resolution shall be formed thereon; the profit distribution plan shall be approved by more than half of all supervisors and a written resolution shall be formed thereon. The profit distribution plan shall be submitted by the board of directors to the shareholders' meeting for consideration after being reviewed and approved by the board of directors and the board of supervisors, and shall be approved by more than half of the voting rights held by the shareholders (including proxies of the shareholders) attending the shareholders' meeting.

2. The Company may adjust the profit distribution policy in the event of force majeure such as war and natural disasters, which has a significant impact on the Company's production and operation, or in the event of significant changes in the Company's own operating conditions, provided that the adjusted profit distribution policy shall not violate the relevant laws, administrative regulations, departmental rules and the provisions of the regulatory rules of the place where the Company is listed.



3. The proposal on the formulation of profit distribution policy and the proposal on the adjustment of the established profit distribution policy shall be approved by more than half of all independent non-executive directors and a written review opinion shall be formed thereon before being submitted to the board of directors for discussion; when it is considered by the board of directors of the Company, it shall be approved by more than half of the votes of all directors and a written resolution shall be formed thereon, and the independent non-executive directors shall express clear opinions; the board of supervisors of the Company shall consider the formulation and adjustment of the profit distribution policy, which shall be approved by more than half of the votes of all supervisors and a written resolution shall be formed thereon.

The formulation and adjustment of the profit distribution policy shall be submitted to the shareholders' meeting for consideration after being considered and approved by the board of directors and the board of supervisors. The proposal on the formulation of the profit distribution policy shall be approved by more than half of the voting rights held by the shareholders (including proxies of the shareholders) attending the shareholders' meeting (including physical meeting and online voting), the proposal on the adjustment of the established profit distribution policy shall be approved by more than two-thirds of the voting rights held by the shareholders (including proxies of the shareholders) attending the shareholders' meeting (including physical meeting and online voting).

4. When considering the profit distribution plan, the shareholders' meeting shall provide shareholders with online voting, and shall actively communicate and exchange (including but not limited to telephone communication, planning shareholders' reception day or inviting minority shareholders to attend the meeting) with shareholders (especially minority shareholders) through multiple channels, and fully listen to the opinions and demands of minority shareholders, and promptly respond to the concerns of minority shareholders.

## (II) Specific contents of the profit distribution policy of the Company

1. The Company implements a proactive profit distribution policy, attaches importance to reasonable investment returns to investors, takes into account the long-term interests and sustainable development of the Company, fully listens to and considers the opinions and demands of shareholders (especially minority shareholders), independent non-executive directors and supervisors of the Company, and maintains the continuity and stability of the profit distribution policy.

To the extent that the capital requirements of the Company's normal production and operation are met, the Company shall actively distribute profits in cash; however, according to the real and reasonable factors such as the Company's cash flow, business growth and the scale of net assets per share, the Company may also distribute profits by way of stock dividends.

Cash dividends and other payments made by the Company to the shareholders of domestic unlisted shares shall be paid in RMB. Cash dividends and other payments made by the Company to shareholders of overseas listed shares shall be denominated and declared in RMB and paid in foreign currencies or RMB. The Company shall arrange for the foreign currency required for the payment of cash dividends and other payments to shareholders of overseas listed shares in accordance with the relevant provisions of the State on foreign exchange control.



In the event that a shareholder occupies the Company's funds in violation of regulations, the Company shall deduct the cash dividends distributed to such shareholder to repay the funds occupied by such shareholder.

## 2. Conditions for cash dividends

In the event that the balance at the end of the period of the Company's accumulated undistributed profit is positive, the current distributable profit is positive, and the Company's cash flow can meet the Company's requirement for normal operation and sustainable development, the Company has reserved statutory common reserve fund in full and discretionary common reserve fund.

## 3. Conditions for distributing stock dividends

When the Company's operation is in good condition and the board of directors considers that the stock price of the Company does not match the scale of the share capital of the Company, and the distribution of stock dividends is in the interests of all shareholders of the Company as a whole, the Company may submit a proposal on the distribution of stock dividends, provided that the above conditions of cash dividends are satisfied. The distribution of stock dividends of the Company shall not exceed the scope of the accumulative distributable profits.

## 4. Time interval of profit distribution

To the extent that the conditions for profit distribution are satisfied, the Company shall, in principle, distribute profits once a year. In the event of meeting the conditions for cash dividends, the Company shall actively distribute dividends in cash. If conditions allow, the board of directors of the Company may propose the Company to distribute interim cash dividends in accordance with the actual operating conditions of the Company.

**Article 161** The Company's reserve fund shall be applied to make up losses of the Company, expand its business operations or be converted to increase the registered capital of the Company. When the Company's losses are made up with common reserves, the discretionary common reserve and the statutory common reserve shall first be used; if insufficient, the capital common reserve may be used according to the applicable provisions.

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

**Article 162** The distribution of dividends (or shares) shall be completed within six months after the shareholders' meeting of the Company has made a resolution on the profit distribution plan, or after the board of directors of the Company has formulated a specific plan in accordance with the conditions and cap for the interim dividend distribution of next year approved by the annual shareholders' meeting.

**Article 163** The profits of the Company may be distributed by cash, stocks, a combination of cash and stocks or by other means as permitted by the laws, administrative regulations, departmental rules and the regulatory rules of the place where the Company is listed. When choosing the method of profit distribution, the Company gives priority to cash dividend distribution over stock dividend and other distribution methods.

**Article 164** The Company shall appoint a receiving agent in Hong Kong for the shareholders of overseas listed shares. The receiving agent shall collect, on behalf of the relevant shareholders, the dividends distributed by the Company in respect of the overseas listed shares and other payables, and shall keep such amounts on behalf of the relevant shareholders for any payment to them.

The receiving agent appointed by the Company shall comply with the requirements of the laws of the listing place or the relevant provisions of the stock exchange.

The receiving agent appointed by the Company for shareholders of overseas listed shares listed in Hong Kong shall be a trust company registered in accordance with the Trustee Ordinance of Hong Kong.

## **Section 2 Internal Audit**

**Article 165** The Company implements an internal audit system and has designated audit associates for internal audit and supervision of the Company's financial receipts and payments and economic activities.

**Article 166** The internal audit system and the duties of the audit associates of the Company shall be implemented upon the approval of the board of directors. The person in charge of audit shall be accountable and report to the board of directors.

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

**Article 167** The Company engages an accounting firm that is qualified under the laws and regulations of the place where the shares of the Company are listed and the provisions of the Securities Law for auditing financial statements, verify its net assets, and provide other relevant consulting services. The accounting firm shall serve a term of one year and the engagement can be renewed.

**Article 168** The engagement of an accounting firm by the Company shall be subject to the determination of the shareholders' meeting, and the board of directors shall not appoint accounting firm prior to the decision of the shareholders' meeting.

**Article 169** The Company guarantees to provide true and complete accounting vouchers, accounting books, financial statements and other accounting information to the engaged accounting firm, without refusal, concealment or misrepresentation.

**Article 170** The removal of the accounting firm and the audit fees shall be subject to the determination of the shareholders' meeting.

**Article 171** When the Company dismisses or does not renew the engagement of an accounting firm, it shall give 15 days' advance notice to such accounting firm. The accounting firm may present its views when the dismissal of the accounting firm is voted at the shareholders' meeting of the Company.

If the accounting firm proposes to resign, it shall make a representation to the shareholders' meeting as to whether the Company has any irregularity.

## **CHAPTER 9 NOTICE AND ANNOUNCEMENT**

### **Section 1 Notice**

**Article 172** The notices of the Company shall be served as follows:

(I) by hand;

(II) by mail;

(III) by announcement;

(IV) by any other means as approved by the securities regulatory authorities and the stock exchange of the place where the shares of the Company are listed or as stipulated in these Articles.

**Article 173** If a notice of the Company is served by announcement, the said notice shall be deemed as received by all the relevant persons once it is announced. Where the securities regulatory authorities and the stock exchange of the place where the shares of the Company are listed have any other provisions, such provisions shall prevail.

Notwithstanding otherwise stipulated in the Articles of Association of the Company with respect to the form of issue or notification of any documents, notices or other corporate communications, subject to the laws, administrative regulations, departmental rules, normative documents, and the relevant provisions of the securities regulatory authorities and the stock exchange of the place where the shares of the Company are listed, the Company may elect to (i) send or otherwise make available the relevant corporate communication to the relevant holders of its securities by electronic means; or (ii) issue its corporate communications by publishing on the websites designated by the Company and the stock exchange of the place where the shares of the Company are listed in lieu of delivering its written documents to each holder of overseas listed shares by hand or prepaid mail. The aforementioned corporate communications refer to any documents issued or to be issued by the Company for the information or action of the shareholders, including but not limited to annual reports (including annual financial reports), interim reports (including interim financial reports), directors' reports (together with balance sheets and statements of profit or loss), notices of shareholders' meetings, circulars and other communication documents.

**Article 174** If the notice of the Company is served by hand, the recipient or its agent shall affix signature (or seal) to the return on service and the signing date shall be the date of service; if the notice of the Company is served by mail, the second working day after handover to the post office shall be the date of service; if the notice of the Company is served by fax or email, the date on which the fax or email is successfully sent shall be the date of service; if the notice of the Company is served by announcement, the date of first announcement shall be the date of service.

**Article 175** The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

**Article 176** In the event that relevant provisions of the securities regulatory authorities and the stock exchange of the place where the shares of the Company are listed stipulate that the Company shall send, post, distribute, issue, announce or otherwise provide relevant documents of the Company in English and Chinese, and if the Company has made appropriate arrangement to confirm whether the shareholders intend to receive either the English or the Chinese version, the Company may (as per the preference stated by the shareholders) only send the English version or the Chinese version to the shareholders concerned to the extent permitted by applicable laws and regulations and pursuant to the applicable laws and regulations.

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

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

**Article 177** Companies may merge through merger by absorption or through the establishment of a newly merged entity.

The absorption of a company by another company is known as merger by absorption, whereby the company being absorbed shall be dissolved. The merger of two or more companies to establish a new company is known as merger by a new establishment, whereby the merged parties shall be dissolved.

**Article 178** In the event of a merger of the Company, the merged parties shall enter into a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall inform its creditors within 10 days and publish an announcement on the newspaper or the National Enterprise Credit Information Publicity System within 30 days after approving the merger resolution.

The creditors shall require the Company to pay off the debts or to provide corresponding security within 30 days of the receipt of the notice, or within 45 days upon the date of the announcement if they do not receive the notice.

**Article 179** Upon merger of the Company, the claims and debts of each of the merged parties shall be assumed by the surviving company or the newly established company.

**Article 180** Where there is a division of the Company, its properties shall be divided accordingly.

In the case of a division, a balance sheet and an inventory of assets shall be prepared. The Company shall inform its creditors within 10 days and publish an announcement within 30 days after approving the division resolution. Where the securities regulatory rules of the place where the shares of the Company are listed have any other provisions, such provisions shall prevail.

**Article 181** Unless a written agreement has been entered into by the Company and its creditors in relation to the repayment of debts before division, liabilities of the Company prior to the division shall be jointly assumed by surviving companies after division. Where the securities regulatory rules of the place where the shares of the Company are listed have any other provisions, such provisions shall prevail.

**Article 182** Where the Company reduces its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify the creditors within 10 days upon the passing of the resolution by the shareholders' meeting about the reduction in the registered capital and publish an announcement within 30 days. The creditors shall be entitled to require the Company to pay off the debts or to provide corresponding security within 30 days of the receipt of the notice, or within 45 days upon the date of the announcement if they do not receive the notice. Where the securities regulatory rules of the place where the shares of the Company are listed have any other provisions, such provisions shall prevail.

The registered capital of the Company after the capital reduction shall not be lower than the statutory minimum level required by laws.

## **Section 2 Dissolution and Liquidation**

**Article 183** The Company shall be dissolved by reason of the following:

(I) the term of business of the Company has expired or other events of dissolution occur under these Article;

(II) the shareholders' meeting adopts a resolution to dissolve the Company;

(III) the Company needs to be dissolved for the purpose of merger or division;

(IV) the business license is revoked, or the Company is ordered to close or be eliminated according to applicable law;

(V) where the Company encounters significant difficulties in business and management, continuous survival may be significantly detrimental to the interests of the shareholders, and the difficulties may not be overcome through other means, shareholders who hold more than 10% of all voting rights of the Company may request the people's court to dissolve the Company.

The Company shall, within 10 days of the occurrence of the reasons for dissolution stipulated in the preceding paragraph, make an announcement of the reasons for dissolution through the National Enterprise Credit Information Publicity System.

**Article 184** In the event of the circumstance as set forth in items (I) and (II) of Article 182, the Company may carry on its existence by amending these Articles or with approval by resolution of the shareholders' meeting, provided that the Company has not distributed its property to the shareholders.

The amendment of these Articles in accordance with provisions set out above or the resolution of the shareholders' meeting shall require approval of more than two thirds of voting rights of shareholders attending a shareholders' meeting.

**Article 185** Where the Company is dissolved under items (I), (II), (IV) and (V) of Article 182, the Company shall be liquidated. The directors, who are the liquidation obligors of the Company, shall form a liquidation group to carry out liquidation within 15 days after the occurrence of an event of dissolution. The liquidation group shall be composed of directors, unless it is otherwise provided for in these Articles or elected by the shareholders' meeting.

In the event that the Company shall be liquidated in accordance with the provisions of paragraph 1 of this Article, the liquidation group is not established to conduct liquidation or the liquidation is not conducted after establishment of the liquidation group within the stipulated period, an interested party may request the people's court to appoint relevant personnel to establish the liquidation group to conduct liquidation.

Where the Company is dissolved due to item (IV) of paragraph 1 of Article 182, the department or the company registration authority that made the decision to revoke the business license, order to close down or revoke may apply to the people's court to appoint relevant personnel to establish the liquidation group to conduct liquidation.

**Article 186** The liquidation group shall exercise the following powers during the liquidation period:

(I) to handle the Company's assets and to prepare a balance sheet and an inventory of the assets;

(II) to notify creditors through notice or public announcement;

(III) to deal with the Company's outstanding businesses related to liquidation;

(IV) to pay any tax overdue as well as tax amounts arising from the process of liquidation;

(V) to claim credits and pay off debts;

(VI) to distribute the Company's remaining assets after its debts have been paid off;

(VII) to represent the Company in civil lawsuits.

**Article 187** Within 10 days of the establishment of the liquidation group, the creditors shall be notified and an announcement shall be published within 60 days. The creditors shall declare their claims to the liquidation group within 30 days of the date on which the notice is received or 45 days of the date of announcement if the notice is not received. Where the securities regulatory rules of the place where the shares of the Company are listed have any other provisions, such provisions shall prevail.

Creditors who declare claims shall state relevant issues related to the claims and provide proofs. The liquidation group shall carry out registration of the claims.

During the period for declaration of claims, the liquidation group shall not make any repayment to the creditors.

**Article 188** Upon liquidation of properties and the preparation of the balance sheet and inventory of assets, the liquidation group shall draw up a liquidation plan to be submitted to the shareholders' meeting or people's court for confirmation.

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

During the liquidation, the Company shall continue to exist, but shall not carry out business activities irrelevant to the liquidation.

The Company's properties shall not be distributed to the shareholders before repayments are made in accordance to the foregoing provisions.

**Article 189** Upon liquidation of the Company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation group becomes aware that the Company does not have sufficient assets to meet its liabilities, it shall apply to the people's court for bankruptcy according to the laws.

After the people's court accepts the application for bankruptcy, the liquidation group shall hand over all matters relating to the liquidation to the bankruptcy administrator designated by the people's court.

**Article 190** Upon completion of the liquidation of the Company, the liquidation group shall submit a liquidation report to the shareholders' meeting or the people's court for verification. Thereafter, the report shall be submitted to the registration authority of the Company in order to cancel the Company's registration.

**Article 191** The members of a liquidation group shall perform the duty of liquidation and have duty of royalty and duty of diligence.

A member of the liquidation group shall be liable for compensation for losses caused to the Company, if any, by his negligence in performing the duty of liquidation; or to creditors, if any, with intent or by gross negligence.



**Article 192** Where the Company is declared bankrupt according to laws, the Company shall implement bankruptcy liquidation according to laws relating to bankruptcy of enterprises.

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

**Article 193** Amendments shall be made to the Articles of Association in any of the following circumstances:

(I) after an amendment of the Company Law, relevant laws, administrative regulations or the Hong Kong Listing Rules, and there is any conflict between the provisions of the Articles of Association and those of the amended laws, administrative regulations or the Hong Kong Listing Rules;

(II) there are changes in the particulars of the Company which are different from that set out in the Articles of Association;

(III) the shareholders' meeting has decided to amend the Articles of Association.

**Article 194** Amendments to the Articles of Association adopted by a resolution of the shareholders' meeting which are subject to approvals from relevant competent authority shall be submitted to the competent authority for approval; if it involves registered particulars of the Company, application shall be made for change in registration in accordance with laws.

**Article 195** The board of directors shall amend these Articles in accordance with the resolution of the shareholders' meeting for amendments to the Articles of Association and the review opinions (if any) from the relevant competent authority.

**Article 196** Where amendments to the Articles of Association involve information to be disclosed as required by laws, regulations or the Hong Kong Listing Rules, the Company shall publish an announcement in accordance with the provisions.

## **CHAPTER 12 SUPPLEMENTARY PROVISIONS**

**Article 197** Definitions:

(I) controlling shareholder refers to the shareholder whose shareholdings represent more than 50% of the total share capital of the Company, or the shareholder whose shareholdings represent less than 50% but the voting rights attached thereto are sufficient to materially affect the resolutions of the shareholders' meeting. Where there are other provisions stipulated by the Hong Kong Listing Rules in respect of the definition of the controlling shareholder, such provisions shall prevail.

(II) actual controller refers to anyone who can actually control the actions of the Company through investment relationships, agreements or other arrangements.

(III) connected relationships and connected transactions have the meanings ascribed to them in the Hong Kong Listing Rules.

(IV) treasury shares have the meaning ascribed to them in the Hong Kong Listing Rules. The provisions of these Articles relating to the exercise of voting rights excluding those attached to treasury shares.

**Article 198** These Articles is prepared in Chinese. In case of any inconsistency between the Articles of Association in any other language or of different version and these Articles, the Chinese version of the Articles of Association shall prevail.

**Article 199** The terms “not less than”, “within”, “not more than”, as stated in these Articles shall all include the given figure; the terms “except”, “less than”, “lower”, “more than”, “over”, “excess”, “not exceeding” shall all exclude the given figure.

The term “yuan” as stated in these Articles refers to Renminbi yuan.

**Article 200** These Articles shall be subject to interpretation by the board of directors of the Company.

**Article 201** Matters not covered in these Articles shall be handled in accordance with laws, administrative regulations and the relevant provisions of the securities regulatory authorities and the stock exchange of the place where the shares of the Company are listed having taken into account the actual situation of the Company. If these Articles are in conflict with laws, administrative regulations, other relevant normative documents and the listing rules of the stock exchange of the place where the shares of the Company are listed as promulgated from time to time, such laws, administrative regulations, other relevant normative documents and the listing rules of the stock exchange of the place where the shares of the Company are listed shall prevail.

**Article 202** Appendixes to these Articles include the rules of procedure for the shareholders’ meeting, the rules of procedure for the meetings of the board of directors and the rules of procedure for the meetings of the board of supervisors.

**Article 203** These Articles shall be adopted by a special resolution of the shareholders’ meeting of the Company, and shall take effect and come into force from the date on which the H Shares publicly issued by the Company are listed on the Main Board of the Hong Kong Stock Exchange. The original articles of association of the Company shall automatically become invalid from the effective date of these Articles.

Nanjing Leads Biolabs Co., Ltd.  
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