

**SHENZHEN DOBOT CORP LTD**

**ARTICLES OF ASSOCIATION**

**(November,2025)**

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# ARTICLES OF ASSOCIATION OF SHENZHEN DOBOT CORP LTD

## Chapter 1 General Provisions

**Article 1** In order to safeguard the legitimate rights and interests of SHENZHEN DOBOT CORP LTD (the “Company”), its shareholders and creditors, and to regulate the organization and activities of the Company, these Articles of Association (these “Articles”) are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant requirements.

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

The Company was fully converted from SHENZHEN DOBOT CORP LTD (the “Limited Company”) and established by the original shareholders of the Limited Company by way of promotion. It was registered with the Shenzhen Administration For Market Regulation and has obtained the business license (unified social credit code: 91440300349770526R).

The Company’s initial public offering of 44,195,400 overseas-listed foreign shares (the “H Shares”) (including 4,195,400 H Shares issued pursuant to the exercise of the Over-allotment Option) was filed with the China Securities Regulatory Commission (the “CSRC”) on November 21, 2024 and approved by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on December 20, 2024, which were listed on the Main Board of the Stock Exchange on December 23, 2024 and January 21, 2025.

The H shares issued by the Company shall be mainly deposited with the nominee company under the Hong Kong Securities Clearing Company Limited, and may also be held in the name of individual shareholder(s).

**Article 3** Registered name of the Company: 深圳市越疆科技股份有限公司

The English name of the Company: SHENZHEN DOBOT CORP LTD

**Article 4** Domicile of the Company: Room 1003, Building 2, Chongwen Park, Nanshan Smart Park, No. 3370 Liuxian Avenue, Fuguang Community, Taoyuan Sub-district, Nanshan District, Shenzhen

Postal Code: 518055

**Article 5** The registered capital of the Company is RMB439,955,400.

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

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

**Article 8** The total assets of the Company shall be divided into shares of equal nominal value. Shareholders shall be liable to the Company to the extent of the shares they subscribed for, and the Company shall be liable for its debts with all its assets.

**Article 9** These Articles of Association shall, from the date when they come into effect, constitute a binding legal document regulating the organization and activities of the Company, as well as the rights and obligations relationship between the Company and its shareholders, and among the shareholders themselves, and shall be legally binding on the Company, its shareholders, directors, supervisors and senior management members. In accordance with these Articles, shareholders may sue shareholders, shareholders may sue directors, supervisors, general managers and other senior management members of the Company, shareholders may sue the Company, and the Company may sue its shareholders, directors, supervisors, general managers and other senior management members.

Disputes between the Company and investors shall be resolved by negotiation, submitting to a professional mediation institution for securities and futures disputes for mediation, applying to an arbitration institution for arbitration, or filing with the People's Court for litigation.

**Article 10** Other senior management members in these Articles refer to the general manager, deputy general manager, chief financial officer and secretary of the board who are subject to the appointment by the board of the Company.

**Article 11** In accordance with the Company Law and the Constitution of the Communist Party of China (《中國共產黨章程》), the Company establishes a Communist Party organization to play the role of the political core, and sets up a work organization for the Party with adequate staffing to handle Party affairs as well as sufficient funding for the activities of the Party organizations.

## **Chapter 2 Business Objectives and Scope**

**Article 12** The business objective of the Company is: “Customer Centricity, Independent Innovation, Credible Services”. Adhering to the corporate culture of “One Step Ahead”, the Company creates new products, leads the development of the industry, and establishes new standards for the intelligent manufacturing industry.

**Article 13** As registered in accordance with the law, the business scope of the Company is:

Normal operation covers: technology development, technology transfer and technology consultation for robots; development and sale of robotic technologies, 3D printers, laser engraving machines, artificial intelligence mechanical and electrical products, electronic equipment, automatic control equipment, teaching equipment and experimental equipment; operation of import and export business; development and sale of computer software, information system software, educational software; design, integration, operation and maintenance of information systems; integrated circuit design, research and development; robotics engineering technology research and application; investment in industrial development; domestic trade; digital content production services (excluding publication and distribution); manufacture of models and teaching aids for teaching; sale of models and teaching aids for teaching; conference and exhibition services; educational consulting services (excluding educational training activities that require license approval); business training (excluding educational training, vocational training and other training that requires permission). (Except for items that require approval in accordance with the law, business activities are carried out independently with business licenses in accordance with the law)

Licensed operation covers: production of robots, 3D printers, laser engraving machines, artificial intelligence mechanical and electrical products, electronic equipment, automatic control equipment, teaching equipment and experimental equipment; wholesale of publications; retail of publications; production of electronic publications; type I value-added telecommunications services; type II value-added telecommunications services. (For activities that require approval in accordance with the law, business activities can be carried out only after approval by relevant departments, and details of operation shall be subject to approval documents or licenses issued by relevant departments)

## **Chapter 3 Shares**

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

**Article 14** The shares of the Company shall take the form of registered share certificates. All shares issued by the Company are stocks with a nominal value of RMB1 each.

The RMB referred to in the preceding paragraph is the legal currency of the People’s Republic of China.

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

Shares of the same class issued at the same time shall be issued under the same condition and at the same price; each share subscribed by any entity or individual shall be paid for at the same price.

**Article 16** Shares issued by the Company shall be denominated in Renminbi.

Shares issued by the Company that are listed on the stock exchange are referred to as “H Shares”, which are approved for listing on the stock exchange with nominal value denominated in Renminbi and subscribed and traded in Hong Kong dollars.

**Article 17** All promoters of the Company subscribed for the shares of the Company by converting the net assets corresponding to their shareholdings in the former Shenzhen Yuejiang Technology Co., Ltd. (深圳市越疆科技有限公司) into shares, and had fully paid up the registered capital upon the establishment of the Company. The promoters and the number of shares subscribed by them upon the establishment of the Company are as follows:

| No. | Name of promoters                                                                                                             | Number of shares held (ten thousand shares) | Percentage of shareholding (%) |
|-----|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------|
| 1   | Liu Peichao (劉培超)                                                                                                             | 9,584.7016                                  | 26.6242                        |
| 2   | Shenzhen Greenpine Growth Equity Investment Partnership (Limited Partnership)<br>(深圳市松禾成長股權投資合夥企業(有限合夥))                      | 2,169.8003                                  | 6.0272                         |
| 3   | Qianhai Equity Investment Fund (Limited Partnership)<br>(前海股權投資基金(有限合夥))                                                      | 1,957.2616                                  | 5.4368                         |
| 4   | CICC Qizhi (Shanghai) Private Equity Investment Center L.P. (中金祺智(上海)股權投資中心(有限合夥))                                            | 1,616.8502                                  | 4.4913                         |
| 5   | Shenzhen Lumo Consulting Partnership (Limited Partnership) (深圳市魯墨諮詢合夥企業(有限合夥))                                                | 1,489.7259                                  | 4.1381                         |
| 6   | Ningbo Meishan Bonded Port Area Tongban Investment Management Partnership (Limited Partnership)<br>(寧波梅山保稅港區同伴投資管理合夥企業(有限合夥)) | 1,387.3955                                  | 3.8539                         |
| 7   | China Internet Investment Fund (Limited Partnership)<br>(中國互聯網投資基金(有限合夥))                                                     | 1,325.4573                                  | 3.6818                         |
| 8   | Shenzhen Qimo Investment Partnership (Limited Partnership)<br>(深圳市齊墨投資合夥企業(有限合夥))                                             | 1,296.1193                                  | 3.6003                         |
| 9   | Shenzhen Yuejiang Consultation Partnership (Limited Partnership)<br>(深圳市越疆諮詢合夥企業(有限合夥))                                       | 1,259.9991                                  | 3.5000                         |
| 10  | Shenzhen Chumo Consulting Partnership (Limited Partnership)<br>(深圳市楚墨諮詢合夥企業(有限合夥))                                            | 1,163.3873                                  | 3.2316                         |

| No. | Name of promoters                                                                                                             | Number of shares held (ten thousand shares) | Percentage of shareholding (%) |
|-----|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------|
| 11  | Shenzhen Capital Group Co., Ltd.<br>(深圳市創新投資集團有限公司)                                                                           | 1,035.2962                                  | 2.8758                         |
| 12  | Wenrun Zhenxin No.1 (Zhuhai) Equity Investment Fund Partnership (Limited Partnership)<br>(溫潤振信壹號(珠海)股權投資基金合夥企業(有限合夥))         | 991.1298                                    | 2.7531                         |
| 13  | CRRC (Qingdao) Technology Innovation Venture Capital Partnership (Limited Partnership)<br>(中車(青島)科技創新創業股權投資合夥企業(有限合夥))        | 974.1529                                    | 2.7060                         |
| 14  | Shenzhen Nanshan Hongtu Equity Investment Fund Partnership (Limited Partnership)<br>(深圳市南山紅土股權投資基金合夥企業(有限合夥))                 | 825.8657                                    | 2.2941                         |
| 15  | Lang Xulin (郎需林)                                                                                                              | 796.8213                                    | 2.2134                         |
| 16  | Wu Zhiwen (吳志文)                                                                                                               | 796.8213                                    | 2.2134                         |
| 17  | Shenzhen Qunda Technology Partnership (Limited Partnership)<br>(深圳群達科技有限合夥企業(有限合夥))                                           | 672.2502                                    | 1.8674                         |
| 18  | Wuxi Chanfa Trade in Service Investment Fund Partnership (Limited Partnership)<br>(無錫產發服務貿易投資基金合夥企業(有限合夥))                    | 606.3193                                    | 1.6842                         |
| 19  | Wuxi Yunhui Internet of Things Investment Management Partnership (Limited Partnership)<br>(無錫雲暉物聯網投資管理合夥企業(有限合夥))             | 606.3193                                    | 1.6842                         |
| 20  | Shenzhen Qianfan Qihang No.1 Private Equity Investment Fund Partnership (Limited Partnership)<br>(深圳千帆企航壹號私募股權投資基金合夥企業(有限合夥)) | 509.7899                                    | 1.4161                         |
| 21  | Hangzhou Junyi Venture Capital Partnership<br>(杭州君溢創業投資合夥企業(有限合夥))                                                            | 502.9289                                    | 1.3970                         |
| 22  | Hangzhou Daosheng Investment Partnership (Limited Partnership)<br>(杭州道昇投資合夥企業(有限合夥))                                          | 475.7645                                    | 1.3216                         |
| 23  | Liu Dan (劉丹)                                                                                                                  | 357.2450                                    | 0.9923                         |
| 24  | Shenzhen Qinmo Venture Capital Partnership (Limited Partnership)<br>(深圳市秦墨創業投資合夥企業(有限合夥))                                     | 344.1999                                    | 0.9561                         |
| 25  | Zhongyuan Qianhai Equity Investment Fund (Limited Partnership)<br>(中原前海股權投資基金(有限合夥))                                          | 344.1104                                    | 0.9559                         |
| 26  | Xizang Xinxingrong Venture Capital Co., Ltd.<br>(西藏鑫星融創業投資有限公司)                                                               | 344.1104                                    | 0.9559                         |

| No. | Name of promoters                                                                                             | Number of shares held (ten thousand shares) | Percentage of shareholding (%) |
|-----|---------------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------|
| 27  | Ningbo Zhuoyuan Yujiang Equity Investment Partnership (Limited Partnership)<br>(寧波卓袁與疆股權投資合夥企業(有限合夥))         | 323.3700                                    | 0.8983                         |
| 28  | Shenzhen Hongtu Chuangke Venture Capital Partnership (Limited Partnership)<br>(深圳市紅土創客創業投資合夥企業(有限合夥))         | 315.4420                                    | 0.8762                         |
| 29  | Zhuhai Jiufete Jiusheng Equity Investment Fund Partnership (Limited Partnership)<br>(珠海玖菲特玖盛股權投資基金合夥企業(有限合夥)) | 254.8932                                    | 0.7080                         |
| 30  | Zhuhai Tongdao Qichuang Angel Investment Partnership (Limited Partnership)<br>(珠海同道齊創天使投資合夥企業(有限合夥))          | 231.5459                                    | 0.6432                         |
| 31  | Mituo Zhiyue (Zibo) Equity Investment Partnership (Limited Partnership)<br>(米拓智越(淄博)股權投資合夥企業(有限合夥))           | 224.9392                                    | 0.6248                         |
| 32  | Shenzhen Weijia Investment Enterprise (Limited Partnership)<br>(深圳市為嘉投資企業(有限合夥))                              | 181.8972                                    | 0.5053                         |
| 33  | Qingdao Hailian Zhongzheng Investment Enterprise (Limited Partnership)<br>(青島海聯中正投資企業(有限合夥))                  | 161.6868                                    | 0.4491                         |
| 34  | Shandong Huarong Tianze Investment Management Center (Limited Partnership)<br>(山東華融天澤投資管理中心(有限合夥))            | 161.6868                                    | 0.4491                         |
| 35  | Shenzhen Yanxi Management Consulting Partnership (Limited Partnership)<br>(深圳言蹊管理諮詢合夥企業(有限合夥))                | 161.6868                                    | 0.4491                         |
| 36  | Ningbo Leili Technology Entrepreneurship Investment Center (Limited Partnership)<br>(寧波鏞厲科技創業投資中心(有限合夥))      | 140.8211                                    | 0.3912                         |
| 37  | Shanghai Shizhineng Investment Management Co., Ltd.<br>(上海勢之能投資管理有限公司)                                        | 101.0520                                    | 0.2807                         |
| 38  | Liu Simeng (劉思萌)                                                                                              | 72.0005                                     | 0.2000                         |
| 39  | Shenzhen Woying Venture Capital Investment Center (Limited Partnership)<br>(深圳喔贏創業投資中心(有限合夥))                 | 67.0553                                     | 0.1863                         |
| 40  | Hangzhou Shiwei Venture Investment Partnership (Limited Partnership)<br>(杭州十維創業投資合夥企業(有限合夥))                  | 60.3519                                     | 0.1676                         |
| 41  | Yin Guofeng (尹國鳳)                                                                                             | 43.1996                                     | 0.1200                         |



| No. | Name of promoters                                                                                                      | Number of shares held (ten thousand shares) | Percentage of shareholding (%) |
|-----|------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------|
| 42  | Rongyuan (Tianjin) Venture Capital Partnership (Limited Partnership)<br>(融元(天津)創業投資合夥企業(有限合夥))                         | 36.3780                                     | 0.1011                         |
| 43  | Zhuhai Hengqin Qichuang Gongxiang Venture Capital Fund Partnership (Limited Partnership)<br>(珠海橫琴齊創共享創業投資基金合夥企業(有限合夥)) | 19.4011                                     | 0.0539                         |
| 44  | Haikou Guoying Junhe Enterprise Management Partnership (Limited Partnership)<br>(海口市國盈君和企業管理合夥企業(有限合夥))                | 8.7695                                      | 0.0244                         |
|     | <b>Total</b>                                                                                                           | <b>36,000.0000</b>                          | <b>100.0000</b>                |

**Article 18** The total number of shares of the Company is 439,955.4 thousand shares with a nominal value of RMB1 each.

**Article 19** The Company may issue shares to both domestic and foreign investors after registration or filing with the securities regulatory authority under the State Council.

The foreign investors referred to in the preceding paragraph shall mean the investors from foreign countries, Hong Kong, Macau and Taiwan regions who subscribe for the shares issued by the Company; domestic investors shall refer to investors who reside in the People's Republic of China, excluding the aforementioned regions, and subscribe for the shares issued by the Company.

**Article 20** Shares issued by the Company in the territory for subscription in Renminbi are referred to as domestic shares. Shares issued by the Company overseas in accordance with the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) and relevant regulations are referred to as foreign shares. Foreign shares which are listed outside the People's Republic of China are referred to as overseas-listed foreign shares. Shareholders holding domestic shares are referred to as shareholders of domestic shares. Shareholders holding foreign shares or overseas-listed foreign shares are referred to as shareholders of foreign shares.

The foreign currencies referred to in the preceding paragraph shall mean the lawful currencies, other than Renminbi, of other countries or regions, which are recognized by the foreign exchange authority of the State and can be used to pay to the Company for share subscription. Domestic shares and foreign shares are ordinary shares, and shall have the same rights and obligations.

After the overseas shares of the Company are issued and listed, if the shareholders of the Company apply to convert all or part of their domestic unlisted shares held into overseas-listed foreign shares, such conversion shall be exempted from the consideration and approval of the general meeting or the board of directors.

**Article 21** The Company or its subsidiaries (including its affiliates) shall not provide any assistance to persons who purchase or intend to purchase the shares of the Company in the form of gift, advance, guarantee, compensation or loan.

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

**Article 22** The Company may, based on its operating and development needs, increase its capital in the following ways pursuant to the requirements of laws and regulations and upon the resolutions separately passed at the General Meetings:

- (I) by public offering of shares;
- (II) by non-public offering of shares;
- (III) by allotting bonus shares to its existing shareholders;
- (IV) by converting common reserve fund into share capital;
- (V) by any other means which is stipulated by law and administrative regulations and approved by the CSRC.

The Company's increase of its registered capital shall, after being approved in accordance with the provisions of these Articles and the place where the shares of the Company are listed, be conducted in accordance with the procedures stipulated in relevant laws and regulations. In the event of an increase in the Company's share capital by means of (I) and (II) above, shareholders prior to the issuance of shares shall not be entitled to the pre-emptive rights to the additional shares.

**Article 23** The Company may reduce its registered capital. The Company reduces its registered capital in accordance with the Company Law and other relevant regulations as well as the procedures stipulated in these Articles.

**Article 24** Under any of the following circumstances, the Company may purchase its shares in accordance with laws, administrative regulations, departmental rules, and these Articles:

- (I) to reduce its capital;
- (II) to merge with another company that holds the shares of the Company;
- (III) to utilize the shares in the employee stock ownership plans or for share incentive;
- (IV) shareholder requests the Company to purchase its shares due to an objection to the resolution on merger or division made by the General Meeting;
- (V) to use the shares in the conversion of the convertible corporate bonds issued by the Company;

(VI) necessary for the Company to protect its value and the shareholders' rights.

Other than in the above circumstances, the Company shall not purchase the shares of the Company.

**Article 25** The Company may repurchase its shares by public centralized trading or other methods recognized by laws and regulations, the CSRC and the stock exchange where the Company's shares are listed.

Where the Company repurchases its shares under the circumstances set out in items (I) and (II) of Article 24 of these Articles, it shall be subject to the resolution of the General Meeting; where the Company repurchases its shares under the circumstances set out in items (III), (V) and (VI) of Article 24 of these Articles, it shall be subject to the resolution of the board meeting attended by more than two-thirds (2/3) of the directors.

After the shares are repurchased by the Company in accordance with Article 24 of these Articles, if it is made under the circumstance in item (I), such shares shall be canceled in ten days after the date of repurchase; for the circumstance in item (II) or (IV), such shares shall be transferred or canceled in six months; for the circumstance in item (III), (V) or (VI), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or canceled in three years.

Any repurchase of the Company's shares by the Company should perform the information disclosure obligations as stipulated in the Securities Law, Securities and Futures Ordinance and the securities regulations and rules of the places where the Company's shares are listed.

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

**Article 26** Shares of the Company can be transferred in accordance with the law. Restriction, reduction and other changes of shares held by shareholders, directors, supervisors of the Company and shareholders, directors, supervisors and senior management members of listed companies shall comply with the Company Law, Securities Law, Securities and Futures Ordinance, Hong Kong Listing Rules and relevant requirements on share changes of the stock exchange where the shares are listed.

All transfer of H Shares shall be executed with a written instrument of transfer in a general or ordinary form or in other format acceptable to the board of directors (including the standard transfer format or form of transfer that the Stock Exchange may provide from time to time); the instrument of transfer may be signed by hand only or affixed with the Company's valid seal (if the transferor or transferee is a company). If the transferor or transferee is a recognized clearing house as defined in the relevant ordinances in force from time to time under the laws of Hong Kong, or its agents, the instrument of transfer may be signed by hand or by machine imprinted signatures. All instruments of transfer shall be kept at the legal address of the Company or other place designated by the board of directors from time to time.

**Article 27** The Company does not accept its own shares as the subject of pledge.

**Article 28** Shares issued by the Company prior to its public offering shall not be transferred within one (1) year as of the date on which the shares are listed and traded in the stock exchange. Where there are other provisions in laws, administrative regulations or the securities regulatory authority under the State Council regarding the transfer of shares held by shareholders and actual controllers of listed companies, such provisions shall prevail.

The directors, supervisors, and senior management members of the Company shall regularly declare the number of shares held by them and the relevant changes, the number of shares transferred each year during their term of office shall not exceed 25% of the total number of shares of the Company held by them. The shares of the Company held by them shall not be transferred within one (1) year as of the listing date of the shares of the Company. The shares of the Company held by the persons above shall not be transferred within half a year from the date of his/her resignation. The Articles of Association may make other restrictive provisions on the transfer of shares held by directors, supervisors, and senior management members of the Company.

Where the shares are pledged within the time limit for transfer prescribed by laws or administrative regulations, the pledgee may not exercise the pledge right within the time limit for transfer.

Where there are other provisions in the securities regulatory rules of the place where the Company's shares are listed in respect of the restrictions on the transfer, such provisions shall prevail.

**Article 29** If any of the Company's directors, supervisors, senior management members or shareholders holding more than 5% of the Company's shares (other than a shareholder who is a recognized clearing house as defined in the relevant ordinances in force from time to time under the laws of Hong Kong), in violation of Section 44 of the Securities Law, sells the shares or other securities with an equity nature of the Company held by him/her within six months after buying the same, or buys shares or securities within six months after selling the same, the earnings therefrom shall belong to the Company and be taken back by the board of directors. However, where a securities company holds more than 5% of the Company's shares as a result of purchase and underwriting of the remaining shares after offering and under other circumstances stipulated by the CSRC, such taking back by the Company shall be exempted.

Shares or other securities with an equity nature held by directors, supervisors, senior management members and individual shareholders as mentioned in the preceding paragraph include shares or other securities with an equity nature held by their spouses, parents, children and through other people's accounts.

If the board of directors of the Company fails to implement in accordance with the first paragraph of this Article, shareholders are entitled to request the board of directors to implement within 30 days. If the board of directors of the Company fails to implement within the aforesaid time limit, shareholders are entitled to initiate legal proceedings directly in the people's court in their personal capacity for the interest of the Company.

If the board of directors of the Company fails to implement in accordance with the provisions set forth in the first paragraph of this Article, the responsible directors shall bear joint liabilities in accordance with the law.

## **Chapter 4 Shareholders and General Meeting**

### **Section 1 Shareholders**

**Article 30** The Company shall establish a register of shareholders with the certificates provided by the securities registration authority. The register of shareholders shall be sufficient evidence of the holding of the shares of the Company by the shareholders.

Any shareholder who is registered in, or any person who requests to have his/her name entered in, the register of shareholders may, if his/her share certificates are lost, apply to the Company for a new share certificate in respect of such shares. Application for a replacement share certificate by domestic shareholders shall be addressed pursuant to the relevant provisions of the Company Law. Application for a replacement share certificate by shareholders of H shares shall be addressed pursuant to the laws, rules of the stock exchange or other relevant regulations of the place where the original register of shareholders of H shares listed in Hong Kong is kept.

The original register of shareholders of H shares listed in Hong Kong shall be kept in Hong Kong for inspection by shareholders. Where there are provisions in the Hong Kong Listing Rules on the period of closure of register of members before the general meeting is held or the base day before the Company decides to distribute dividends, such provision shall prevail. If there is no specific provisions, the closure of register of members shall be determined by the board of directors. The shareholders shall enjoy rights and undertake obligations according to the class of shares they hold; shareholders holding the same class of shares shall enjoy the same rights and undertake the same obligations.

**Article 31** Shareholders of the Company shall be entitled to the following rights:

- (I) to receive dividends and other forms of profit distribution according to the shareholding;
- (II) to request, convene, hold, participate in or delegate proxies to attend general meetings, and to exercise the right to speak and voting rights according to the shareholding;
- (III) to supervise the business operations of the Company and to make suggestions or inquiries;
- (IV) to transfer, give or pledge the shares held by them in accordance with the laws, administrative regulations and these Articles;
- (V) to inspect these Articles, the register of shareholders, the counterfoils of corporate bonds, the minutes of the general meeting, the resolutions of the board of directors' meeting, the resolutions of the board of supervisors' meeting, and the financial accounting reports;

- (VI) to participate in the distribution of the remaining property of the Company according to the shareholding when the Company is dissolved or liquidated;
- (VII) to require the Company to purchase its shares in the event that shareholders object to resolutions of the general meeting concerning merger or division of the Company;
- (VIII) other rights stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, or these Articles.

**Article 32** A shareholder requesting for inspection of information or access to materials referred to in the preceding Article shall produce to the Company written documents, evidencing the class and number of shares of the Company that the shareholder holds. The Company shall provide such information and materials as requested by the shareholder after confirming the identity of the shareholder.

Shareholders are entitled to request the People's Court to invalidate the resolutions of a general meeting or a board meeting which violate the laws and administrative regulations.

Shareholders are entitled to request the People's Court to cancel the relevant resolution within 60 days after the resolution is adopted if the convening procedure or voting method of a general meeting or the board meeting violates the laws and administrative regulations or these Articles, or the content of the resolution breaches these Articles, unless the defect in the convening procedure or the voting method of the general meeting or the board meeting is minor, which does not result in material effect on the resolution.

**Article 33** Where a director or senior management member violates the provisions of the laws, administrative regulations or these Articles in the course of performing his/her duties and causes losses to the Company, the shareholders individually or jointly holding more than 1% of the Company's shares for more than 180 consecutive days shall have the right to request the board of supervisors in writing to initiate legal proceedings in the People's Court; where the board of supervisors violates the provisions of the laws, administrative regulations or these Articles in the course of performing its duties and causes losses to the Company, the shareholders shall have the right to request the board of directors in writing to initiate legal proceedings in the People's Court.

Upon receipt of the written request made by the shareholders as stipulated in the preceding paragraph, where the board of supervisors and the board of directors refuse to file a lawsuit or fail to file a lawsuit within 30 days from receipt of such request, or under urgent circumstances that failure in filing a lawsuit immediately will cause irreparable damage to the interests of the Company, the aforesaid shareholders shall have the right to file a lawsuit to the People's Court directly in their own names for the benefits of the Company.

In the event that any person infringes the legitimate interests of the Company and causes losses thereto, the shareholders specified in the first paragraph of this Article may file a lawsuit to the People's Court in accordance with the provisions of the preceding two paragraphs.

**Article 34** If a director or senior management member violates the provisions of the laws, administrative regulations or these Articles, thereby damaging the interests of shareholders, the shareholders may initiate legal proceedings in the People's Court.

**Article 35** Shareholders of the Company shall assume the following obligations:

- (I) to abide by laws, administrative regulations and these Articles;
- (II) to pay for the shares subscribed for according to the shares they subscribe for and the capital participation method;
- (III) not to withdraw shares unless as prescribed by laws and regulations;
- (IV) not to abuse their shareholders' rights to harm the Company's or other shareholders' interests; not to abuse the Company's legal person status and the shareholders' limited liability to harm the interests of the Company's creditors;

If a shareholder of a company abuses his rights and causes losses to the Company or other shareholders, the shareholder shall be liable for compensation according to law.

If a shareholder of a company abuses the independent status of the Company legal person and the limited liability of the shareholder to evade debts and seriously damages the interests of creditors of the Company, the shareholder shall bear joint and several liability for the debts of the Company.

- (V) other obligations to be assumed by the shareholders according to the laws, administrative regulations, and these Articles.

**Article 36** If shareholders holding more than 5% of the voting shares of the Company pledge their shares, they shall report to the Company in writing on the date of the occurrence of such pledge.



**Article 37** The controlling shareholders and actual controllers of the Company shall not use their connected relations to damage the interests of the Company. Otherwise, they shall be liable for compensation for the loss suffered by the Company.

The controlling shareholders and actual controllers of the Company shall bear the fiduciary duty to the Company and other shareholders of the Company. The controlling shareholders shall exercise the rights of investors in strict accordance with the law. The controlling shareholders shall not damage the legitimate rights and interests of the Company and other shareholders of the Company by means of profit distribution, asset restructuring, external investment, capital occupation, loan guarantee, etc., and shall not damage the interests of the Company and other shareholders of the Company by means of its controlling position.

## **Section 2 General Provisions of the General Meeting**

**Article 38** The general meeting is the authority of the Company and shall exercise the following functions and powers in accordance with the laws:

- (I) to elect and replace directors and supervisors who are not representatives of the employees and to decide matters relating to the remuneration of the relevant directors and supervisors;
- (II) to consider and approve reports of the board of directors;
- (III) to consider and approve reports of the board of supervisors;
- (IV) to consider and approve profit distribution plans and loss recovery plans of the Company;
- (V) to make resolutions on the increase or reduction of the Company's registered capital;
- (VI) to make resolutions on the issue of corporate bonds or other securities and listing plan;
- (VII) to make resolutions on matters such as the merger, division, dissolution, liquidation or change in the organizational form of the Company;
- (VIII) to amend these Articles;
- (IX) to make resolutions on the appointment and dismissal of engagement of accounting firms by the Company;
- (X) to consider and approve the external guarantees as stipulated in Article 39 of these Articles;



(XI) unless otherwise provided by the securities regulatory rules of the place where the shares of the Company are listed, to decide the following transactions (except for the provision of guarantees and financial assistance):

1. the total amount of assets involved in the transaction (where both book value and appraised value exist, whichever is higher) accounts for more than 50% of the Company's total audited assets for the most recent period;
2. the transaction amount accounts for more than 50% of the Company's latest audited net assets and exceeds RMB50 million;
3. the operating income related to the subject of the transaction (such as equity) in the most recent accounting year accounts for more than 50% of the audited operating income of the Company in the most recent accounting year and exceeds RMB50 million;
4. the profit generated from the transaction accounts for more than 50% of the audited net profit of the Company in the most recent accounting year and exceeds RMB7.5 million;
5. the net profit related to the transaction subject (such as equity) in the most recent accounting year accounts for more than 50% of the audited net profit of the Company in the most recent accounting year and exceeds RMB7.5 million;
6. the total value of assets purchased or sold by the Company or the amount of the transaction calculated cumulatively within twelve consecutive months exceeds 30% of the audited total assets of the Company for the latest period.

If the figures involved in the calculation of the above indicators are negative, the absolute value of the data shall be used.

(XII) to consider transactions between the Company and related parties in which the transaction amount (except for the provision of guarantees) accounts for more than 2% of the Company's total audited assets for the most recent period and exceeds RMB30 million;

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

(XIV) to consider any share incentive scheme and employee stock ownership plan;

(XV) to consider and approve the following matters regarding the provision of external financial assistance by the Company:

1. the asset-liability ratio of the subject of the financial assistance for the latest period exceeds 70%;
2. the amount of the single financial assistance or the cumulative amount of the financial assistance provided within 12 consecutive months exceeds 10% of the Company's latest audited net assets;
3. other circumstances stipulated by the CSRC, the stock exchange where the Company's shares are listed or these Articles.

(XVI) other matters that are to be resolved by the general meeting as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed, or these Articles.

The transaction mentioned in this Article refers to purchase or sale of assets (excluding purchase of raw materials, fuels and power, and sale of products or commodities, and other transactions that are related to ordinary operation); external investment (including entrusted wealth management, investments in subsidiaries, except for the establishment or capital increase of wholly-owned subsidiaries and the purchase of wealth management products of banks); provision of guarantees (referring to guarantees provided by the listed company to others, including guarantees to its subsidiaries); provision of financial assistance; leasing or lending of assets; signing of management contracts (including entrusting operation, entrusted operation, etc.); gifting assets or receiving of gifted assets; credit or debt restructuring; transfer of research and development projects; signing of license agreements; waiver of rights; and other transactions recognized by the CSRC and the stock exchange where the stock is listed.

The transactions in which the Company unilaterally obtains benefits, including receiving gifts of cash assets, obtaining debt relief, and accepting guarantees and assistance, are exempt from the consideration at the general meeting, except for the matters that shall be subject to the consideration at the general meeting as otherwise stipulated by laws, administrative regulations or departmental rules and CSRC and the stock exchange where the stock is listed.

The transactions that occur between the Company and its subsidiaries within the scope of its consolidated statements or between the above-mentioned subsidiaries are exempt from the consideration at the general meeting, except for the matter that shall be subject to the consideration at the general meeting as otherwise stipulated by laws, administrative regulations or departmental rules and CSRC and the stock exchange where the stock is listed.

**Article 39** The following external guarantees provided by the Company shall be subject to the consideration and approval at the general meeting:

- (I) a single guarantee with an amount exceeding 10% of the latest audited net assets;
- (II) any guarantee provided after the total amount of external guarantees provided by the Company and its subsidiaries reaches or exceeds 50% of the latest audited net assets;
- (III) a guarantee provided to a guaranteed party whose asset-liability ratio exceeds 70%;
- (IV) any guarantee provided after the total amount of external guarantees provided by the Company reaches or exceeds 30% of the latest audited total assets in accordance with the principle of cumulative calculation of the guarantee amount for 12 consecutive months;
- (V) a guarantee provided to the related parties;
- (VI) other guarantees as prescribed by CSRC, the stock exchange where the shares are listed or these Articles.

When the guarantee specified in Item IV above is considered at the general meeting, it shall be approved by more than two-thirds of voting rights held by the shareholders attending the meeting.

When the Company provides guarantees to a related party, it should be based on reasonable commercial grounds. When the Company provides guarantees to the controlling shareholders, the actual controller and their related parties, such parties shall provide counter-guarantees.

Where the Company provides guarantees for a wholly-owned subsidiary, or provides guarantees for a holding subsidiary, and the other shareholders of the subsidiary provide an equivalent guarantee, which is not detrimental to the interests of the Company, in proportion to the interests held by them, it may be exempted from the provisions of Item (I) to (III) in this Article. The Company shall, according to the requirement of the stock exchange where the Company's shares are listed, promptly publish an announcement to disclose the guarantees that need to be disclosed, and summarize the disclosure of the aforesaid guarantees in the annual report and the interim report.

**Article 40** The general meetings are divided into annual general meetings and extraordinary general meetings. The annual general meetings shall be convened once each accounting year and held within six months after the end of the previous accounting year.

**Article 41** The Company shall convene an extraordinary general meeting, within two (2) months from the date of the occurrence of any of the following circumstances:

- (I) when the number of directors is less than the number prescribed by the Company Law or less than two-thirds (2/3) of the number required by these Articles;
- (II) when the Company's uncovered losses amount to one-third (1/3) of the total paid-up share capital;
- (III) when a request is made by shareholders who individually or collectively hold more than ten percent (10%) of the shares of the Company;
- (IV) when the board of directors deems it necessary;
- (V) when the board of supervisors proposes to convene it;
- (VI) other circumstances as stipulated by laws, administrative regulations, departmental rules, the stock exchange where the Company's shares are listed or these Articles.

When the Company is unable to convene a general meeting within two (2) months from the date of the occurrence of above circumstances, the Company shall, in accordance with the provisions of relevant laws, regulations or regulatory rules, report to the CSRC and the stock exchange where the Company's shares are listed in a timely manner, and explain the reasons and make an announcement.

In the event that an extraordinary general meeting is convened at the request of the securities regulatory rules of the place where the Company's shares are listed, the effective date of the extraordinary general meeting may be adjusted in accordance with the clearance progress of the stock exchange where the Company's shares are listed.

**Article 42** The venue for convening the Company's general meeting shall be the Company's domicile or other locations designated by the board of directors. The general meeting shall set up a venue and be convened by means of physical meeting. Online voting at general meeting shall be made available. Shareholders attending the general meeting through online voting shall be deemed as present.

**Article 43** If any applicable laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules in the place where the shares of the Company are listed explicitly require lawyers witnesses and issuance of legal opinions when the Company convenes general meetings, it shall engage lawyers to issue legal opinions and publish an announcement on the following issues when the Company convenes general meetings:

- (I) whether the convening of the general meeting and its procedures are in compliance with laws, administrative regulations and these Articles;
- (II) whether the qualifications of the attendees and the convener are lawful and valid;
- (III) whether the voting procedures and results of the meeting are lawful and valid;
- (IV) legal opinions on other related matters at the request of the Company.

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

**Article 44** The board of directors is responsible for convening general meetings.

**Article 45** The board of directors of the Company shall perform the duty earnestly and convene the general meeting on time within the time limit prescribed in these Articles. All directors shall be diligent and responsible to ensure the normal convening of general meetings and the exercise of their powers in accordance with the law. If the board of directors agrees to convene an extraordinary general meeting, a notice of convening the general meeting shall be issued within 5 days after the board resolution is made; if the board of directors does not agree to convene an extraordinary general meeting, it shall give reasons.

**Article 46** The independent directors have the right to propose the convening of an extraordinary general meeting. In response to a proposal by an independent director to convene an extraordinary general meeting, the board of directors shall, in accordance with the laws and regulations, the Hong Kong Listing Rules and these Articles, provide written feedback within ten (10) days after receiving the proposal to agree or disagree with the convening of the extraordinary general meeting. If the board of directors agrees to convene an extraordinary general meeting, it will issue a notice of convening the general meeting within five (5) days after making a resolution of the board of directors. If the board of directors does not agree to hold an extraordinary general meeting, it shall explain the reasons and make an announcement.

**Article 47** The board of supervisors has the right to propose to the board of directors to convene an extraordinary general meeting and shall make such proposal in writing. The board of directors shall, in accordance with the laws, administrative regulations and these Articles, provide written feedback on whether it agrees or disagrees with the convening of an extraordinary general meeting within ten (10) days after receiving the proposal.

If the board of directors agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within five (5) days after making a resolution of the board of directors, and any changes to the original request in the notice shall be subject to the consent of the board of supervisors.

If the board of directors does not agree to convene an extraordinary general meeting or does not provide feedback within ten (10) days after receiving the proposal, it shall be deemed that the board of directors is incapable or unwilling to perform the duty of convening the general meeting, and the board of supervisors may convene and preside over the meeting on their own.

**Article 48** Shareholders who individually or collectively hold more than ten percent (10%) of the shares of the Company have the rights to propose to the board of directors for convening an extraordinary general meeting and shall make such proposal in writing. The board of directors shall, in accordance with the laws, administrative regulations and these Articles, provide written feedback within ten (10) days after receiving the request, whether it agrees or does not agree to convene an extraordinary general meeting.

If the board of directors agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within five (5) days after making a resolution of the board of directors, and any changes to the original request in the notice shall be subject to the consent of the shareholders concerned.

If the board of directors does not agree to convene an extraordinary general meeting or does not provide feedback within ten (10) days after receiving the request, shareholders individually or collectively holding more than ten (10) percent of the shares of the Company have the right to propose to the board of supervisors to convene an extraordinary general meeting and shall submit the request in writing to the board of supervisors.

If the board of supervisors agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within five (5) days after receiving the request, and any changes to the original proposal in the notice shall be subject to the consent of the shareholders concerned.

If the board of supervisors fails to issue a notice of the general meeting within the prescribed period, it shall be deemed not to convene and preside over general meeting. Shareholders hold more than ninety (90) consecutive days, or who individually or collectively hold more than ten percent (10%) of the shares of the Company may convene and preside over the meeting on their own.

**Article 49** The board of supervisors or shareholders shall notify the board of directors in writing if they decide to convene and preside over the general meeting on their own.

Shareholders convening the general meeting shall hold no less than ten percent (10%) of the shares of the Company prior to any resolution passed at the general meeting.

**Article 50** For general meetings convened by the board of supervisors or shareholders, the board of directors and the secretary to the board of directors shall work in a cooperative manner, and timely perform the duty of information disclosure.

**Article 51** The necessary expenses for a general meeting convened by the board of supervisors or shareholders on their own shall be borne by the Company.

## **Section 4 Proposal and Notice of General meeting**

**Article 52** The contents of the proposal shall fall within the terms of reference of the general meeting, have definite topics and specific issues for resolution, and be in compliance with relevant provisions of the laws, administrative regulations and these Articles.

**Article 53** In the event that the Company convenes a general meeting, the board of directors, the board of supervisors and shareholders who individually or collectively hold more than one percent (1%) of the shares of the Company have the rights to propose to the Company.

Shareholders who individually or collectively hold more than one percent (1%) of the shares of the Company may submit interim proposals to the convener in writing 10 days prior to the convening of the general meeting. The convener shall issue a supplementary notice of the general meeting within two (2) days after receiving the proposals and submit such interim proposals to the general meeting for consideration, unless the interim proposals violate the requirements of laws, administrative regulations or the Articles of Association, or do not fall within the terms of reference of the general meeting.

Except as provided in the preceding paragraph, the convener shall not amend the proposals set out in the notice of the general meeting or add new proposals after issuing the notice of the general meeting.

The proposals not specified in the notice of the general meeting or not complying with Article 52 of these Articles shall not be voted on or resolved at the general meeting.

**Article 54** The convener shall notify all shareholders of the time, place and matters to be considered at the meeting twenty-one (21) days prior to the annual general meeting, and shall notify all shareholders of the time, place and matters to be considered at the meeting fifteen (15) days prior to the extraordinary general meeting. Where laws and regulations and the securities regulatory authority where the Company's shares are listed provide otherwise, such provisions shall prevail.

The notice of the general meeting shall meet the following requirements:

- (I) the time, venue and duration of the meeting;
- (II) matters and proposals submitted for consideration at the meeting;
- (III) the date of record of the shareholders who are entitled to attend the general meeting;
- (IV) particulars shall be in clear text that all shareholders are entitled to attend general meeting and may appoint their proxies in writing to attend and vote at the meetings. Such proxies need not be shareholders of the Company;



- (V) name(s) and telephone number(s) of the contact person(s) for the affairs of meetings;
- (VI) other requirements stipulated by laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed and these Articles.

Full and complete disclosure of the full particulars of all proposals, as well as all information or explanations necessary to enable shareholders to make a reasonable judgement on the matters to be discussed shall be made in the notices of general meeting and any supplementary notices thereof.

The date of record shall not be changed once confirmed.

The notice and supplementary notice of the general meeting shall contain the content prescribed by the Hong Kong Listing Rules and these Articles, and shall fully and completely disclose the full particulars of all proposals. Where the matters to be discussed require the opinions of the independent directors, such opinions and reasons shall be disclosed at the same time issuing the notice or supplementary notice of the general meeting. Where the Company needs to provide additional material information on matters proposed at the general meeting, it shall provide such information not less than ten (10) working days. The Company shall postpone the general meeting to ensure it complies with the regulations if necessary.

After the notice of the general meeting is issued, the meeting shall not be postponed or canceled without valid reasons, and the proposals set out in such notice shall not be withdrawn. If the meetings have to be postponed or canceled, the Company shall make an announcement at least two (2) business days before the original date for convening the general meeting, and state the specific reasons for the postpone or cancellation; if the meeting is postponed, the postponed date shall be stated in the announcement.

If there are special provisions under the securities regulatory rules of the place where the Company's shares are listed regarding the procedures for postponing or canceling general meeting, such provisions shall prevail provided that they do not violate laws, regulation, rules and relevant norms.

## **Section 5 The Convening of General meeting**

**Article 55** The board of the Company and other conveners shall take necessary measures to ensure the proper order of the general meeting. Any act of disturbing the general meeting, provoking troubles and infringing the legitimate rights and interests of the shareholders shall be prevented by measures and reported to the relevant authorities for investigation and punishment in a timely manner.

**Article 56** All shareholders or their proxies of the Company shall be entitled to attend the general meeting and exercise their voting rights in accordance with relevant laws, regulations and these Articles.

**Article 57** Each shareholder shall have the right to appoint one or more proxies or representatives to attend and vote on his/her behalf, but such representatives need not be a shareholder of the Company. If the shareholder is a corporation, it may appoint one or more proxies or representatives to attend and vote at any general meeting of the company, and if such company has appointed a representative to attend any meeting, it shall be deemed to have attended in person. Such shareholders' proxy or representative may, on the shareholders' instructions, exercise the following rights:

- (I) the right of the shareholder to speak at the general meeting;
- (II) the right to demand for voting by a poll individually or jointly with others;
- (III) the right to vote by hand or on a poll, but more than one proxy or representative is appointed by the shareholders, they may only exercise the voting power by way of poll.

Individual shareholders who attend the meeting in person shall produce their own identification cards or other valid documents or certificates to verify their identity. The proxy appointed by a shareholder to attend the meeting shall present his/her own identification card and the power of attorney from the shareholder.

Where a shareholder is not a natural person, its legal representative, executive partner or representative entrusted by it (hereinafter collectively referred to as executive partner) or a proxy appointed by legal representative or executive partner shall attend the meeting. If the legal representative or executive partner attends the meeting, he/she shall produce his/her own identification card and valid certificate proving his/her qualification to be a legal representative or executive partner. If a proxy is entrusted to attend the meeting, the proxy shall produce his/her identification card and the written power of attorney issued by the non-natural-person shareholder or its legal representative and executive partner according to the laws.

If the shareholder is an approved clearing house or its nominee(s) as defined in the relevant laws and regulations of Hong Kong, the shareholder may authorize one or more persons as deemed appropriate to act as its proxy or representative at any general meeting or any type of meeting of shareholders. However, if more than two persons are authorized, the power of attorney or the authorization letter shall specify the number and class of shares in respect of which each such person is so authorized. A person so authorized may exercise rights on behalf of the recognized clearing house (or its nominee(s)) (without the need to present shareholding certificates, notarized authorization and/or further evidence to confirm formal authorization), as if the person is an individual shareholder of the Company.

**Article 58** The power of attorney issued by shareholders to authorize other persons to attend the general meetings shall clearly specify the followings:

- (I) the names of the proxies;
- (II) whether the proxies have the right to vote;
- (III) the instructions to vote for, against or abstain from voting on each matter to be considered on the agenda of the meeting, respectively;
- (IV) the date of issuance and the effective period of the power of attorney;
- (V) the signature (or seal) of the principal. If the principal is a legal entity, the seal of the legal entity shall be affixed.

**Article 59** The power of attorney shall specify whether the proxies can vote according to his/her own will if the shareholder does not give specific instructions.

**Article 60** The power of attorney for voting by proxy shall be kept at the domicile of the Company or at such other places as specified in the notice of convening the meeting at least 24 hours prior to the convening of the meeting at which the proxy is authorized to vote or 24 hours prior to the designated time of voting. Where the power of attorney for voting by proxy is signed by another person authorized by the principal, the authorization letter or other authorization documents authorized to be signed shall be notarized. The notarized authorization letter or other authorization documents shall, together with the power of attorney for voting by proxy, be kept at the Company's domicile or at such other place as specified in the notice of convening the meeting.

If the principal is a legal person, its legal representative or person authorized by its board of directors or other decision-making bodies to act as its representative shall attend the general meeting of the Company.

**Article 61** When a general meeting is convened, all the directors, supervisors and the secretary to the board of directors shall attend the meeting, and the general manager and other senior management members shall be present at such meeting. Subject to the securities regulatory rules of the place where the shares of the Company are listed, the aforementioned persons may attend or be present at the meeting via internet, video, telephone or other means with equivalent effect.

**Article 62** A general meeting shall be presided over by the chairman of the board of directors. If the chairman is unable or fails to perform his/her duties, such meeting shall be presided over by a director elected by half or more of the directors.

A general meeting convened by the board of supervisors on its own shall be presided over by the chairperson of the board of supervisors. If the chairperson of the board of supervisors is unable or fails to perform his/her duties, such meeting shall be convened and presided over by a supervisor elected by half or more of the supervisors.

A general meeting convened by the shareholders on their own shall be presided over by a representative elected by the conveners.

Where the general meeting is unable to continue due to the chairman of the meeting violating the laws and regulations or the provisions of these Articles during the meeting, the general meeting may elect a person to chair the meeting upon consent of the attending shareholders with more than half of the voting rights to continue the meeting.

**Article 63** The Company shall formulate the terms of reference for the general meeting which shall specify the duties and responsibilities of the general meeting, as well as the procedures for convening, notifying, holding and voting, in order to standardize the operation mechanism of the general meeting. The terms of reference for the general meeting shall be prepared by the board of directors and approved by at the general meeting.

**Article 64** At the annual general meeting, the board of directors and the board of supervisors shall report to the general meeting their work done in the past year. Each independent director shall also present a work report.

**Article 65** Directors, supervisors and senior management members shall make explanations and clarifications in relation to the enquiries and suggestions from the shareholders during the general meeting.

**Article 66** The general meeting shall have minutes prepared by the secretary of the board of directors, and shall include the following information:

- (I) the time, venue and agenda of the meeting and name of the convener;
- (II) the name of the chairman of the meeting and the names of the directors, supervisors, general manager and other senior management members attending or present at the meeting;
- (III) the number of shareholders and proxies attending the meeting, the total number of voting shares held by them, and their shareholding of the Company;
- (IV) the consideration process, summaries of speeches and voting result for each proposal;
- (V) the questions, opinions or suggestions from shareholders and the corresponding answers or explanations;
- (VI) names of the vote counters and scrutinizer;
- (VII) other contents to be recorded in the minutes as specified in these Articles.

**Article 67** Directors, supervisors, secretary to the board of directors, conveners or their representatives and the chairman of the meeting attending the meeting shall sign on the minutes, and shall ensure the minutes are true, accurate and complete. The minutes shall be kept together with the attendance record of the attending shareholders, power of attorney for attending by proxy, valid information of online voting and voting by other means, for a period of not less than 10 years.

**Article 68** The convener shall ensure that the general meeting is conducted continuously until final resolutions are made. In the event that the general meeting is adjourned or resolutions fail to be resolved due to special reasons such as force majeure, necessary measures shall be taken to resume the meeting as soon as possible or terminate that meeting.

## **Section 6 Voting and Resolutions at the General meeting**

**Article 69** The resolutions of the general meeting are classified into ordinary resolutions and special resolutions.

Ordinary resolutions of the general meeting shall be adopted by more than half (1/2) of the voting rights held by the shareholders (including shareholders' proxies) present at the general meeting.

Special resolutions of the general meeting shall be adopted by more than two-thirds (2/3) of the voting rights held by the shareholders (including shareholders' proxies) present at the general meeting.

**Article 70** The following matters shall be passed by ordinary resolutions of the general meeting:

- (I) work reports of the board of directors and the board of supervisors;
- (II) proposals formulated by the board of directors for distribution of profits and for losses recovery;
- (III) appointment and removal of members of the board of directors and the board of supervisors, their remuneration and method of payment of their remuneration;
- (IV) annual budget and final accounts of the Company;
- (V) annual report of the Company;
- (VI) other matters than those stipulated by the laws, administrative regulations, the Hong Kong Listing Rules, other provisions of the relevant regulatory authorities where the Company's shares are listed, or the matters shall be adopted by special resolutions in accordance with the provisions of these Articles.

**Article 71** The following matters shall be passed by special resolutions of the general meeting:

- (I) the increase or reduction of the registered capital by the Company;
- (II) the division, merger, dissolution or liquidation of the Company;
- (III) the amendment to these Articles;
- (IV) the purchase, the sale of major assets or the guarantee by the Company within one year with an amount exceeding 30% of the latest audited total assets of the Company;
- (V) other matters stipulated by laws, administrative regulations, or these Articles, as well as other matters that the general meeting determines by ordinary resolutions that will have a significant impact on the Company and need to be adopted by special resolutions.

**Article 72** Shareholders (including shareholders' proxies) may exercise voting rights in the amount of the voting shares they represent, and each share shall have one vote. When voting by poll, shareholders (including shareholders' proxies) with two or more votes need not cast all of their votes in favor of, against the resolutions or abstain from voting.

Where the following material issues affecting the interests of small and medium shareholders are being considered at the general meeting, the votes by small and medium shareholders shall be counted separately and disclosed:

- (I) appointment and removal of directors;
- (II) formulation or revision of profit distribution policies, or distribution of profits;
- (III) related party transactions, external guarantees (excluding guarantees for subsidiaries within the scope of consolidated statements), provision of financial assistance to external parties, change the use of proceeds, etc.;
- (IV) major asset restructuring, share incentive and employee stock ownership plan;
- (V) public offering of shares, application for transfer of shares to other domestic stock exchanges (hereinafter referred to as "Application for Transfer") or application for listing of shares on other foreign stock exchanges;
- (VI) Other matters stipulated by laws and regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, and these Articles.

Shares held by the Company do not carry any voting rights and shall not be counted in the total number of voting shares represented by shareholders present at the general meeting.

If the shareholder's purchase of the voting shares of the Company violates paragraphs 1 and 2 of Article 63 of the Securities Law, voting rights of the shares in excess of the prescribed proportion shall not be exercised within 36 months after the purchase and shall not be counted in the total number of voting shares present at the general meeting.

If a shareholder is a clearing house (or its nominee(s)), the clearing house shall have the right to appoint proxies or corporate representatives to attend general meeting and creditors' meetings of the company and such proxies or corporate representatives shall rank *pari passu* with other shareholders in statutory rights, including rights to speak and vote.

Under applicable laws and regulations and the Hong Kong Listing Rules, if any shareholder is required to abstain from voting on a resolution or restricts any shareholder to voting only for (or against) a resolution, the number of votes cast by such shareholder or its representative in violation of relevant regulations or restrictions shall not be counted in the total number of voting shares.

The board of directors, independent directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established in accordance with the Securities Law may solicit voting rights from the Company's shareholders at general meeting. The solicitation of voting rights shall make sufficient disclosure of the information such as specific voting intentions to the solicited persons and shall not be conducted in compensation or disguised compensation.

**Article 73** When the general meeting deliberates connected transaction matters, the connected shareholders shall not participate in voting, and the number of shares with voting rights represented by them shall not be counted in the total number of valid votes of shares with voting rights present at the general meeting. Except as otherwise provided by laws and regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, and all shareholders are related parties.

The connected shareholders referred to in the preceding paragraph include the following shareholders or any shareholder falling within the scope of any of the following circumstances:

- (I) a counterparty;
- (II) a person who directly or indirectly controls the counterparty;
- (III) a person directly or indirectly controlled by the counterparty;
- (IV) a person under direct or indirect control of the same legal person or natural person with the counterparty;
- (V) a shareholder whose voting right is restricted and affected as a result of an outstanding share transfer agreement or other agreement with the counterparty or the connected person of that counterparty;
- (VI) other shareholders who may have interests which are in favor of.



In particular, when the general meeting deliberates connected transaction matters, the connected shareholders and their close associates (as defined in the Hong Kong Listing Rules) shall not participate in voting, and the number of shares with voting rights represented by them shall not be counted in the total number of valid votes. The announcement of resolutions at the general meeting shall fully disclose the votes by non-connected persons.

Before the general meeting deliberates connected transaction matters, the Company shall determine the scope of connected shareholders in accordance with relevant laws, regulations and normative documents. Connected persons or their authorized representatives may attend the general meeting, and may clarify their views to the shareholders attending the meeting in accordance with the procedures of the meeting, but shall abstain from voting by poll.

When the general meeting deliberates connected transaction matters, connected shareholders and its close associates shall abstain from voting. If connected shareholders fail to abstain from voting, other shareholders attending the meeting shall have the right to request them to do so. After connected persons and its close associates have abstained from voting, other shareholders shall vote according to their voting rights and pass the corresponding resolutions in accordance with the provisions of these Articles. The presider of the meeting shall announce the number of shareholders and proxies present at the meeting excluding the total number of voting shares held by the connected persons and its close associates.

Resolutions made at the general meeting on matters relating to connected transactions shall effect only when they are passed by more than half of the votes held by the non-connected attending the general meeting. However, when the connected transaction involves matters that need to be passed by special resolutions as stipulated in these Articles, the resolutions of the general meeting shall effect only when they are passed by more than two-thirds (2/3) of the voting rights held by the non-connected persons attending the general meeting.

If a connected person or its close associates participate in voting by poll in violation of the provisions of this Article, his/her/its voting on the matters relating to connected transaction shall be invalid.

**Article 74** In these Articles, the meaning of “connected transaction” includes “connected transaction” as defined in the Hong Kong Listing Rules, “related party” includes “connected person” as defined in the Hong Kong Listing Rules, and “connected relationship” includes “connected relationship” as defined in the Hong Kong Listing Rules. Unless the Company is in crisis or under other exceptional cases, without the approval by special resolution at the general meeting, the Company shall not enter into contract with any person other than the directors, general managers or other senior management members to hand over the administration of all or material business of the Company to such person.

**Article 75** The list of director or supervisor candidates shall be submitted as proposal to the general meeting for voting.

Methods and procedures to nominate director or supervisor candidates are as follows:

- (I) Shareholders who individually or collectively hold more than 3% of the shares of the Company and the board of directors may nominate candidates for directors;
- (II) Shareholders who individually or collectively hold more than 3% of the shares of the Company and the board of supervisors may nominate candidates for supervisors who are representatives of the shareholders;
- (III) Supervisory candidates represented by the representatives of the employees shall be democratically elected by the staff of the Company;
- (IV) When a shareholder nominates a director or supervisor, the shareholder shall, prior to the general meeting, submit the proposal, details of the nominated candidate, and the candidate's declaration and undertaking to the board of directors.

When a voting is carried out at the general meeting on the election of two or more independent directors, or on the election of two or more directors and non-employee representative supervisors where the proportion of shares in which a single shareholder and its party acting in concert are interested in is 30% or more, the cumulative voting system shall be implemented.

The cumulative voting system stated in the preceding paragraph means that when the general meeting elects directors or supervisors, each share shall have the same number of voting rights as the number of directors or supervisors to be elected, and the voting rights held by shareholders may be used collectively. The board of directors shall issue an announcement in relation to the biography and basic information of the director and supervisor candidates to the shareholders.

Details of the implementation of the cumulative voting system are set out below:

- (I) Where the cumulative voting system is implemented, before voting at the general meeting on the candidates of directors or supervisors, the presider of the meeting shall clearly inform attending shareholders about how the cumulative voting in the election of the candidates of directors or supervisors is implemented, make explanations and interpretations of the details, voting rules and methods of completing the ballots of the cumulative voting system, and inform the voting right of each share in the election of this director or supervisor. The staff of the general meeting shall prepare ballots applicable for the implementation of the cumulative voting.

- (II) The number of voting rights possessed by the shareholders attending the meeting is equal to the product of the total number of shares held by them multiplied by the number of this director or supervisor to be elected at the general meeting, and such portion of the voting rights may only be voted for this director or supervisor to be elected at the general meeting. Voting shareholders must state the number of shares of the Company held by them on a ballot and mark the number of voting rights used by them after each director or supervisor is elected by them.
- (III) Whether a director or supervisor candidate will be elected as a director or supervisor shall be recognized by the number of their received votes, but the number of the votes received by each elected director or supervisor must exceed half (1/2) of the total number of shares held by the shareholders present at the general meeting.
- (VI) Upon the completion of the voting by the attending shareholders, vote counters at the general meeting shall count and publish the total votes received by each director or supervisor candidate, and the election results of the directors and supervisors will be determined in the manner described above. The presider of the meeting shall announce the list of the elected directors and supervisors on the spot and make timely announcement.

**Article 76** Save for the cumulative voting system, all proposals will be voted separately at the general meeting. In the event that there are different proposals on the same matter, they will be voted on in the order in which the proposals were submitted. Shareholders shall not vote in favor of different proposals on the same matter at the same time at the general meeting. Unless the general meeting is adjourned or no resolution can be made due to special reasons such as force majeure, the general meeting will not set aside or refrain from voting on the proposals.

**Article 77** When a proposal is considered at the general meeting, no revision to such proposal shall be made; otherwise, any relevant change shall be deemed as a new proposal and may not be voted at this general meeting.

**Article 78** The shareholders shall vote by disclosed ballot.

**Article 79** Before voting on the proposal at the general meeting, two representatives shall be elected to count and scrutinize the votes. If a shareholder is interested in the matter to be considered, such shareholder and his/her/its proxy shall not participate in the vote counting and scrutinizing.

When voting on a proposal at the general meeting, the shareholders' representative and the supervisors' representative shall be jointly responsible for counting and scrutinizing the votes, and the voting results of the resolutions shall be announced on the spot and recorded in the minutes.

**Article 80** The presider at the general meeting shall declare the voting and result of each proposal and declare whether the proposal is passed according to the voting results.

**Article 81** Shareholders attending the general meeting shall express one of the three opinions on the proposal submitted for voting: “For”, “Against”, or “Abstain”.

If the ballot paper is left blank, unduly completed or illegible or not cast, the voter shall be deemed to have abstained from voting and the voting result of the corresponding voting shares shall be “Abstain”.

**Article 82** If the presider at the meeting has any doubt about the result of a resolution submitted for voting, he/she may organize to count the number of votes. If the presider at the meeting fails to count the votes, a shareholder or shareholder’s proxies attending the meeting who challenge the result announced by the presider at the meeting shall have the right to request vote counting immediately after the announcement of the voting results, and the presider at the meeting shall promptly organize vote counting.

**Article 83** Onsite voting at the general meeting shall not be closed earlier than the closing time of voting by other means. The presider at the meeting shall decide whether the resolutions at the general meeting are passed based on the voting results, and shall announce the voting results on the spot. The voting results on resolution shall be recorded in the minutes.

Prior to formal announcement of voting results, the Company, vote counter, scrutineer, substantial shareholders, online service providers and other parties involved in onsite voting or voting by other means at the general meeting are obliged to keep confidential the voting process.

The Company shall publish an announcement in relation to the voting results at the general meeting as soon as practicable after the meeting, and in any event no later than 30 minutes prior to the opening of the market on the first business day following the meeting.

**Article 84** Where a proposal on election of such directors or supervisors is passed at the general meeting, the new directors or supervisors shall take office from the time when the relevant election proposal is passed by the general meeting.

**Article 85** Where a proposal for cash dividends, dividend in specie or conversion from the capital reserves to share capital is passed at the general meeting, the Company shall implement specific plans within 2 months after the conclusion of the general meeting.

## **Chapter 5 Board of Directors**

### **Section 1 Directors**

**Article 86** The directors of the Company are natural persons. A person may not serve as a director of the Company if any of the following circumstances applies:

- (I) that person has no or limited civil capacity;
- (II) that person was convicted of and a punitive sentence was imposed on such person for corruption, bribery, encroachment on or misappropriation of property or sabotaging the order of the socialist market economy or 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 term of the sentence or deprivation was served;
- (III) that person is a former director, factory manager or manager of a company or enterprise which became bankrupt and liquidated, and was required to assume personal liability for the bankruptcy of that company or enterprise, where less than 3 years have elapsed since the date of completion of the insolvent liquidation of that company or enterprise;
- (IV) that person is a former 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 was required to assume personal liability thereof, where less than 3 years have elapsed since the date of revocation of the business license of that company or enterprise;
- (V) that person has a relatively large amount of debts due and outstanding;
- (VI) that person is currently barred from the securities market or deemed inappropriate by the CSRC;
- (VII) that person is deemed inappropriate to serve as a director, a supervisor or a senior management member of the Company and subject to disciplinary punishment by the stock exchange or National Equities Exchange and Quotations Corporation Limited, where the term of disciplinary punishment has not yet expired;
- (VIII) any other circumstances as provided by the laws, administrative regulations, departmental rules and the CSRC and the stock exchange where the Company's shares are listed.

If a director is elected or appointed in violation of the provisions of this Article, such election, appointment or designation shall be invalid. The Company may remove any director who falls within any of the above categories in this Article during his/her term of office.

**Article 87** Directors shall be elected or replaced at the general meeting for a term of three (3) years and may be re-elected upon the expiration of their terms of office. Except provided otherwise by relevant laws, regulations, these Articles and relevant securities regulatory rules of the stock exchange where the Company's shares are listed.

The term of office of a director commences from the date of his/her taking office till the expiry of the current session of the board of directors. A director is required to continue to perform his/her duties as a director in accordance with the laws, administrative regulations, department rules and these Articles until a re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.

The general manager or other senior management members may concurrently serve as directors, provided that the total number of directors who concurrently serve as general manager or other senior management members and directors who are employee representatives shall not exceed half (1/2) of the total number of directors of the Company.

Any new director appointed by the board of directors to fill a casual vacancy or as an additional director shall hold office until the first general meeting of the Company following his/her appointment. Such director is eligible for, and may offer himself/herself for re-election by shareholders at the first general meeting after his/her appointment.

**Article 88** Directors shall fulfill the following duties of loyalty to the Company in accordance with the laws, administrative regulations and these Articles:

- (I) not abusing their powers to accept bribes or any other unlawful income or encroach on the Company's properties;
- (II) not misappropriating the Company's funds;
- (III) not depositing the Company's assets or funds into any accounts under their own names or the names of other individuals;
- (IV) not lending the Company's funds to others or providing guarantees in favor of others backed by the Company's assets in violation of these Articles or without approval of the general meeting or the board of directors;
- (V) not entering into any contracts or transactions with the Company in violation of these Articles or without approval of the general meeting;
- (VI) not leveraging on their position and powers to procure business opportunities which should be available to the Company for themselves or others or engaging in any business similar to that of the Company, either on their own or with others, without approval of the general meeting;
- (VII) not accepting for their own benefit any commissions in relation to transactions with the Company;

- (VIII) not disclosing without authorization any confidential information of the Company;
- (IX) not using their connected relationships to harm the interests of the Company;
- (X) performing any other duties of loyalty provided by the laws, administrative regulations, departmental rules and these Articles.

The Company may have a claim against the breaching director for an account of profits for any income earned by such director in violation of this Article; such director is liable for compensation if any loss is caused to the Company.

**Article 89** Directors shall fulfill the following duties of care to the Company in accordance with the laws, administrative regulations and these Articles:

- (I) to exercise the powers conferred by the Company with prudence, care and diligence to ensure that the commercial activities of the Company comply with the provisions of the laws, administrative regulations and various state economic policies and not exceed the business scope specified in the business license of the Company;
- (II) to treat all shareholders impartially;
- (III) to keep track of the operation and management of the Company on a timely basis;
- (IV) to provide the board of supervisors with truthful information and materials, and not to intervene the performance of the board of supervisors or supervisors of their duties and functions;
- (V) to perform any other duties of care provided by the laws, administrative regulations, departmental rules and these Articles.

**Article 90** Directors who fail to attend two consecutive meetings of the board of directors either in person or entrust other directors to do so are deemed incapable of performing their duties, and the board shall make a proposal to the general meeting to remove such directors. Subject to the securities regulatory rules of the place where the Company's shares are listed, any director attending the board meeting via internet, video, telephone or any other equivalent means, shall also be deemed to be present in person thereat.

**Article 91** Directors may submit their resignation prior to the expiry of their terms of office. The resigning director is required to submit a resignation report to the board in writing and is not allowed to evade his/her responsibilities by resignation or any other means.

In the event that the resignation of a director will result in the number of members of the board of the Company falling below the statutory minimum number requirement, the original director shall continue to perform his/her duties as a director pursuant to the laws, administrative regulations, departmental rules and these Articles until a new director takes his/her office.



Save for the circumstances set out in the preceding paragraph, the director's resignation takes effect upon servicing his/her resignation report to the board.

**Article 92** A director may be removed before expiry of his/her term of office by an ordinary resolution at the general meeting subject to compliance with relevant laws and regulations and the listing rules of the stock exchange where the Company's shares are listed. Removal of a director shall not prejudice such director's right to claim for compensation under any contract.

**Article 93** Upon the resignation becoming effective or expiration of his/her term of office or dismissal, the director shall complete all handover procedures with the board. His/her duty of fiduciary towards the Company and shareholders remains valid within 12 months after the expiration of his/her term of office.

**Article 94** No director is allowed to act in his/her own name on behalf of the Company or the board without the legal authorization provided in these Articles or from the board. In the event that a director acts in his/her own name and a third party may reasonably believe that the director is acting on behalf of the Company or the board, such director shall state his/her position and capacity in advance.

**Article 95** A director is liable for compensation for any loss of the Company arising from violation by him/her of any laws, administrative regulations, departmental rules or these Articles in the course of performing his/her duties.

**Article 96** The functions of the non-executive directors include:

- (I) attending the board meetings to provide independent opinions on issues such as strategy, policy, the Company's performance, accountability, resources, key appointment and standards of conduct;
- (II) providing guidance when there is existence of potential conflicts of interests;
- (III) serving on the audit committee, remuneration and appraisal committee, nomination committee and any other special committees under the board of directors, if invited;
- (IV) scrutinizing the Company's performance to determine if the Company has achieved its defined corporate goals and objectives, and monitoring the reporting of such performance.

**Article 97** The Company appoints independent directors and establishes an independent director system. The rights and obligations, duties and performance procedures of the independent directors are specified in the corresponding systems formulated by the Company. The qualifications, appointment and removal of independent directors, their duties and mode of performance, duty performance guarantee and filing procedures shall be implemented in accordance with relevant requirements of the laws, administrative regulations, the CSRC, the stock exchange where the shares are listed and the Articles of Association of the Company.

## **Section 2 Board of Directors**

**Article 98** The Company has the board of directors, which is accountable to the general meeting.

**Article 99** The board of directors is composed of 7-11 directors, and the members of the board of directors are elected by the general meeting in accordance with the laws. The directors are categorized as executive directors, non-executive directors, and independent directors, of whom there shall be not less than three independent directors, which shall constitute at least one third or more of the total number of the board, at least one independent director shall have appropriate professional qualifications or appropriate accounting or related financial management expertise, and at least one independent director shall ordinarily reside in Hong Kong.

**Article 100** The board of directors exercises the following functions and powers:

- (I) to convene general meetings and report on its work to the general meetings;
- (II) to implement the resolution(s) of a general meeting;
- (III) to determine the business operation plans and investment plans of the Company;
- (IV) to formulate the profit distribution plans and loss recovery plans of the Company;
- (V) to formulate plans of the Company regarding increase or reduction of the registered capital, issuance of corporate bonds or other securities and listing;
- (VI) to formulate plans for material acquisitions, purchase of shares of the Company or merger, division, dissolution or conversion of the corporate form of the Company;
- (VII) to decide on matters such as external investment, acquisition and disposal of assets, pledge of assets, external guarantees, entrusted wealth management, connected transactions and external donations of the Company within the scope of authorization of the general meeting;
- (VIII) to determine the setup of the Company's internal management bodies;
- (IX) to decide on the appointment or dismissal of the Company's general manager, secretary to the Board and other senior management members, and decide on their remuneration, rewards and punishments; to decide on the appointment or dismissal of the Company's deputy general manager, chief financial officer and other senior management members based on the nomination of the general manager, and decide on their remuneration, rewards and punishments;
- (X) to formulate the fundamental management system of the Company;

- (XI) to formulate the proposal for amendment of these Articles;
- (XII) to propose to the general meeting to engage or replace the accounting firm that provides auditing services to the Company;
- (XIII) to listen to the work report of the general manager of the Company and inspect his/her work;
- (XIV) to manage the information disclosure of the Company;
- (XV) except as otherwise provided by the securities regulatory rules of the place where the shares of the Company are listed, to decide the following transactions (except for the provision of guarantees and financial assistance), and if those transactions fall within the authority of the general meeting, they shall be submitted to the general meeting for consideration:
  - 1. The total amount of assets involved in the transaction (where both book value and appraised value exist, whichever is higher) accounts for more than 10% of the Company's audited total assets for the most recent period;
  - 2. The transaction amount accounts for more than 10% of the Company's latest audited net assets and exceeds RMB10 million;
  - 3. The operating income related to the subject matter of the transaction (such as equity) in the most recent accounting year accounts for more than 10% of the audited operating income of the Company in the most recent accounting year and exceeds RMB10 million;
  - 4. The profit generated from the transaction accounts for more than 10% of the audited net profit of the Company in the most recent accounting year and exceeds RMB1.5 million;
  - 5. The net profit related to the subject matter of the transaction (such as equity) in the most recent accounting year accounts for more than 10% of the audited net profit of the Company in the most recent accounting year and exceeds RMB1.5 million.

If the figures involved in the calculation of the above indicators are negative, the absolute value of such figures shall be used.

(XVI) to decide on the following connected transactions (except for the provision of guarantees), which shall be submitted to the general meeting for consideration if they fall within the authority of the general meeting:

1. the transaction amount of the connected transactions between the Company and related individuals exceed RMB300,000;
2. transactions with related legal entities that account for more than 0.2% of the Company's latest audited total assets and exceed RMB3 million;
3. non-exempt connected transactions with connected parties defined by the Hong Kong Stock Exchange;
4. the following connected transactions between the Company and its related parties are exempted from consideration in the manner of connected transactions:
  - 1) one party subscribes to the other party's public offering of shares, corporate bonds, debentures, convertible corporate bonds, or other types of securities in cash;
  - 2) one party acts as a member of an underwriting syndicate to underwrite the other party's public offering of shares, corporate bonds or debentures, convertible bonds or other types of securities;
  - 3) one party receives dividends, bonuses or remuneration based on a resolution of the general meeting of the other party;
  - 4) one party participates in the public bidding or auction of the other party, except where it is difficult to form a fair price through bidding or auction;
  - 5) transactions in which a company unilaterally obtains benefits, including receiving gifts of cash assets, being granted debt relief, and accepting guarantees and assistance;
  - 6) connected transactions of which prices are determined by the State;
  - 7) the related party provides funds to the Company at an interest rate not higher than the benchmark interest rate for loan for the same period stipulated by the People's Bank of China, and the Company does not provide any corresponding guarantee for the financial assistance;
  - 8) the Company provides products and services to directors, supervisors and senior management members on the same trading terms as provided to non-related parties;

- 9) connected transactions that can be exempted or individually exempted under Chapter 14A of the Hong Kong Listing Rules;
- 10) any other transactions which are specified by the CSRC and the stock exchange where the shares are listed.

Before the connected transaction is submitted to the board of directors for consideration, it shall be considered and discussed in a special meeting held by independent directors and disclosed in the announcement of the connected transaction with approval by more than half of all independent directors of the Company.

- (XVII) external guarantees other than those required to be submitted to the general meeting for consideration and approval as provided in Article 39 of these Articles;
- (XVIII) external financial assistance matters other than those required to be submitted to the general meeting for consideration and approval as provided in Article 38 of these Articles;
- (XIX) any other authorities which are granted by law, administrative regulations, departmental rules, or these Articles.

**Article 101** The board of directors of the Company shall make explanation to the general meeting on the non-standard audit opinion issued by a certified accountant for the financial reports of the Company.

**Article 102** The board of directors has one chairman, who is elected by more than half of all directors.

**Article 103** The chairman of the board of directors exercises the following functions and powers:

- (I) to preside over the general meetings and convene and preside over the meetings of the board of directors;
- (II) to supervise and inspect the implementation of the resolutions of the board of directors;
- (III) to consider and approve under the authorization of the board of directors of the Company the following transactions within the ambit of his or her authority, except as otherwise provided in the securities regulatory rules of the place where the Company's shares are listed:
  1. the total amount of assets involved in the transaction (where both book value and appraised value exist, whichever is higher) accounts for less than 10% of the Company's total audited assets for the most recent period;

2. the transaction amount accounts for less than 10% of the Company's latest audited net assets, or the absolute amount is less than RMB10 million, and the transaction does not fall within the scope of consideration and approval by the board of directors or the general meeting;
3. the operating income related to the subject matter of the transaction (such as equity) in the most recent accounting year accounts for less than 10% of the audited operating income of the Company in the most recent accounting year, or the absolute amount is less than RMB10 million, and the transaction does not fall within the scope of consideration and approval by the board of directors or the general meeting;
4. the profit generated from the transaction accounts for less than 10% of the audited net profit of the Company in the most recent accounting year, or the absolute amount is less than RMB1.5 million and the transaction does not fall within the scope of consideration and approval by the board of directors or the general meeting;
5. the net profit related to the subject matter of the transaction (such as equity) in the most recent accounting year accounts for less than 10% of the audited net profit of the Company in the most recent accounting year, or the absolute amount is less than RMB1.5 million and the transaction does not fall within the scope of consideration and approval by the board of directors or the general meeting;
6. a connected transaction (except for guarantees provided by the Company) in which the amount of the transaction between the Company and a connected individual is less than RMB300,000 and does not fall within the scope of consideration and approval by the board of directors or the general meeting; or the amount of the connected transaction between the Company and connected legal entities is less than RMB3 million or accounts for less than 0.2% of the Company's total audited assets of the most recent period;
7. financing matters in which the amount of the Company's single borrowing or the cumulative amount of borrowings within an accounting year is less than 10% of the Company's latest audited net assets;

(IV) to exercise any other functions and powers granted by the board of directors.

**Article 104** In the event that the chairman of the Company is unable to perform his duties or fails to do so, a director elected by more than half of the directors may perform such duties accordingly.

The board of directors shall hold regular meetings, which shall be held at least four times a year, approximately once a quarter. Notices of regular board meetings shall be sent to all directors and supervisors at least fourteen days in advance. Regular meetings of the board of directors may not be replaced by the board's approval given by way of circulation of written resolutions.

**Article 105** An interim meeting of the board of directors is required to be held upon the proposal of shareholders representing more than 1/10 voting rights, more than 1/3 of directors or members of the board of supervisors, or more than 1/2 of the independent directors. The chairman of the board of directors shall, within 10 days upon receipt of the proposal, convene and preside over the meeting of the board of directors. The chairman of the board of directors may also convene an interim meeting of the board of directors according to actual needs.

The interim meeting of the board of directors shall be notified in writing to all directors and supervisors three days in advance of the meeting.

A notice of a meeting of a board of directors sets out the following particulars:

- (I) the date and venue of the meeting;
- (II) the duration of the meeting;
- (III) the reason(s) and the agenda;
- (IV) the date of issuance of the notice.

**Article 106** A meeting of the board of directors shall be held only with the presence of more than half of the directors. A resolution proposed by the board of directors must be passed by more than half of all the directors.

Resolutions of the board of directors shall be voted on a one-person-one-vote basis.

In the event that the board of directors considers a connected transaction of the Company, the connected director(s) is required to abstain from voting and not exercise voting rights on behalf of other director(s). The board meeting may only be held with the attendance of more than one half of non-connected directors and the resolutions of the board meeting are required to be approved by more than one half of non-related directors. In the event that the number of non-connected director(s) attending the board meeting is less than three, the Company is required to submit the transaction to the general meeting for consideration. Furthermore, save for the exceptions permitted by the Hong Kong Listing Rules or the Stock Exchange, a director is not entitled to vote on any resolutions of the board of directors in respect of any contract or arrangement or any other proposals in which he/she or any of his/her close associates (as defined in the Hong Kong Listing Rules) has any material interests, nor shall he/she to act so on behalf of other director(s).



A connected director mentioned in the preceding paragraph include the following director or any director involved in any of the following circumstances:

- (I) being the counterparty of the transaction;
- (II) having direct or indirect control over the counterparty of the transaction;
- (III) being employed by the counterparty of the transaction, by a legal entity which directly or indirectly control or is controlled by the counterparty of the transaction;
- (IV) being a close family member of the counterparty of the transaction or a direct or indirect controlling party of such counterparty;
- (V) being a close family member of a director, supervisor or senior management member of the counterparty of the transaction or a direct or indirect controlling party of such counterparty;
- (VI) being a director whose independent business judgment may be affected as determined by the Company on the basis of other reasons.

**Article 107** Resolutions of the board of directors shall be voted on by disclosed ballot.

As long as directors are able to fully express their opinions at an interim meeting of the board of directors, resolutions may be passed by voting via communication means, and signed by the attending directors.

**Article 108** The board of directors shall formulate the terms of reference for the board of directors which specify the duties of the board of directors and the procedures for convening, holding and voting of meetings of the board of directors and regulate the operation mechanism of the board of directors, subject to the approval of general meetings.

**Article 109** Directors shall attend a board meeting in person. If any director is unable to attend any board meeting for any reason, he/she may authorize in writing another director to attend on his/her behalf. The power of attorney shall set out the name of the proxy, the matters represented, scope of authorization and validity period, and shall be signed or sealed by the appointing director. The appointed director who attends the meeting shall exercise the rights of director within the scope of authorization. If a director fails to attend a board meeting in person and appoint a proxy on his behalf to attend the meeting, he/she is deemed to have waived his/her voting rights at such meeting.

**Article 110** The board of directors shall record the decisions on the business transacted at the meeting in the minutes which shall be true, accurate and complete and be signed by the directors, the secretary of the board of directors and the minutes taker present at the meeting.

The minutes of the board of directors shall be kept in the archive of the Company for at least 10 years.

**Article 111** The minutes of the meetings of the board of directors include:

- (I) the date, venue of the meeting, and the name of the convener;
- (II) the names of the directors present at the meeting in person, and the names of the directors present at the meeting as proxies;
- (III) the agenda of the meeting;
- (IV) the summary of the opinion of directors;
- (V) the method and results of voting on each resolution (number of votes in favor of, against and abstention).

**Article 112** The board of directors of the Company shall establish special committees such as strategy committee, audit committee, nomination committee and remuneration and appraisal committee. The special committees are accountable to the board of directors, fulfill their duties in accordance with these Articles and the authorization from the board of directors, and their proposals shall be submitted to the board of directors for consideration and decision. The board of directors is responsible for the formulation of the work procedures for the special committees to regulate their operation.

All members of the special committees are the directors. The audit committee is entirely composed of non-executive directors, and has at least three members. A majority of its members are independent directors and at least one of them shall be an independent director who have appropriate professional qualifications or accounting or related financial management expertise as required by the securities regulatory rules of the place where the shares of the Company are listed, and the convener (i.e. chairperson) of its meetings shall be an independent director. A majority of the members of the remuneration and appraisal committee and the audit committee shall be independent directors, while the convener (i.e. chairperson) of the remuneration and appraisal committee shall be an independent director and the convener (i.e. chairperson) of the audit committee shall be the chairman of the board or independent directors. The board of directors may also establish other committees or re-organize the existing committees. For matters such as the duties and terms of reference of the special committees, the board of directors may formulate separate terms of reference for respective special committee of the board of directors.

## **Chapter 6 General Manager and Other Senior Management Members**

**Article 113** The Company has one general manager who is nominated by the chairman of the board of directors and appointed or dismissed by the board of directors.

The Company has several deputy general managers and a number of chief financial officer, secretary of the board and other several senior management members who are nominated by the general manager and appointed or dismissed by the board of directors.

The deputy general managers, chief financial officer, secretary of the board and other several senior management members are accountable to the general manager, responsible for the matters and tasks assigned by the general manager, and be specifically in charge of the operation and management works fall within the scope of their duties and responsibilities designated by the general manager.

**Article 114** The circumstances set out in Article 86 of these Articles under which a person may not serve as a director also applies to a senior management member. The directors' duty of loyalty set out in Article 88 of these Articles and the directors' duty of care in items (IV) to (V) of Article 89 hereof also applies to a senior management member.

In addition to in compliance with the foregoing provisions, a chief financial officer as a senior management member shall possess professional qualification higher than the level of an accountant, or have extensive knowledge on accounting with years of experience in finance, capital and securities market, and understand the process of investment and financing, methods of investment analysis, as well as relevant policies and regulations.

**Article 115** Each term of the general manager is three years and may be extended by reappointment. The general manager is accountable to the board of directors and exercises the following powers:

- (I) to be responsible for organizing the formulation of the Company's development strategy, planning, business plans, major investment proposals, and reporting to the board of directors;
- (II) to organize the implementation of the resolutions of the board of directors and report to the board of directors;
- (III) to organize the implementation of the Company's annual business plan, budget program and investment plan;
- (IV) to formulate the plan for establishment of the Company's internal management organization;
- (V) to formulate the Company's fundamental management system;
- (VI) to be responsible for the nomination, management and appraisal of senior management personnel appointed or dismissed by the board of directors;

- (VII) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;
- (VIII) to be responsible for submitting annual work reports and other reports to the board of directors;
- (IX) any other functions and powers conferred by the Articles of Association and the board of directors.

The general manager is present at the board of directors' meetings.

**Article 116** The Company has a secretary of the board of directors as the person in charge of information disclosure, who is responsible for, among other, information disclosure, arrangement of general meetings and meetings of the board of directors, investor relationship and shareholder particulars management. The person in charge of information disclosure shall attend meetings of the board of directors and general meetings of the Company.

**Article 117** In the event that the secretary of the board of directors of the Company is dismissed or resigns from his/her office, he/she shall complete the procedures for handover of duty. If the secretary of the board of directors fails to complete the procedures for handover of duty after submitting his/her resignation letter, he/she shall continue to assume his/her duties as the secretary of the board of directors.

When there is a vacancy of the secretary of the board of directors, the board of directors of the Company shall designate a director or a senior management member to act as the person in charge of information disclosure, and shall appoint a succeeding secretary of the board of directors within three months. Before the appointment of such a person by the Company, the chairman of the board of directors shall act as the person in charge of information disclosure.

**Article 118** A senior management member is liable to compensate the Company for any loss caused to the Company as a result of his/her violation of the laws, administrative regulations, departmental rules or the provisions of these Articles in the performance of his/her duties with the Company.

## **Chapter 7 Board of Supervisors**

### **Section 1 Supervisors**

**Article 119** The circumstances set out in Article 86 of these Articles under which a person may not serve as a director also applies to supervisors.

The directors of the Company, general managers, and other senior management members are not allowed to serve concurrently as supervisors.

**Article 120** A supervisor shall comply with the laws, administrative regulations and these Articles, and shall assume duties of loyalty and care to the Company, and is not allowed to use his/her functions and powers to accept bribes or any other unlawful incomes, or encroach on the property of the Company.

**Article 121** Each term of office of a supervisor is three years. A supervisor may serve consecutive terms if reelected upon the expiration of his/her term of office.

**Article 122** In the event that a supervisor's term of office expires but a new supervisor has not yet been appointed, or in the event that a supervisor resigns during his/her term of office, resulting in the number of members in the board of supervisors falling below the statutory minimum number requirement, and before the newly appointed supervisor takes up his/her office, the original supervisor shall continue to carry out his/her duties in accordance with law, administrative regulations and these Articles. In the event of such circumstances, the Company shall complete the by-election of supervisors within two months.

**Article 123** A supervisor may attend the meetings of the board of directors and raise questions or make suggestions on matters to be resolved by the board of directors.

**Article 124** A supervisor shall not use his/her connected relationship to harm the interests of the Company. A supervisor who causes losses to the Company is liable for compensation.

**Article 125** A supervisor is liable to compensate the Company for any loss caused to the Company as a result of his/her violation of the laws, administrative regulations, departmental rules or the provisions of these Articles in the performance of his/her duties with the Company.

## **Section 2 Board of Supervisors**

**Article 126** The Company shall establish the board of supervisors. The board of supervisors consists of three supervisors. The board of supervisors has one chairperson who shall be elected by more than half of all supervisors. The meetings of the board of supervisors are convened and presided over by the chairperson. Where the chairperson of the board of supervisors is unable to perform his/her functions or fails to do so, such meeting shall be convened and presided over by a supervisor elected by more than half of the supervisors.

The board of supervisors consists of shareholder representatives and an appropriate proportion of employee representatives of the Company. One of the employee representatives shall be act as a supervisor. The employee representatives of the board of supervisors shall be elected by employees of the Company at the employee representatives' meeting, the shareholder representative supervisors shall be elected by the shareholders.

**Article 127** The board of supervisors exercises the following functions and powers:

- (I) to review the regular reports of the Company prepared by the board of directors and to submit its written review opinions;
- (II) to inspect the finance of the Company;
- (III) to supervise the directors and senior management members in the performance of their duties and to propose the dismissal of the directors and senior management members who violate the laws, administrative regulations, these Articles or resolutions of the general meeting;
- (IV) to demand a director and a senior management member to correct his/her act that is detrimental to the Company's interests;
- (V) to propose the convening of extraordinary general meeting in the event that the board of directors fails to perform its duty of convening and presiding over a general meeting in accordance with the Company Law;
- (VI) to submit proposals to the general meeting;
- (VII) to file legal proceedings against a director or a senior management member under Section 189 of the Company Law;
- (VIII) to investigate any irregularities, if identified, in the operation of the Company; If necessary, it may engage an accounting firm, a law firm and other professional institutions to assist it in its work, and the expenses shall be borne by the Company.

**Article 128** The board of supervisors shall meet at least once every six months. The meeting shall be convened by the chairperson of the board of supervisors with written notices sent to all supervisors 10 days before the meeting. A supervisor may propose to convene an interim meeting of the board of supervisors. Written notices of the interim meeting of the board of supervisors shall be given to all supervisors three days before the meeting.

The notice of a meeting of the board of supervisors include the following particulars:

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

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

**Article 129** The board of supervisors shall formulate the terms of reference for the board of supervisors which specify the duties of the board of supervisors and the procedures for convening, holding and voting of the meetings of board of supervisors and regulate the operation mechanism of the board of supervisors, subject to the approval of general meetings.

**Article 130** The board of supervisors shall record the decisions on the business transacted at the meeting in the minutes, which shall be true, accurate and complete and be signed by the supervisors and the minutes taker present at the meeting.

A supervisor has the right to have certain explanatory note entered into the minutes regarding his/her statements at the meeting. The minutes of the board of supervisors shall be kept in the archive of the Company for at least 10 years.



## **Chapter 8 Financial Accounting System, Profit Distribution and Audit**

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

**Article 131** The Company shall formulate its own financial accounting system in accordance with the laws, administrative regulations, and the requirements of relevant state departments.

The financial year of the Company coincides with the calendar year, which commences on January 1 and ends on December 31 of each year.

**Article 132** The Company shall submit, disclose and/or submit its annual reports, interim reports, preliminary results announcements and other documents to shareholders in accordance with the regulatory rules and other normative documents of the stock exchange where the Company's shares are listed.

**Article 133** The Company shall not keep accounts other than those required by the laws. Assets of the Company shall not be deposited in any account maintained in the name of any individual.

**Article 134** To maintain the Company's technological innovation capability, the total annual research and development investment of the Company shall not be less than 5 percent of the total revenue of its main business in that year. The Company shall, when allocating the post-tax profit of an accounting year, allocate 10% of the profit to the Company's statutory reserve fund. The Company is not required to make further profit allocation to the statutory reserve fund once its accumulative amount exceeds 50% of the registered capital of the Company.

Where the Company's statutory reserve fund falls short to offset the loss of prior years, the Company shall use the profit earned during the year to offset the loss before making profit allocation to the statutory reserve fund according to the previous paragraph.

After allocations have been made to the Company's statutory reserve fund from its post-tax profit, the Company may, subject to the resolution of the general meeting, make allocation to the discretionary reserve fund from the post-tax profit.

The remaining post-tax profit after offsetting the losses and the allocation of the reserves may be distributed to shareholders in proportion to their shareholding, unless a disproportionate distribution is otherwise allowed under these Articles.

If a general meeting violates the provisions in the preceding paragraph by distributing the profit to the shareholders before offsetting the losses and allocation to the statutory reserves, the shareholders must return to the Company the profit distributed in violation of the provisions.

The Shares held by the Company itself are not entitled to any profit distribution.

The Company is required to appoint one or more receiving agent(s) in Hong Kong for shareholders of H shares. The receiving agent(s) shall receive and hold on behalf of such shareholders of H shares any dividends allocated to H shares and other amounts payable by the Company, and transmit such payments to such shareholders of H shares. The receiving agent(s) appointed by the Company shall satisfy the requirements under the laws and regulations and the securities regulatory rules of the places where the Company's shares are listed, including that the receiving agent appointed by the Company for such Shareholders of H shares shall be a trust company registered under Trustee Ordinance (Chapter 29 of the Laws of Hong Kong).

**Article 135** The reserve funds of the Company are used to offset the losses of the Company, expand the Company's business and operation or increase its registered capital. Nevertheless, the capital reserves is not allowed to be used to offset the losses of the Company.

When the statutory reserve fund is converted into capital, the remaining amount under the said reserve fund shall not be less than 25% of the registered capital of the Company before the conversion.

**Article 136** Upon the approval of the resolution on profit distribution at a general meeting of the Company, the board of the Company shall complete the distribution of dividends (or shares) within 2 months from the date of such general meeting.

**Article 137** The Company shall formulate a profit distribution system, which can distribute dividends in cash, stocks, a combination of cash and stocks, or other methods permitted by laws and regulations. The specific methods are as follows:

- (I) The Company's profit distribution principle: The Company implements the dividend distribution policy of equal right for equal share, and shareholders receive dividends and other forms of profit distribution based on the shares they hold. The Company implements an active profit distribution policy, attaches importance to reasonable investment returns for investors, and maintains sustainability and stability. The Company may distribute profits in the form of cash or shares, and the distribution of profits shall not exceed the cumulative distributable profits and shall not impair the Company's ability to operate as a going concern. The board of directors, the board of supervisors and the general meeting shall give full consideration to the opinions of independent directors, external supervisors (if any) and public investors in the process of decision-making and discussion on the profit distribution policy.
- (II) The Company's general form of profit distribution: the distribution of dividends by cash, shares, or a combination of both, and in the event that the Company has cash for dividend distribution, the Company shall give priority to the use of cash dividend for profit distribution.

- (III) The Company's specific conditions and proportion of cash dividend: the Company mainly adopts the profit distribution policy of cash dividend, that is, the Company achieves profit in the current year, and can distribute profits after making up the loss, making allocation to the statutory reserve fund and surplus reserve fund in accordance with the laws, then the Company may distribute cash dividend; The Company's profit distribution shall not exceed the cumulative distributable profit.

## **Section 2 Internal Audit**

**Article 138** The Company shall implement an internal audit system and set up an audit department with full-time audit personnel to conduct internal audit and supervision on its financial matters, incomes and expenses, and economic activities of the Company.

**Article 139** The Audit Committee is accountable to the Board and is responsible for directing and supervising the internal audit work and its implementation. The audit department carries out the audit work independently under the direction of the Audit Committee, is accountable to the Audit Committee and reports to the Audit Committee on its work.

## **Section 3 Appointment of Accounting Firm**

**Article 140** The Company shall engage an independent accounting firm which is qualified under the Securities Law and any other laws and regulations, and regulatory requirements of the place where the Company's shares are listed, to audit its financial statements, verify its net assets and provide any other related consulting services. The term of engagement is one year and is renewable.

**Article 141** The appointment, removal and remuneration (or the method of determining such remuneration) of the accounting firm must be approved by an ordinary resolution at a general meeting, and the board shall not appoint any accounting firm before the decision is made by the general meeting.

**Article 142** The Company shall guarantee that it will provide the accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and any other accounting information without any withholding, concealment or falsehood.

**Article 143** The audit fee of an accounting firm shall be determined by the general meeting.

**Article 144** In the event of removal or non-renewal of engagement of an accounting firm, the Company shall notify the accounting firm 30 days in advance. The accounting firm is entitled to be heard at the general meetings of the Company at which the resolution of removal of such accounting firm is voted.

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

## **Chapter 9 Notice**

**Article 145** Notices of the Company shall be issued by the following means:

- (I) by personal delivery;
- (II) by post, e-mail or facsimile;
- (III) by announcements;
- (IV) by any other means as permitted by these Articles.

**Article 146** Where the Company's notice is delivered by way of announcement, all relevant persons are deemed to have received the notice upon the publication of such announcement. Where the Company's notice is delivered by personal delivery, a recipient shall sign (or affix a seal on) the acknowledgement of receipt, and the date of receipt is the date on which the recipient signs such acknowledgement of receipt. Where the Company's notice is delivered by post, the date of receipt is the 5th business day after the date of posting at the post office. Where a notice of the Company's meeting is delivered by e-mail, the date of receipt is the date on which such email is sent. Where a notice of the Company's meeting is delivered by facsimile, the date of receipt is the date on which such facsimile is sent. Where the Company's notice is delivered by way of an announcement, the date of receipt is the date on which such announcement is first published.

**Article 147** Notices for convening general meetings by the Company shall be delivered by personal delivery, post, e-mail, facsimile or by way of an announcement. Notices for convening board meetings by the Company shall be delivered by personal delivery, post, e-mail or facsimile. Notices for convening meetings of the board of supervisors by the Company shall be delivered by personal delivery, post, e-mail or facsimile.

**Article 148** The Company shall designate the HKEXnews website (<http://www.hkexnews.hk>) and (if necessary) any other newspapers or websites specified by the CSRC and the stock exchange(s) where the Company's shares are listed, as the media for publication of the Company's announcements and other information required to be disclosed.

**Article 149** The meetings and the resolution of the meetings shall not be null and void even if the notice of the meeting fails to be delivered to or received by any person entitled to receive such notice due to accidental omission.

## **Chapter 10 Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation**

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

**Article 150** A merger of a company may take the form of merger by absorption or consolidation.

Merger by absorption means the absorption of a company by another company, under which the absorbed company shall be dissolved. Merger by consolidation means the merger of two or more companies to form a new company, under which the companies to the merger shall be dissolved.

**Article 151** In the case of a merger, the parties to the merger shall enter into a merger agreement and prepare a statement of assets and liabilities and a list of assets. The Company shall notify its creditors within ten (10) days from the date of passing a resolution on the merger, and make an announcement in newspaper(s) within thirty (30) days. The creditors may, within thirty (30) days after the date of receiving the notices, or for the creditors who fail to receive the notices, within forty-five (45) days after the date of the public announcement, require the Company to settle its debts or provide corresponding guarantees for such debts.

**Article 152** After the merger, any claims and liabilities of the merged parties shall be assumed by the surviving company or the newly-established company after the merger.

**Article 153** If the Company is divided, its assets shall be divided correspondingly.

In the event of a division, a statement of assets and liabilities and a list of assets shall be prepared. The Company shall notify its creditors within ten (10) days after the date of passing the resolution on the division, and make an announcement in newspaper(s) within thirty (30) days.

**Article 154** The liabilities incurred by the Company before its division shall be assumed by the succeeding companies after the division jointly and severally, unless otherwise agreed by the Company and its creditors on settlement of liabilities in writing prior to the division.

**Article 155** In the case of a reduction in the Company's registered capital, the Company must prepare a statement of assets and liabilities and a list of assets.

The Company shall notify its creditors within ten (10) days from the date of passing the resolution on the reduction of its registered capital, and make an announcement in newspaper(s) within thirty (30) days. The creditors have the right to, within thirty (30) days after the date of receiving the notices, or for the creditors who fail to receive the notices, within forty-five (45) days after the date of the public announcement, require the Company to settle its liabilities or provide corresponding guarantees for such liabilities.

The Company's registered capital after the reduction shall not fall below the statutory minimum amount.

**Article 156** Changes in registered particulars as a result of merger or division of the Company shall be registered with the company registration authorities in accordance with the laws. Deregistration procedure shall be performed in accordance with the laws in the event that the Company is dissolved. Incorporation of a company shall be performed in accordance with the laws for the establishment of a new company.

In the event that the Company increases or reduces its registered capital, such changes shall be registered with the company registration authority in accordance with laws.

## **Section 2   Dissolution and Liquidation**

**Article 157** The Company shall be dissolved due to the following reasons:

- (I) the business term specified in these Articles has expired or other cause for dissolution specified in these Articles have occurred;
- (II) the general meeting resolves to dissolve the Company;
- (III) dissolution is required due to merger or division of the Company;
- (IV) the Company is revoked of its business license, ordered to close down or deregistered in accordance with the laws;
- (V) in the event that there is severe difficulty in the operation and management of the Company, and the continued existence of the Company will cause heavy losses to the interests of its shareholders and there is no other way to resolve, shareholders who hold more than ten percent (10%) of the whole voting rights may submit a petition to the People's Court to dissolve the Company.

**Article 158** Under the circumstances in item (I) of Article 157 of these Articles, the Company may subsist by amendment of these Articles.

In the event that these Articles are amended in accordance with the preceding paragraph, such alteration shall be passed by votes representing more than two-thirds of the voting rights held by the shareholders attending the general meeting.

**Article 159** Where a company is dissolved under the circumstance in items (I), (II), (IV) or (V) of Article 157 of these Articles, a liquidation team shall be established within 15 days from the date of occurrence of the cause of dissolution to commence the liquidation process. The liquidation team shall be composed of the directors or the personnel determined by the general meeting. If a liquidation team is not established within the time limit, the creditors may apply to the People's Court to appoint relevant personnel to form a liquidation team to conduct the liquidation.

The liquidation team exercises the following powers and functions during the liquidation period:

- (I) to liquidate the Company's assets and prepare a statement of assets and liabilities and a list of assets;
- (II) to notify creditors by notice or publish announcement;
- (III) to handle and settle Company's remaining business in relation to liquidation;
- (IV) to settle all taxes in arrears and taxes incurred in the course of liquidation;
- (V) to settle all claims and liabilities;
- (VI) to dispose of the Company's residual assets after the liabilities are settled;
- (VII) to represent the Company in any civil proceedings.

**Article 160** The liquidation team shall notify the creditors within a period of ten (10) days upon the date of its formation and make announcements in newspapers within sixty (60) days. The creditors are required to, within thirty (30) days upon the date of receiving the notices, or for the creditors who fail to receive the notices, within forty-five (45) days upon the date of the public announcement, declare their claims to the liquidation team.

When declaring their claims, the creditors is required to state relevant particulars of their claims and provide supporting materials. The liquidation team shall register the claims.

During the period of declaration of claims, the liquidation team is not allowed to make any repayment to the creditors.

**Article 161** After liquidating the Company's assets and preparing the statement of assets and liabilities and the list of assets, the liquidation team shall prepare a liquidation plan and submit it to the general meeting or the People's Court for confirmation.

After the Company's assets are used to pay the liquidation expenses, staff remuneration, social insurance premiums and statutory compensation, payment of tax in arrears and repayment of the Company's debts respectively, the residual assets shall be distributed by the Company to shareholders in proportion to their respective shareholdings.

During the liquidation period, the Company remains subsisting but shall not engage in any business activities unrelated to the liquidation. The Company's assets shall not be distributed to shareholders prior to making repayment pursuant to the provisions of the preceding paragraph.



**Article 162** If the liquidation team finds that the Company's assets are insufficient to pay off its debts after clearing up the Company's assets and preparing the statement of assets and liabilities and the list of assets, it shall apply to the People's Court for declaration of bankruptcy in accordance with the laws.

Upon the Company's declaration of bankruptcy pursuant to the ruling of the People's Court, the liquidation team shall transfer the liquidation matters to the People's Court.

**Article 163** After the liquidation of the Company, the liquidation team shall prepare a liquidation report, submit it to the general meeting or the People's Court for confirmation, and submit it to the Company registration authority, apply for deregistration of the Company, and announce the termination of the Company.

**Article 164** Members of the liquidation team shall perform their duties with due diligence and carry out the liquidation in accordance with the laws.

The members of the liquidation team shall not exploit their position to accept bribes or any other illegal income or expropriate the property of the Company in any way. Where any members of the liquidation team cause any loss to the Company or any creditor(s) with wilful or material fault, he/she shall be liable to compensation.

Where the Company is declared bankrupt in accordance with the laws, it shall implement insolvency liquidation in accordance with relevant laws on business bankruptcy.

## **Chapter 11 Amendment of the Articles of Association**

**Article 165** The Company shall amend the Articles of Association under any of the following circumstances:

- (I) after the amendment of the Company Law or relevant laws, administrative regulations, or securities regulatory rules of the place where the Company's shares are listed, the provisions under the Articles of Association conflict with the provisions of the amended laws, administrative regulations, or securities regulatory rules of the place where the Company's shares are listed;
- (II) there has been a change to the Company, resulting in inconsistency with the contents in the Articles of Association;
- (III) the general meeting determines to amend the Articles of Association.

**Article 166** The amendment of the Articles of Association as adopted by resolution of the general meeting which is subject to the approval of competent authorities shall be submitted to the competent authorities for approval. Where an amendment involves the registered particulars of the Company, registration for such alteration shall be made in accordance with the laws.

The board of directors shall alter these Articles in accordance with the resolution for alteration of the Company's Articles of Association passed at the general meeting and the review opinions from relevant competent authorities.

## **Chapter 12 Supplementary Provisions**

### **Article 167 Definitions**

- (I) A controlling shareholder means any shareholder who holds more than 50% of the total share capital of the Company; and any shareholder who holds less than 50% of the shares, but possesses sufficient voting rights through their shareholding to significantly influence the resolutions of the general meetings.
- (II) An actual controller means any person who is not a shareholder of the Company, but is able to effectively control the Company's actions through investment relationships, agreements or other arrangements.
- (III) Connected relationship means a relationship between the Company's Controlling Shareholders, the actual controller, directors, supervisors, senior management members and enterprises directly or indirectly controlled by them, and any other relationships that may lead to the transfer of the Company's interests. However, state-controlled enterprises do not have connected relationship with each other merely because they are under the common control of the State.

**Article 168** The board of directors may formulate detailed rules in accordance with these Articles. Such detailed rules shall not conflict with the provisions of these Articles.

**Article 169** These Articles are written in Chinese. In case of any discrepancy between these Articles and versions in any other language or different versions, the Chinese version of the Articles most recently approved and registered with the market supervision and administration authorities shall prevail.

**Article 170** In these Articles, the terms "over", "within" and "below" are inclusive of the stated figure; "less than", "beyond", "lower than" and "more than" are exclusive of the stated figure.

In these Articles, "independent director" has the same meaning as "independent non-executive director" in the Hong Kong Listing Rules, and independent directors must simultaneously satisfy other requirements on independence stipulated in the Hong Kong Listing Rules and securities regulatory rules of the place where the Company's shares are listed.

**Article 171** The appendices to these Articles comprise the Terms of Reference for General Meetings, Terms of Reference for Board of Directors' Meetings, and Terms of Reference for Board of Supervisors' Meetings.

**Article 172** The board of directors of the Company is responsible for the interpretation of these Articles.

**Article 173** In case of any conflict between these Articles and the laws, administrative regulations, any other relevant normative documents and securities regulatory rules of the place where the Company's shares are listed that are promulgated from time to time, such laws, administrative regulations, other relevant normative documents and securities regulatory rules of the place where the Company's shares are listed shall prevail.

**Article 174** These Articles shall be considered and approved by the general meeting of the Company and shall become effective from the date on which the Company's H Shares are filed with the CSRC and listed on the Hong Kong Stock Exchange, and shall supersede the Company's original Articles of Association filed with Shenzhen Administration For Market Regulation.

**(No main text below)**

**SHENZHEN DOBOT CORP LTD**