

**OmniVision Integrated Circuits Group, Inc.**

**Articles of Association**

**(Applicable upon the Issuance and Listing of H Shares)**

**January 2026**

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# Articles of Association of OmniVision Integrated Circuits Group, Inc.

## Chapter 1 General Provisions

### Article 1

To protect the legitimate rights and interests of OmniVision Integrated Circuits Group, Inc. (the “Company”), its shareholders, employees and creditors and to regulate the organization and conduct of the Company, the Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (中華人民共和國公司法) (the “Company Law”), the Securities Law of the People’s Republic of China (中華人民共和國證券法) (the “Securities Law”), the Interim Measures for the Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (境內企業境外發行證券和上市管理試行辦法), Guidelines for the Articles of Association of Listed Companies (上市公司章程指引), Listing Rules of the Shanghai Stock Exchange (上海證券交易所股票上市規則) and Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (香港聯合交易所有限公司證券上市規則) (hereinafter referred to as the “Hong Kong Listing Rules”) and other applicable regulations.

### Article 2

The Company is a joint stock limited company established in accordance with the Company Law and other relevant regulations of the People’s Republic of China (the “PRC”). The Company was established by way of promotion and registered with the Market Supervision Administration of Shanghai Municipality and obtained its business license which includes a unified social credit code of 9131000066244468X3.

### Article 3

As approved by the China Securities Regulatory Commission (the “CSRC”) on 7 April 2017, the Company initially issued 41,600,000 Renminbi-denominated ordinary shares (the “A Shares”) to the public, which were listed on the Shanghai Stock Exchange (hereinafter referred to as the “SSE”) on 4 May 2017.

Upon the approval of the CSRC on 17 November 2022, the Company issued 31,000,000 Global Depository Receipts (the “GDRs”) which represent 31,000,000 A Shares based on the conversion ratio determined by the Company and were listed on the SIX Swiss Exchange on 10 November 2023.

Upon filing with the China Securities Regulatory Commission on 9 December 2025, the Company issued 45,800,000 overseas listed shares in Hong Kong (hereinafter referred to as the “H Shares”), and the aforesaid H Shares were listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”, together with the Shanghai Stock Exchange, collectively referred to as the “Stock Exchanges”) on 12 January 2026.

**Article 4**

Registered name of the Company:

Full name in Chinese: 豪威集成電路（集團）股份有限公司

Full name in English: OmniVision Integrated Circuits Group, Inc.

**Article 5**

Address of the Company: 7/F, Building C, Block 1, No. 3,000 Longdong Avenue, Pudong New District, Shanghai; postal code: 201203.

**Article 6**

The registered capital of the Company is RMB[•].

**Article 7**

The term of operation of the Company is from 15 May 2007 to 14 May 2057.

**Article 8**

The general manager is the legal representative of the Company.

If the general manager resigns, he/she shall be deemed to have resigned as the legal representative at the same time.

If the legal representative resigns, the Company shall determine a new legal representative within 30 days from the date of his/her resignation.

The appointment and change of the legal representative shall be decided by the Board of Directors upon consideration.

**Article 9**

The legal consequences of civil activities performed by the legal representative in the name of the Company shall be borne by the Company.

Restrictions on the authority of the legal representative imposed by the Articles of Association or the Shareholders' Meeting shall not be enforceable against bona fide counterparty.

Where the legal representative causes damage to any other person in the performance of his/her duties, the Company shall assume civil liability for such damage. The Company may, after assuming such civil liability, seek compensation from the legal representative at fault in accordance with the laws or the Articles of Association.

**Article 10**

The shareholders are liable for the Company to the extent of their subscribed shares, while the Company is liable for its debts to the extent of its entire assets.

**Article 11**

The Articles of Association shall, from its effective date, constitute a legally binding document regulating the Company's organization and conduct as well as the rights and obligations between the Company and each shareholder and among the shareholders inter se, and shall be legally binding on the Company, its shareholders, directors and senior management personnel. Pursuant to the Articles of Association, shareholders may institute legal proceedings against shareholders, against directors and senior management personnel of the Company, and against the Company, while the Company may institute legal proceedings against shareholders, directors and senior management personnel.

“Legal proceedings” as mentioned in the preceding paragraph include any legal action brought before a court and any arbitration application submitted with an arbitration institution.

**Article 12**

The senior management personnel stated in the Articles of Association refers to the general manager, deputy general manager, Secretary to the Board and chief financial officer of the Company and any other person stipulated herein.

**Article 13**

In accordance with the provisions of the Constitution of the Communist Party of China, the Company has set up a Communist Party organization and carried out Party activities. The Company provides necessary conditions for the activities of the Party organization.

## **Chapter 2 Purpose and Scope of Business**

**Article 14**

The Company's business purpose is: to grab the market share with high-quality products and a market demand-oriented approach, expand business channels, strive to improve the Company's economic benefits, and create investment returns for shareholders to the extent permitted by PRC laws and regulations.

**Article 15**

The Company's business scope, as registered by law, is: the design, development and sales of integrated circuits, computer hardware and software, business information consulting, import and export of goods and technologies, and leasing of self-owned properties. For items subject to approval according to law, business activities may be carried out only after approval by the relevant authorities.

# Chapter 3 Shares

## Section 1 Issuance of Shares

### Article 16

The shares of the Company are in the form of registered share certificates.

### Article 17

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; the same price shall be paid for each share subscribed for by any subscriber.

### Article 18

The shares issued by the Company, including A Shares and H Shares, are denominated in Renminbi. The shares issued by the Company and listed on the Shanghai Stock Exchange are hereinafter referred to as the “A Shares”; the shares issued by the Company and listed on the Hong Kong Stock Exchange are hereinafter referred to as the “H Shares”.

### Article 19

The A Shares issued by the Company domestically and the domestic new shares corresponding to the issuance of GDRs overseas are centrally deposited at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. The H Shares issued by the Company are primarily deposited at the custodian companies under the Hong Kong Securities Clearing Company Limited, or may also be held in the personal names of shareholders in accordance with the laws of the place of listing and the practices of securities registration and custody.

### Article 20

The Company was established on 15 May 2007 with Yu Renrong (虞仁榮) and Ma Jianqiu (馬劍秋) as its promoters. At the time of establishment of the Company, the total number of shares subscribed for by the promoters was 5,000,000 shares, which were contributed in cash. The number of shares subscribed for by each promoter, the proportion of shares and the time of capital contribution are as follows:

| Name of promoter | Number of shares subscribed for (share) | Shareholding ratio | Contribution time                        |
|------------------|---|--------------------|--|
| Yu Renrong       | 4,000,000.00                            | 80.00%             | April 2007 and September 2007            |
| Ma Jianqiu       | 1,000,000.00                            | 20.00%             | April 2007, June 2009 and September 2009 |

### Article 21

Upon the completion of the initial public offering of H Shares, the total number of shares of the Company is [•], all of which are ordinary shares, including [•] A-Share ordinary shares, accounting for [•]% of the total number of shares of the Company and [•] H-Share ordinary shares, accounting for [•]% of the total number of shares of the Company.

## **Article 22**

The Company and its subsidiaries (including its affiliates) shall not provide any financial assistance to other persons for the acquisition of shares in the Company or its parent company in the form of gift, advance payment, guarantee, loan or otherwise, except for the implementation of the Company's employee share ownership plan.

For the interests of the Company, upon a resolution of the Shareholders' Meeting or a resolution made by the Board of Directors in accordance with the Articles of Association or as authorized by the Shareholders' Meeting, the Company may provide financial assistance to other persons for the acquisition of shares in the Company or its parent company, provided that the cumulative total amount of the financial assistance shall not exceed 10% of the total issued share capital. Resolutions made by the Board of Directors shall be approved by more than two-thirds of all directors.

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

### **Article 23**

Based on the needs of operation and development, the Company may increase capital by the following means in accordance with the provisions of the laws, regulations and regulatory rules of the place where the Company's shares are listed upon resolution of the Shareholders' Meeting:

- (I) offering shares to unspecific objects;
- (II) offering shares to specific objects;
- (III) allotting bonus shares to existing shareholders;
- (IV) converting provident fund into share capital;
- (V) other methods approved by the laws, administrative regulations and the securities regulatory authority of the place where the Company's shares are listed.

The Company's issuance of convertible corporate bonds as approved by the CSRC shall be in strict compliance with the relevant provisions of the CSRC on the issuance and management of convertible corporate bonds and the relevant provisions of issuance terms of the Company's convertible corporate bonds prospectus. After the convertible corporate bonds enter the conversion period, the Company shall inquire about the changes in shares from the Shanghai Branch of China Securities Depository and Clearing Corporation Limited on a monthly basis, handle the procedures such as changes in shares as required and fulfill the obligation of information disclosure.

The Company's increase in capital by issuing new shares shall be handled in accordance with the procedures provided for in relevant laws, administrative regulations, departmental rules, and normative documents of the place where the Company's shares are listed and the listing rules of the stock exchanges after having been approved in accordance with the Articles of Association.

## **Article 24**

The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the Company Law and other relevant regulations as well as the procedures stipulated in the Articles of Association.

## **Article 25**

The Company shall not repurchase its own shares. Except in any of the following circumstances:

- (I) to reduce the registered capital of the Company;
- (II) to merge with another company that holds the shares of the Company;
- (III) to grant shares to employees pursuant to employee share ownership plans or share incentive plans;
- (IV) to acquire the shares from shareholders who voted against a resolution passed at a Shareholders' Meeting on the merger or division of the Company and request the Company to buy back their shares;
- (V) to use shares for the purposes of converting convertible corporate bonds issued by the Company;
- (VI) to safeguard the Company's value and the shareholders' rights and interests as the Company deems necessary;
- (VII) Other circumstances permitted by laws, administrative regulations, departmental rules and regulatory rules of the place where the Company's shares are listed.

## **Article 26**

The Company may acquire its own shares through public and centralized trading or other ways recognized by laws, administrative regulations, the CSRC and the stock exchanges where the Company's shares are listed and shall be carried out in compliance with the provisions of applicable laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's shares are listed.

If the Company intends to repurchase its shares under the circumstances set out in paragraphs (III), (V) and (VI) of Article 25 of the Articles of Association, the repurchase shall be conducted through public and centralized trading and shall comply with the relevant provisions of laws, administrative regulations, departmental rules and the securities regulatory authorities of the place where the Company's shares are listed.

## **Article 27**

If the Company intends to repurchase its shares under the circumstances set out in items (I) and (II) of Article 25 of the Articles of Association, such repurchase shall be resolved at the Shareholders' Meeting. If the Company intends to repurchase its shares under the circumstances set out in items (III), (V) and (VI) of Article 25 of the Articles of Association, a resolution of the Board meeting attended by not less than two-thirds of the directors may be made subject to the applicable securities regulatory rules of the place where the Company's shares are listed in accordance with the provisions of the Articles of Association or as authorized by the Shareholders' Meeting.

If the shares of the Company are repurchased, the Company shall perform the information disclosure obligations in accordance with the provisions of the Securities Law, the rules of the stock exchange where the Company's shares are listed, and the requirements of other securities regulatory rules.

The shares repurchased by the Company in accordance with the provisions of Articles 25 of the Articles of Association shall be processed in the following ways: for 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.

## **Section 3 Transfer of Shares**

## **Article 28**

The shares of the Company shall be transferable according to law. All transfers of H Shares shall be effected by an instrument of transfer in writing in the usual or common form or in any other form acceptable to the Board (including the standard form of transfer or transfer form prescribed by the Hong Kong Stock Exchange from time to time); the instrument of transfer may be executed by hand only or (where the transferor or transferee is a corporation) by its effective seal. If the transferor or transferee is a recognized clearing house (hereinafter referred to as the "Recognized Clearing House") as defined in the relevant regulations in force from time to time under the laws of Hong Kong or its nominee, the instrument of transfer may be executed by hand or by machine imprint. All instruments of transfer shall be kept at the legal address of the Company or at such address as the Board may from time to time designate.

**Article 29**

The Company shall not accept its own shares as collateral.

**Article 30**

Shares issued by the Company prior to its public offering of A shares shall not be transferred within one year as of the date on which the shares are listed and traded in the Stock Exchanges.

The directors and senior management personnel of the Company shall declare to the Company the number of shares (including preferred 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 the same class of shares of the Company held by them. The shares of the Company held by them shall not be transferred within one year as of the listing date of the shares of the Company. The shares of the Company held by them shall not be transferred within six months after their resignation.

Where the listing rules of the place where the Company's shares are listed stipulate otherwise in respect of restrictions on the transfer of the Company's shares, such stipulations shall prevail.

**Article 31**

For directors, senior management personnel and shareholders holding not less than 5% of the Company's shares, if they have sold the shares of the Company or other securities of equity nature of the Company held by them within six months after purchasing such shares, or they have purchased the shares within six months after selling their shares, the gains obtained therefrom shall be attributed to the Company and be forfeited by the Board, except in cases where a securities company holds not less than 5% of the shares after purchasing the remaining shares upon public offering due to underwriting, and as otherwise specified by the CSRC.

The shares or other securities of equity nature held by directors, senior management personnel and natural person shareholders referred to in the preceding paragraph include the shares or other securities of equity nature held by their spouses, parents and children and held through others' accounts.

If the Board of the Company does not comply with the provisions of paragraph 1 of this Article, the shareholders shall have the right to request the Board to do so within 30 days. If the Board of the Company fails to follow the above-mentioned deadline, the shareholders shall have the right to file a lawsuit directly to a People's Court in their own names for the interests of the Company.

If the Board of the Company does not comply with the provisions of paragraph 1 of this Article, the responsible directors shall be jointly and severally liable in accordance with the law.

# Chapter 4 Shareholder and Shareholders' Meeting

## Section 1 General Provisions of Shareholders

### Article 32

The Company shall establish a register of shareholders in accordance with the certificates issued by the securities registration and clearing institution. The register of shareholders shall be sufficient evidence of the shareholders' shareholding in the Company.

The shareholders shall enjoy the rights and assume the obligations according to the class of the shares they hold. The shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

The Company shall keep at its domicile duplicates of registers of H-Share holders. The appointed overseas agent shall ensure that the originals and the duplicates of these registers are consistent at all times. The registers of H-Share holders maintained in Hong Kong shall be available for inspection by shareholders, provided that the Company may suspend the handling of share registration procedures in accordance with the provisions equivalent to Section 632 of the Companies Ordinance (Cap. 622) of the laws of Hong Kong and the securities regulatory rules of the place where the Company's shares are listed.

If the individual who has his/her name registered or requests to have his/her name registered on the register of H-Share holders loses his/her share certificate(s), he/she may apply to the Company for issuing a replacement share certificate(s) representing the same shares. In the event that a shareholder of overseas listed foreign shares loses its share certificate(s) and applies for issuing replacement share certificate(s), it shall follow the procedures in accordance with the laws of the place where the original register of holders of overseas listed foreign shares is kept, the rules of the relevant securities exchanges or other applicable provisions.

### Article 33

When the Company convenes a Shareholders' Meeting, distributes dividends, executes clearing or makes other conduct that requires identifying the shareholders, the Board or the convener of the Shareholders' Meeting shall determine the Record Date. The shareholders included in the register of shareholders after the close of marketing trading on the Record Date shall be the shareholders entitled to relevant rights and interests.

### Article 34

Shareholders of the Company shall enjoy the following rights:

- (I) to receive dividends and other forms of distribution of interest in proportion to their respective shareholdings;

- (II) to legally request, convene, preside over, attend or dispatch shareholder's agent to attend the Shareholders' Meeting and exercise the corresponding voting rights (unless otherwise the Hong Kong Listing Rules require a waiver of voting rights in respect of a specific matter);
- (III) to supervise, make recommendations and inquiries on the operation of the Company;
- (IV) to transfer, gift or pledge the shares they hold according to the laws, administrative regulations and the Articles of Association;
- (V) to inspect and copy the Articles of Association, register of shareholders, minutes of Shareholders' Meetings, resolutions of Board meetings, and financial and accounting reports, and the qualifying shareholders may inspect the Company's accounting books and accounting vouchers;
- (VI) to participate in the distribution of the remaining assets of the Company according to the proportion of shares they hold upon the dissolution or liquidation of the Company;
- (VII) to require the Company to buy back their share if they vote against resolutions passed at Shareholders' Meetings concerning the merger or division of the Company provided that the procedures for the Company's share repurchase as stipulated in the Articles of Association and the relevant laws and regulations are satisfied;
- (VIII) other rights stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

## **Article 35**

Shareholders requesting to inspect or copy the Company's relevant materials shall comply with the provisions of the Company Law, Securities Law and other laws and administrative regulations.

## **Article 36**

The shareholders are entitled to request a People's Court to invalidate the resolutions of the Shareholders' Meeting and the Board meeting of the Company that violate the laws and administrative regulations.

The shareholders shall be entitled to request a People's Court to cancel the relevant resolution within 60 days after the resolution is adopted if the convening procedure or voting method of the Shareholders' Meeting or Board meeting violates the laws, administrative regulations or the Articles of Association, or the resolution content breaches the Articles of Association. However, this does not apply if the convening procedure or voting method of the Shareholders' Meeting or Board meeting has only minor defects that do not have a substantial impact on the resolution.

Where the Board of Directors, shareholders and other relevant parties have disputes over the validity of a resolution of the Shareholders' Meeting, they shall promptly file a lawsuit with a People's Court. Before a People's Court makes a revocation of the resolution or other judgment or ruling, the relevant parties shall implement the resolution of the Shareholders' Meeting. The Company, directors and senior management personnel shall effectively perform their duties to ensure the normal operation of the Company.

If a People's Court makes a judgment or ruling on the relevant matters, the Company shall perform its information disclosure obligations in accordance with laws, administrative regulations, and the provisions of the CSRC and the Stock Exchanges, fully explain the impact, and actively cooperate with the implementation of the judgment or ruling after it has come into effect. Where correction of prior period matters is involved, it shall be dealt with in a timely manner and the corresponding information disclosure obligations shall be fulfilled.

## **Article 37**

Resolutions of a Shareholders' Meeting or a Board meeting of the Company shall be invalid in any of the following circumstances:

- (I) the resolution was not made by a Shareholders' Meeting or a Board meeting;
- (II) the resolution was not voted on at a Shareholders' Meeting or a Board meeting;
- (III) the number of attendees of the meeting or their voting rights does not meet the quorum or the number of voting rights as required by the Company Law or the Articles of Association;
- (IV) the number of attendees voting in favor of the resolution or their voting rights do not meet the quorum or the number of voting rights as required by the Company Law or the Articles of Association.

## **Article 38**

In the event that any of the directors or senior management personnel who is not a member of the Audit Committee violates laws, administrative regulations, or provisions of the Articles of Association in performing his/her duties, resulting in losses to the Company, the shareholders that solely or collectively hold not less than 1% of the shares of the Company for a continuous period of not less than 180 days have the right to make written request to the Audit Committee to file a lawsuit with a People's Court. In the event that a member of the Audit Committee violates laws, administrative regulations, or provisions of the Articles of Association in performing his/her duties, resulting in losses to the Company, the aforesaid shareholders may make written request to the Board to file a lawsuit with a People's Court.

Upon receipt of the shareholders' written request as stipulated in the preceding paragraph, in case that the Audit Committee, the Board refuses to file a lawsuit or fails to file a lawsuit within 30 days from receipt of such request, or under urgent circumstances the Audit Committee, the Board fails to file a lawsuit immediately, causing irreparable damages to the Company's interests, the aforesaid shareholders shall have the right to file a lawsuit with a People's Court directly in their own names for the interests of the Company.

In the event that any person infringes upon the legal rights and interests of the Company, causing losses to the Company, the shareholders specified in paragraph 1 of this Article may file a lawsuit with a People's Court in accordance with the provisions of the preceding two paragraphs.

If the directors, supervisors and senior management personnel of a wholly-owned subsidiary of the Company perform their duties in violation of laws, administrative regulations or the provisions of the Articles of Association and cause losses to the Company, or if any other person infringes upon the legitimate rights and interests of a wholly-owned subsidiary of the Company and causes losses, shareholders individually or collectively holding more than 1% of the shares of the Company for more than 180 consecutive days may, in accordance with the provisions of the preceding three paragraphs of Article 189 of the Company Law, request, in writing, that the Board of Supervisors or the Board of Directors of the wholly-owned subsidiary institute legal proceedings with a People's Court, or directly institute legal proceedings with a People's Court in their own names.

## **Article 39**

In the event that any of the directors or senior management personnel violates laws, administrative regulations, or provisions of the Articles of Association, resulting in damage to the shareholders' interest, the shareholders may file a lawsuit with a People's Court.

## **Article 40**

Shareholders of the Company shall assume the following obligations:

- (I) to comply with the laws, administrative regulations and the Articles of Association;
- (II) to pay subscription monies for the shares subscribed in accordance with the agreed manner of payment;
- (III) not to make divestment unless in the circumstances stipulated by laws, regulations and regulatory rules of the place where the Company's shares are listed;
- (IV) not to abuse shareholders' rights to damage the interests of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liability of shareholders to damage the interests of the creditors of the Company;

(V) to assume other obligations stipulated by laws, administrative regulations and the Articles of Association.

## **Article 41**

If any shareholder of the Company abuses the shareholder's rights and causes loss to the Company or other shareholders, he/she/it shall be liable for compensation according to law. If any shareholder of the Company abuses the independent legal person status of the Company and the limited liability of shareholders to evade debts and severely damage the interests of the creditors of the Company, he/she/it shall bear joint and several liability for the debts of the Company.

## **Section 2 Controlling Shareholders and Actual Controllers**

### **Article 42**

The controlling shareholders and actual controllers of the Company shall exercise their rights, perform their obligations in accordance with laws, administrative regulations, provisions of the CSRC and the Stock Exchanges to safeguard the interests of the Company.

### **Article 43**

The controlling shareholders and actual controllers of the Company shall comply with the following provisions:

- (I) They shall exercise shareholders' rights in accordance with the law and shall not abuse their controlling rights or take advantage of their related relationship to undermine the lawful rights and interests of the Company or other shareholders;
- (II) They shall stringently fulfill the public declarations and undertakings they made and shall not alter or waive such declarations or undertakings in a unilateral manner;
- (III) They shall perform the obligation of information disclosure in strict accordance with pertinent provisions, actively cooperate with the Company to procure proper information disclosure and notify the Company in a timely manner of material matters that have occurred or will likely incur;
- (IV) They shall not appropriate the funds of the Company in any manner;
- (V) They shall not coerce, instruct, or demand the Company and relevant staff to provide guarantee in violation of laws or regulations;
- (VI) They shall not take advantage of the possession of unannounced material information of the Company for their gain, or divulge unannounced material information relating to the Company in any manner, or be engaged in illegal or illicit acts such as inside dealing, short-term dealing or market manipulation;

- (VII) They shall not compromise the lawful rights and interests of the Company and other shareholders through any means, such as unfair related party transaction, profit allocation, asset reorganization, and investment in third parties;
- (VIII) They shall guarantee the integrity of the Company's assets and the Company's independence in terms of staffing, finance, organization and business, and shall not affect the independence of the Company in any manner;
- (IX) They shall observe other provisions under the laws, administrative regulations, the provisions of the CSRC, business rules of the Stock Exchanges and the Articles of Association.

If any controlling shareholder or actual controller of the Company does not act as a director of the Company but actually executes the affairs of the Company, the provisions of the Articles of Association on the duties of loyalty and diligence of directors shall apply.

A controlling shareholder or actual controller of the Company who instructs directors and senior management personnel to engage in acts detrimental to the interests of the Company or its shareholders shall be jointly and severally liable with such directors and senior management personnel.

#### **Article 44**

A controlling shareholder or actual controller shall maintain control over the Company and the stability of its production operations if they pledge the Company's shares held or effectively controlled by them.

#### **Article 45**

In the event of any transfer of the Company's shares held by controlling shareholders or actual controllers, they shall comply with the restrictive provisions regarding the transfer of shares stipulated under the laws, administrative regulations and provisions of the CSRC and the Stock Exchanges, as well as the undertakings they have made in respect of restrictions on share transfer.

### **Section 3 General Provisions of Shareholders' Meeting**

#### **Article 46**

The Shareholders' Meeting of the Company shall comprise all the shareholders. The Shareholders' Meeting acts as the organ of authority of the Company which, according to laws, exercises the following functions and powers:

- (I) to elect and replace directors who are not employee representatives, and to decide on matters relating to their remuneration;
- (II) to consider and approve reports of the Board;

- (III) to consider and approve profit distribution plans and loss recovery plans of the Company;
- (IV) to pass resolutions concerning the increase or reduction of the Company's registered capital;
- (V) to pass resolutions on the issuance of corporate bonds;
- (VI) to pass resolutions on matters such as the merger, division, dissolution, liquidation or change in corporate form of the Company;
- (VII) to amend the Articles of Association;
- (VIII) to pass resolutions on the appointment or dismissal of accounting firms responsible for audit matters of the Company;
- (IX) to consider and approve the guarantees set out in Article 47 of the Articles of Association;
- (X) to consider and approve the Company's purchase or disposal of major assets within one year of an aggregate value exceeding 30% of the latest audited total assets of the Company;
- (XI) to consider and approve matters concerning changes in the use of proceeds from fundraising activities;
- (XII) to consider share incentive schemes and employee share ownership plans;
- (XIII) to consider other matters that shall be decided by the Shareholders' Meeting according to laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The Shareholders' Meeting may authorize the Board to resolve on the issuance of corporate bonds.

#### **Article 47**

The following guarantees made to outsiders by the Company shall be considered and approved by the Shareholders' Meeting:

- (I) any guarantee provided after the total amount of the external guarantees provided by the Company and its majority owned subsidiaries exceeds 50% of the latest audited net assets of the Company;

- (II) any guarantee provided after the total amount of the external guarantees provided by the Company and its majority owned subsidiaries exceeds 30% of the latest audited total assets of the Company;
- (III) any guarantee provided by the Company within one year with an amount exceeding 30% of the latest audited total assets of the Company;
- (IV) any guarantee provided to the guaranteed object with a debt-to-asset ratio of more than 70%;
- (V) any single guarantee whose amount exceeds 10% of the latest audited net assets;
- (VI) any guarantee provided to the Company's shareholders, actual controllers and their related parties.

If any director, senior management personnel and other relevant personnel of the Company do not fulfill the approval procedures in accordance with the provisions, or exceed their authority to enter into external guarantee contracts without authorization, or fail to perform their duties, causing damage to the Company, they shall be held responsible.

## **Article 48**

Shareholders' Meetings shall be classified into annual general meetings (AGMs) and extraordinary general meetings (EGMs).

The AGMs shall be convened once a year, and shall be held within six months after the prior accounting year ends.

## **Article 49**

The Company shall convene an EGM within two months of the occurrence of any of the following circumstances:

- (I) when the number of directors is less than the number specified in the Company Law or two-thirds of the number (i.e. six persons) required by the Articles of Association;
- (II) when the uncovered loss of the Company reaches one-third of the total share capital of the Company;
- (III) upon request(s) by shareholder(s) individually or collectively holding not less than 10% of the Company's shares (on a one-share-one-vote basis, excluding treasury shares);
- (IV) when the Board considers it necessary;
- (V) when the Audit Committee proposes that such a meeting be held;

(VI) any other circumstances required by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

If an EGM is convened pursuant to the securities regulatory rules of the place where the Company's shares are listed, the actual date of such meeting may be adjusted in light of the approval progress of the stock exchange of the place where the Company's shares are listed.

## **Article 50**

The Company shall convene a Shareholders' Meeting at the domicile of the Company or the place specified in the notice of the Shareholders' Meeting.

A venue shall be set for the Shareholders' Meeting which shall be convened on site. The Company may facilitate shareholders in the Shareholders' Meeting by making the Internet available or by other means. Shareholders who participate in the meeting in the aforesaid manner shall be deemed as present. After the notice of the Shareholders' Meeting is issued, the venue of the meeting shall not be changed without proper reasons. If changes are necessary, the convener shall make an announcement and explain the reasons at least two working days before the date of the on-site meeting.

## **Article 51**

The Company shall engage lawyers to provide legal opinions on the following issues and publish an announcement accordingly:

- (I) whether the convening and holding procedures of the Shareholders' Meeting comply with relevant laws, administrative regulations, and the Articles of Association;
- (II) whether the persons attending the meeting and the convener of the meeting are legally entitled to do so;
- (III) whether the procedures of voting and the voting results are lawful and valid;
- (IV) legal opinions on other relevant issues upon the request of the Company.

## **Section 4 Convening of Shareholders' Meetings**

### **Article 52**

The Board shall convene the Shareholders' Meetings within the specified period.

Upon approval by more than half of the independent directors, the independent directors have the right to propose to the Board to convene an EGM. For the proposal of independent directors to convene an EGM, the Board shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, submit written feedback on whether to agree or disagree with convening the meeting within 10 days upon receipt of the proposal.

When the Board agrees to convene an EGM, the Board shall, within five days after the Board resolution is made, issue a notice calling for the meeting. If the Board does not agree to convene such a meeting, the reasons shall be stated and announced.

### **Article 53**

The Audit Committee has the right to propose to the Board to convene an EGM. The Audit Committee shall propose to the Board to convene such a meeting in writing. The Board shall, pursuant to the laws, administrative regulations and the Articles of Association, give a written reply on whether to convene the EGM or not within 10 days after receipt of the proposal.

When the Board agrees to convene an EGM, the Board shall, within five days after the Board resolution is made, issue a notice calling for the meeting. Changes in the original proposal in the notice shall be subject to the approval of the Audit Committee.

When the Board does not agree to convene an EGM, or does not provide written feedback within 10 days upon receipt of the proposal, the Board shall be considered to be unable or fail to perform the duty of convening a Shareholders' Meeting. The Audit Committee may convene and preside over the meeting on its own.

### **Article 54**

The shareholders who individually or jointly hold not less than 10% of the shares (on a one-share-one-vote basis, excluding treasury shares) of the Company shall have the right to request the Board to convene an EGM, and shall make such request to the Board in writing. The Board shall, pursuant to relevant laws, administrative regulations, and the Articles of Association, give a written reply on whether to convene the EGM or not within 10 days after receipt of the proposal.

If the Board agrees to convene the EGM, it shall serve a notice of such a meeting within five days after the resolution is made by the Board. In the event of any changes to the original proposal in the notice, the consent of relevant shareholders shall be obtained.

If the Board does not agree to hold the EGM or fails to give a reply within 10 days after receipt of the request, shareholders severally or jointly holding not less than 10% of the Company's shares (on a one-share-one-vote basis, excluding treasury shares) shall be entitled to request in writing the Audit Committee to convene an EGM.

If the Audit Committee agrees to convene the EGM, it shall serve a notice of such meeting within five days after receipt of the request. In the event of any changes to the original proposal in the notice, the consent of relevant shareholders shall be obtained.

If the Audit Committee fails to give the notice of such a meeting within the specified time limit, it shall be deemed to have failed to convene or preside over the Shareholders' Meeting, in which case, the shareholders who either individually or jointly hold not less than 10% of the Company's shares (on a one-share-one-vote basis, excluding treasury shares) for not less than 90 consecutive days may convene and preside over the meeting by themselves.

#### **Article 55**

If the Audit Committee or shareholders decide to convene a Shareholders' Meeting on their own, they must notify the Board of Directors in writing and file a record with the SSE at the same time.

When issuing the notice of the Shareholders' Meeting and the announcement of the resolutions of the Shareholders' Meeting, the Audit Committee or the convening shareholders shall submit relevant supporting materials to the SSE.

The shares held by the convening shareholders prior to the announcement of the resolutions of the Shareholders' Meeting shall not be below 10%.

#### **Article 56**

For the Shareholders' Meeting convened by the Audit Committee or shareholders on their own, the Board of Directors and the Secretary to the Board shall provide cooperation. The Board of Directors shall provide the register of shareholders as of the Record Date.

#### **Article 57**

For the Shareholders' Meetings convened by the Audit Committee or shareholders on their own, the Company shall bear the necessary expenses for the meeting.

### **Section 5 Proposals and Notices of Shareholders' Meetings**

#### **Article 58**

The proposal shall fall within the functions and powers of the Shareholders' Meeting. There shall be definite topics and specific matters for resolution. The proposal shall comply with the relevant provisions of the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 59**

Where the Company convenes a Shareholders' Meeting, the Board, Audit Committee, and shareholder(s) individually or jointly holding more than 1% of the Company's shares may make proposals to the Company.

The shareholders individually or jointly holding more than 1% of the Company's shares may raise a temporary proposal and submit it to the convener in writing 10 days before the Shareholders' Meeting is held. The convener shall, within 2 days after receipt of the proposal, issue a supplementary notice to announce the content of the temporary proposal, and submit the temporary proposal to the Shareholders' Meeting for consideration, except where the temporary proposal violates laws, administrative regulations or the Articles of Association, or falls outside the scope of the powers of the Shareholders' Meeting.

Save as specified above, the convener shall not change the proposal set out in the notice of Shareholders' Meeting or add any new proposals after the said notice is served.

The Shareholders' Meeting shall not vote on resolutions on proposals not listed in the notice of the Shareholders' Meeting or resolutions not in conformity with the Articles of Association.

**Article 60**

The convener will notify all shareholders of an AGM in writing (including announcement) 21 days prior to the convening thereof, and notify all shareholders of an EGM in writing (including announcement) 15 days prior to the convening thereof.

**Article 61**

The notice of the Shareholders' Meeting shall include:

- (I) date, place, and duration of the meeting;
- (II) matters and proposals to be considered at the meeting;
- (III) textual explanation: all shareholders are entitled to participate in the meeting and each shareholder has the right to appoint a proxy in writing to attend and vote at such meeting on their behalf and such proxies need not be shareholders of the Company;
- (IV) the Record Date of the shareholders entitled to attend the Shareholders' Meeting;
- (V) the name and telephone number of the regular contact person for the meeting;
- (VI) the voting time and voting procedures of the meeting for the online voting or other means of voting;

(VII) other matters as stipulated by laws, administrative regulations, departmental rules, the rules of the stock exchange where the Company's shares are listed, and the Articles of Association.

## **Article 62**

When the Shareholders' Meeting intends to discuss the election of directors, the notice of the meeting shall fully disclose the details of the candidates for directors, including at least the following contents:

- (I) personal particulars such as educational background, working experience and any concurrently holding positions;
- (II) whether there is any related relationship with the Company or the controlling shareholder and actual controllers of the Company;
- (III) disclosure of their shareholdings in the Company;
- (IV) any penalties imposed by the CSRC and other relevant authorities and punishments imposed by the Stock Exchanges.

Save for the directors who are elected by way of a cumulative voting system, a single proposal shall be put forward for each candidate for directors.

## **Article 63**

After the notice of the Shareholders' Meeting is given, without good reason, the Shareholders' Meeting shall not be postponed or canceled, and the proposals set out in the notice shall not be canceled. In the event of a delay or cancellation, the convener shall give an announcement and explanations at least 2 working days before the scheduled date of convening. Where the securities regulatory rules of the place where the Company's shares are listed have special provisions on the procedures for delay or cancellation of a Shareholders' Meeting, such provisions shall prevail, provided that they do not contravene the regulatory requirements of the place where the Company is incorporated.

## **Section 6 Convening of Shareholders' Meetings**

### **Article 64**

The Board of Directors and other conveners shall take necessary measures to ensure the proper order of the Shareholders' Meeting. They shall take measures to stop the conducts that interfere with the Shareholders' Meeting, provoke trouble and infringe on the legal rights and interests of the shareholders and report to the relevant authorities for investigation.

### **Article 65**

All shareholders recorded in the register as at the Record Date or their proxies shall have the right to attend the Shareholders' Meeting, to speak and to exercise the voting rights at the Shareholders' Meeting in accordance with the provisions of laws, regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Any shareholder entitled to attend and vote at the Shareholders' Meeting may attend and vote by appointing one or more persons (who is/are not necessary to be a shareholder(s)) as his proxy (proxies).

The proxy (proxies) may, as authorized by the shareholder, exercise the following rights:

- (I) speaking right of the shareholder at the Shareholders' General Meeting;
- (II) requesting to vote by ballot separately or together with others;
- (III) exercising voting rights by a show of hands or by ballot unless otherwise provided for by the relevant laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed or other securities laws and regulations.

If the shareholder is a recognized clearing house (or its agent), such shareholder shall be entitled to authorize one or more persons it thinks fit to act as its proxy at any Shareholders' Meeting. However, if more than one person is appointed as proxies, the power of attorney shall clearly state the number and the class of shares represented by each of the proxies. The power of attorney shall be signed by the person authorized by the recognized clearing house. The proxies so appointed may represent the recognized clearing house (or its agent) in attending the meeting (without being required to present share certificate, certified power of attorney and/or further evidence to prove due authorization), speaking and exercising rights as if that proxy is an individual shareholder of the Company, and shall be entitled to the legal rights equivalent to those of the other shareholders, including the right to speak and vote.

## **Article 66**

An individual shareholder who attends the meeting in person shall produce his/her own identity card or other valid certificate or proof evidencing his/her identity. If a proxy is appointed to attend the meeting on his/her behalf, such proxy shall present his/her own valid proof of identity and the power of attorney from the shareholder.

Corporate shareholders shall attend the meeting by legal representatives or proxies appointed by legal representatives. The legal representative attending the meeting shall present his/her identity card and valid certificate evidencing his/her capacity as a legal representative; if a proxy is appointed to attend the meeting, such proxy shall present his/her identity card and a written power of attorney duly issued by the legal representative of the corporate shareholder (save for shareholders who are recognized clearing houses).

**Article 67**

The power of attorney issued by a shareholder to appoint a proxy to attend a Shareholders' Meeting shall contain the following information:

- (I) name of the principal and the class and the number of the Company's shares held by the principal;
- (II) whether being entitled to speak and exercise voting rights;
- (III) name of the proxy;
- (IV) specific instructions from the shareholder, including instructions as to whether to cast affirmative, negative or abstention votes on each proposal listed on the agenda of the Shareholders' Meeting;
- (V) the date of issuance and effective period of the power of attorney;
- (VI) signature (or seal) of the principal. If the principal is a legal person, the power of attorney shall be stamped with the seal of the legal person.

**Article 68**

A power of attorney for proxy voting shall be deposited at the Company's domicile or such other place as specified in the meeting convening notice, at least on or prior to the date on which the relevant meeting to which the proxy form relates is held. If the power of attorney for proxy voting is signed by another person authorized by the principal, the power of attorney or other authorization documents shall be notarized. The notarized letter of authority or other authorization documents and the power of attorney for voting by proxies shall be deposited at the domicile of the Company or such other places as designated in the notice of the meeting.

**Article 69**

The register of the persons attending the meeting shall be prepared by the Company.

The register shall set out the names of the persons attending the meeting (or names of the entity they are representing), their ID card numbers, numbers of shares held or representing voting rights and names of the principals (or names of the entity).

**Article 70**

The convener and the lawyer engaged by the Company shall jointly verify the qualification of the shareholders according to the register of shareholders provided by the securities depository and clearing institution, and register the name of each shareholder and the number of shares with voting rights he/she/it holds. The meeting registration shall be terminated by the time the meeting presider announces the number of shareholders and proxies present in person at the meeting as well as the total number of shares with voting rights they hold.

**Article 71**

If the Shareholders' Meeting requires directors and senior management personnel to attend the meeting, they shall attend as non-voting delegates and accept inquiries from shareholders. Subject to the securities regulatory rules of the place where the Company's shares are listed, the aforementioned persons may attend the meeting as non-voting delegates via online platforms, video conferencing, telephone calls or other means of equivalent effect.

**Article 72**

The Shareholders' Meeting shall be chaired by the chairman of the Board. If the chairman is unable or fails to perform his/her duties, the vice-chairman shall chair the meeting. If the vice-chairman is unable or fails to perform his/her duties, a director elected jointly by more than half of the directors shall chair the meeting.

For a Shareholders' Meeting convened by the Audit Committee on its own initiative, it shall be chaired by the convener of the Audit Committee. If the convener of the Audit Committee is unable or fails to perform his/her duties, a member of the Audit Committee elected jointly by more than half of the members of the Audit Committee shall chair the meeting.

For a Shareholders' Meeting convened by shareholders on their own initiative, it shall be chaired by the convener or a representative elected by the convener.

During the course of a Shareholders' Meeting, if the chairman of the meeting violates the procedural rules such that the meeting cannot be continued, the shareholders may elect one person to act as the chairman of the meeting to continue the meeting so long as the proposed chairman has the consent of more than half of the shareholders with voting rights who are present at the meeting.

**Article 73**

The Company shall formulate Rules of Procedure of the Shareholders' Meeting, and specify the convening and voting procedures of the Shareholders' Meeting, including notice, registration, deliberation of proposals, voting, counting of votes, announcement of voting results, formation of resolutions of the meeting, minutes of the meeting and signing and announcement thereof, as well as the principle of authorization of the Shareholders' Meeting to the Board. The content of authorization shall be clear and specific. The Rules of Procedure of the Shareholders' Meeting shall be annexed to the Articles of Association and shall be prepared by the Board and approved by the Shareholders' Meeting.

**Article 74**

At the AGM, the Board of Directors shall report on their work over the past year to the Shareholders' Meetings. Each independent director shall also make a work report.

**Article 75**

Directors and senior management provide explanations and statements relating to the queries and suggestions put forward by the shareholders at the Shareholders' Meeting.

**Article 76**

The meeting presider shall declare the number of shareholders and proxies present and the total number of shares with voting rights they hold before voting. To determine the number of shareholders and proxies present and the total number of shares with voting rights they hold, the meeting register shall prevail.

**Article 77**

Minutes of Shareholders' Meetings shall be kept and the Secretary to the Board shall be responsible therefor. The meeting minutes shall contain the following contents:

- (I) time, venue and agenda of the meeting and the convener's name;
- (II) names of the meeting presider and the directors and senior management personnel in attendance or present as non-voting delegates;
- (III) number of shareholders and proxies present at the meeting, total number of voting shares held and their respective proportions in the total number of shares of the Company;
- (IV) deliberations on each proposal, key points and the voting results;
- (V) queries and suggestions of the shareholders and the corresponding answers or explanations;
- (VI) the names of the lawyer, vote counter and scrutineer;
- (VII) other contents that should be included in the meeting minutes according to the Articles of Association.

**Article 78**

The convener shall guarantee the authenticity, accuracy and integrity of the content of the meeting minutes. The directors, Secretary to the Board, convener or their representative and the meeting presider who attend or are present at the meeting as non-voting delegates shall sign the meeting minutes. The meeting minutes shall be maintained together with the register of names of the shareholders present, the power of attorney for attendance, and the valid documents for the on-line and other forms of voting for a period of not less than 10 years.

**Article 79**

The convener shall guarantee the Shareholders' Meeting continues until the final resolution has been adopted. If the Shareholders' Meeting is suspended or the resolution cannot be made due to force majeure or other special cause, necessary measures shall be taken to resume the Shareholders' Meeting as soon as possible or terminate the Shareholders' Meeting, and a public announcement shall be made in time. Meanwhile, the convener shall report to the CSRC branch where the Company is domiciled and the Stock Exchange(s).

**Section 7 Voting and Resolutions of Shareholders' Meetings****Article 80**

The resolutions of a Shareholders' Meeting are classified into ordinary resolutions and special resolutions.

Ordinary resolutions of a Shareholders' Meeting shall be adopted by not less than half of the voting rights held by the shareholders present at the meeting.

Special resolutions of a Shareholders' Meeting shall be adopted by not less than two-thirds of the voting rights held by the shareholders present at the meeting.

**Article 81**

The following matters shall be resolved by way of ordinary resolution of the Shareholders' Meeting:

- (I) reports of the Board of Directors;
- (II) profit distribution proposals and loss recovery proposals formulated by the Board of Directors;
- (III) appointment and dismissal of the members of the Board and their remuneration and the payment methods thereof;
- (IV) matters other than those which are required by the laws, administrative regulations, regulatory rules of the place where the Company's shares are listed or the Articles of Association to be resolved by way of special resolutions.

**Article 82**

The following matters shall be resolved by way of special resolution of the Shareholders' Meeting:

- (I) increase or reduction of the Company's registered capital;
- (II) separation, division, merger, dissolution and liquidation of the Company;
- (III) amendment of the Articles of Association;

- (IV) purchase and disposal of material assets or giving of material guarantee, in each case in an aggregate amount within a year exceeding 30% of the latest audited total assets of the Company;
- (V) the share incentive scheme;
- (VI) other matters which are required by the laws, administrative regulations, regulatory rules of the place where the Company's shares are listed or the Articles of Association, and matters which, according to an ordinary resolution of the Shareholders' Meeting, may have a material impact on the Company requiring approval by way of a special resolution.

## **Article 83**

Shareholders shall exercise their voting rights by the number of voting Shares they represent, and each Share shall have one vote, except for holders of class shares. Where permitted by the applicable securities regulatory rules of the place where the Company's shares are listed, on a poll taken at a meeting, a shareholder (including proxies) entitled to two or more votes does not need to cast all his/her votes in favor of, against, or abstain from a motion.

When material issues affecting the interests of minority Shareholders are deliberated at the Shareholders' Meeting, the votes of minority Shareholders shall be counted separately and the results of such separate vote counting shall be disclosed promptly.

The Company's shares held by the Company have no voting right, and those shares are not included in the total number of voting shares present at the Shareholders' Meeting.

Where a shareholder's purchase of the Company's voting shares violates the provisions of the first and second paragraphs of Article 63 of the Securities Law, the voting rights of the shares exceeding the prescribed proportion shall not be exercised within 36 months after the purchase, and such shares shall not be included in the total number of voting shares of the shareholders attending the Shareholders' Meeting.

Pursuant to the applicable laws and regulations and the Hong Kong Listing Rules, if any shareholder is required to abstain from voting on a resolution or is restricted to only voting in favor of (or against) a resolution, any votes cast by such shareholder or their proxies in breach of such requirements or restrictions shall not be counted in the total number of voting shares.

The Board, independent directors, and shareholders holding not less than 1% of the voting shares or the investor protection agency established in accordance with laws, administrative regulations or provisions of the CSRC can publicly solicit the voting rights from the shareholders. When soliciting voting rights from the shareholders, the specific voting intention and other information shall be fully disclosed to the solicitation targets. Solicitation of shareholder voting rights in a paid or disguised paid way shall be prohibited. Except for the statutory conditions, the Company shall not impose restrictions on the minimum shareholding proportion against the solicitation of shareholder voting rights.

## **Article 84**

When related party transactions are deliberated at the Shareholders' Meeting, the related Shareholders shall not participate in voting, and the number of voting shares represented by them shall not be counted into the total number of valid votes. The voting particulars of the non-related Shareholders shall be disclosed in the announcement on the resolutions of the Shareholders' Meeting.

The resolution of the Shareholders' Meeting on related party transactions shall be valid only if it is passed by not less than half of the voting rights held by non-related shareholders attending the Shareholders' Meeting. However, if the related party transactions involve matters that shall be subject to a special resolution as specified in the Articles of Association, the resolution of the Shareholders' Meeting shall be valid only if it is adopted by not less than two-thirds of the voting rights held by the non-related shareholders attending the Shareholders' Meeting. Where the Hong Kong Listing Rules require any shareholder to abstain from voting on a resolution or restrict any shareholder to voting only in favor of (or against) a resolution, any votes cast by such shareholder or their proxies in breach of such requirements or restrictions shall not be counted.

When related party transactions are deliberated at the Shareholders' Meeting, the abstention and voting procedures of related shareholders are as follows:

- (I) the Board shall make judgments on whether the relevant matters to be submitted to the Shareholders' Meeting for deliberation constitute related party transactions. In making the judgment, the number of shares held by shareholders shall be based on the Record Date.
- (II) shareholders who are related to the matters to be deliberated at the Shareholders' Meeting shall disclose their related relationship to the Board of the Company before the date of the Shareholders' Meeting and voluntarily apply for abstention;

(III) when the Shareholders' Meeting deliberates matters related to related party transactions, the chairman of the meeting announces related shareholders, and explains and describes the related relationship between related shareholders and related party transactions;

(IV) the chairman of the meeting announces that the related shareholders abstain from voting, and the non-related shareholders deliberate and vote on the related party transactions;

(V) if the related shareholders do not voluntarily apply for abstention, other shareholders or their proxies attending the meeting shall be entitled to request the related shareholders to abstain from voting; if other shareholders or their proxies request certain shareholders to abstain from voting, yet the requested shareholders consider themselves to be not within the scope of recusal, the chairman of the Shareholders' Meeting shall discuss with the directors and relevant shareholders present on the situation and make a decision on whether to abstain from voting.

(VI) the related shareholders who should abstain from voting may participate in the deliberation of the related party transactions in which they are related, and may make explanations to the Shareholders' Meeting as to whether the related party transactions are fair, legal and the reasons for such transactions, but such shareholders are not entitled to vote on such matters.

For the purpose of the Articles of Association, the term "connected transaction" shall include a "connected transaction" as defined under the Hong Kong Listing Rules; the "connected party" shall include a "connected person" as defined under the Hong Kong Listing Rules; and the "connected relationship" shall include a "connected relationship" as defined under the Hong Kong Listing Rules.

## **Article 85**

Unless the Company is in danger or under other special circumstances, the Company shall not, without the approval of the Shareholders' Meeting by way of special resolution, make and enter into contracts with persons other than directors or senior management personnel granting such persons the responsibility for managing all or part of the Company's material business.

## **Article 86**

The name list of candidates for directors who are not employee representatives shall be included in a proposal to be submitted to the Shareholders' Meeting for voting.

The Board and shareholders who individually or jointly hold more than 1% of the Company's shares may submit proposals for candidates for directors who are not employee representatives to the Shareholders' Meeting.

Before nominating a candidate for director, the nominator shall obtain a written commitment from the candidate, confirming that the candidate accepts the nomination, and promising that the information about the director candidate publicly disclosed is true and complete, and guaranteeing that the candidate will earnestly perform the duties of a director after being elected.

When the Shareholders' Meeting votes on the election of directors who are not employee representatives, cumulative voting system may be adopted in accordance with the provisions of the Articles of Association or the resolution of the Shareholders' Meeting.

If a single shareholder of the Company and its persons acting in concert hold more than 30% of the Company's shares with interests, or if the Shareholders' Meeting elects more than two independent directors, cumulative voting system shall be adopted.

The cumulative voting system indicates that each share has the number of voting rights identical to the number of directors to be elected, and the voting rights owned by the shareholders may be cumulatively used when the Shareholders' Meeting elects the directors. The Board shall announce the resumes and basic information of the candidates for directors.

When the Company adopts the cumulative voting system to elect directors, each shareholder shall have one ballot. The ballot shall list the number of shares held by the shareholder, the number of directors to be elected, and the list of all candidates, and shall be sufficient to meet the functions of the cumulative voting system. The specific operating rules of the cumulative voting system are as follows:

- (I) the total number of valid voting rights that each shareholder present at the meeting can exercise in the election of directors shall be equal to the number of voting shares held by the shareholder multiplied by the number of directors to be elected. Among them, non-independent directors and independent directors shall be elected separately;
- (II) each shareholder may concentrate all the voting rights of the shares held on one director candidate, or distribute them among any number of director candidates;
- (III) the number of votes that each shareholder casts for a single director candidate may be higher or lower than the number of voting shares held by the shareholder, and does not have to be an integral multiple of the number of such shares. However, the total number of votes cast by the shareholder for all director candidates shall not exceed the total number of valid voting rights held by the shareholder;

(IV) after the voting is completed, based on the number of votes obtained by all candidates and limited to the number of directors to be elected, the elected directors shall be determined in descending order of votes among the candidates who have received votes.

**Article 87**

In addition to the cumulative voting system, the Shareholders' Meeting shall resolve on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be voted on in the order of time at which they are submitted. Unless the Shareholders' Meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the Shareholders' Meeting.

**Article 88**

When deliberating a proposal, the Shareholders' Meeting shall not revise it; otherwise such amendments shall be deemed as a new proposal and may not be voted on at the current meeting.

**Article 89**

The same voting right shall only be exercised on site, via the Internet or by other means. Where the same vote is cast for two or more times, the first cast shall prevail.

**Article 90**

Votes shall be taken by disclosed ballot at Shareholders' Meetings.

**Article 91**

Before the relevant proposal is voted on at the Shareholders' Meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll. Any shareholder who is interested in the matter under deliberation and his/her/its proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.

At the time of voting at a Shareholders' Meeting, lawyers and the shareholder representatives shall count and scrutinize the votes jointly, and announce the voting result forthwith. The voting result in connection with the resolution shall be recorded in the minutes of meeting.

Shareholders of the Company or their proxies shall have the right to check the results of their votes through the voting system if they vote via the Internet or other means.

**Article 92**

An on-site Shareholders' Meeting shall not end before that held online or otherwise, and the presider shall announce the voting status and results of each proposal and announce whether the proposal is adopted based on the voting results.

Prior to the formal announcement of the voting results, the relevant parties involved in relation to voting on the site of the Shareholders' Meeting, via the Internet or by other means, including the Company, the persons responsible for counting votes and scrutinizing the voting, shareholders, and Internet service providers, shall be obliged to keep the voting status confidential.

#### **Article 93**

The shareholders attending the Shareholders' Meeting shall express one of the following opinions on the proposal to be voted on: for, against, or abstain, except where declaration is made by the securities registration and clearing institution or GDR depository institution, as the nominal holder of the underlying A Shares corresponding to the Shanghai-Hong Kong Stock Connect Shares or GDRs, or made by the recognized clearing house or its nominee as defined in the relevant ordinances in force from time to time under the laws of Hong Kong as the nominal holder, in accordance with the intentions of the actual holders.

An unfilled, wrongly filled, or illegible vote, or an uncast vote shall be deemed to be a waiver of the voting right of the voter, and the voting result for the number of shares he/she/it holds shall be accounted as "abstain".

#### **Article 94**

After the voting result is counted, it shall be reported to the chairman of the meeting. If the chairman of the meeting has any doubt as to the result of a resolution put to the vote, he/she may have the votes recounted. If the chairman of the meeting fails to have the votes recounted, a shareholder or proxy attending the meeting who objects to the result announced by the chairman of the meeting may, immediately after the announcement of the voting results, demand that the votes be recounted and the chairman of the meeting shall have the votes recounted immediately.

If the vote is recounted at the Shareholders' Meeting, the result shall be recorded in the minutes.

#### **Article 95**

Resolutions of the Shareholders' Meeting shall be announced in time, which shall set out the number of shareholders and proxies present at the meeting, the total number of voting shares held by them and their proportion in the total number of voting shares of the Company, voting methods, voting results of each proposal, and details of resolutions adopted.

#### **Article 96**

Where the proposals fail to be adopted or if the Shareholders' Meeting changes the resolutions of the previous one, a special notice shall be included in the announcement of the resolutions of the Shareholders' Meeting.

**Article 97**

Where proposed resolutions in relation to the election of directors are adopted at a Shareholders' Meeting, the new directors shall take office on the date on which the resolution of the Shareholders' Meeting is adopted. However, if the term of office of the members of the last session of the Board has not expired at the time of election, the members of the new session of the Board shall take office from the date of expiry of the term of office of the current members of the Board.

**Article 98**

If the Shareholders' Meeting passes the proposal on cash dividends, scrip issue or conversion of capital reserve into share capital, the Company shall implement the relevant plan in 2 months after the end of the Shareholders' Meeting. If the plan cannot be implemented within 2 months due to provisions of the laws, regulations, or securities regulatory rules of the place where the Company's shares are listed, the implementation date may be adjusted according to such regulations and the actual circumstances.

## **Chapter 5 The Board of Directors**

### **Section 1 General provisions of Directors**

**Article 99**

Directors may include executive directors, non-executive directors and independent directors (the term "independent director" has the same meaning as "independent non-executive director" in the Hong Kong Listing Rules). Non-executive directors refer to directors who do not hold management positions in the Company. An independent director refers to a person who meets the regulatory rules of the stock exchanges where the Company's shares are listed. The Company's directors are natural persons who shall possess the qualifications as required by laws, administrative regulations and rules. None of the following persons may serve as a director of the Company:

- (I) persons without capacity or with limited capacity for civil acts;
- (II) persons who were sentenced for crimes of corruption, bribery, encroachment or embezzlement of property or disruption of the socialist market economy order, or persons who were deprived of their political rights for committing a crime, where five years have not lapsed following the serving of the sentence; or persons who have been declared on probation, and less than two years have lapsed since the expiration of the probation period;
- (III) persons who acted as directors, or factory managers or managers of companies or enterprises which were bankrupt or liquidated and who shall bear personal liability for the bankruptcy or liquidation of such companies or enterprises, where three years have not lapsed following the date of completion of such bankruptcy or liquidation;

- (IV) persons who were legal representatives of a company or enterprise which had its business license revoked, and had been ordered to shut down due to violation of the laws and who were personally liable, where less than three years have elapsed since the date of the revocation or shut-down;
- (V) a person who has a relatively large amount of overdue debts and has been listed as a dishonest person subject to enforcement by a People's Court;
- (VI) a person who has been prohibited from entering the securities market by the CSRC and the period of such prohibition has not expired;
- (VII) a person who has been publicly determined by the Stock Exchanges as unfit to serve as a director, senior management personnel, etc. of a listed company and the period of such determination has not expired;
- (VIII) other content specified by laws, administrative regulations, departmental rules or securities regulatory rules of the place where the Company's shares are listed;

Any election, appointment or engagement of directors in violation of this Article shall be invalid. In the event that the circumstances as stipulated in this Article arise during the term of office of directors, the Company shall dismiss their duties and stop them from performing their duties.

## **Article 100**

Directors who are not employee representatives are elected or replaced by the Shareholders' Meeting and may be removed by the Shareholders' Meeting by an ordinary resolution before the expiration of their term in accordance with the relevant laws, regulations, and listing rules of the stock exchanges where the Company's shares are listed (provided that any claims for compensation that the removed director may have under any contract are not affected thereby). The term of office of a director is three years, and they may be re-elected upon expiration of the term.

The term of office of directors shall commence from the date on which the directors take office to the expiration of the term of office of the current Board of Directors. If the term of office of a director expires but the director fails to be reelected in time, the former director shall, before the newly elected director takes office, still perform the duties of the director in accordance with the provisions of laws, administrative regulations, departmental rules or the Articles of Association.

Subject to the relevant laws and regulations of the place of incorporation of the Company, as well as regulatory rules of the place where the Company's shares are listed, if the Board of Directors appoints a new director to fill a casual vacancy, the appointed director shall only hold office until the Company's first annual general meeting after the appointment and shall be eligible for re-election by the shareholders at that first annual general meeting.

A director may be a senior management member concurrently, provided that the total number of directors who concurrently serve as senior management members and directors who are employee representatives shall not exceed half of the total number of directors of the Company.

The Company shall have one director who is an employee representative. The employee representative on the Board of Directors shall be democratically elected by the Company's employees through employee representative meeting, employee meeting or other forms of democratic election, and does not require approval by the Shareholders' Meeting.

## **Article 101**

Directors shall comply with laws, administrative regulations and the provisions of the Articles of Association and fulfill a duty of loyalty to the Company. Directors shall take measures to avoid conflicts between their own interests and the Company's interests, and shall not use their powers to seek improper benefits.

Directors shall fulfill the following obligations of loyalty to the Company:

- (I) not to misappropriate the Company's property or funds;
- (II) not to deposit the Company's funds in an account opened in his/her own name or in the name of any other individual;
- (III) not to take advantage of his/her authorities and powers to accept bribes or other illegal income;
- (IV) without reporting to the Board of Directors or the Shareholders' Meeting and obtaining the resolution of the Board of Directors or the Shareholders' Meeting in accordance with the provisions of the Articles of Association, not to directly or indirectly enter into contracts or conduct transactions with the Company;
- (V) not to take advantage of his/her position to seek business opportunities that should belong to the Company for himself/herself or others, except where he/she reports to the Board of Directors or the Shareholders' Meeting and obtains the resolution of the Shareholders' Meeting, or where the Company is unable to take advantage of such business opportunities in accordance with laws, administrative regulations or the provisions of the Articles of Association;

- (VI) without reporting to the Board of Directors or the Shareholders' Meeting and obtaining the resolution of the Shareholders' Meeting, not to engage in business similar to that of the Company either for himself/herself or for others;
- (VII) not to accept and privately keep commissions on transactions between others and the Company;
- (VIII) not to disclose the secrets of the Company without authorization;
- (IX) not to damage the interests of the Company by taking advantage of his/her related relationship;
- (X) other faithful obligations stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The income derived by the directors in violation of this Article shall be returned to the Company. If losses are caused to the Company, they shall be liable for compensation.

The provisions of item (IV) of paragraph 2 of this Article shall apply to contracts entered into or transactions conducted between the Company and the close relatives of directors and senior management personnel, enterprises directly or indirectly controlled by directors, senior management personnel or their close relatives, and related parties having other related relationships with the directors and senior management personnel.

## **Article 102**

Directors shall comply with laws, administrative regulations and the provisions of the Articles of Association. They owe a duty of diligence to the Company and shall exercise the reasonable care that a manager would normally exercise in the best interests of the Company when performing their duties.

Directors shall fulfill the following obligations of diligence to the Company:

- (I) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the requirements of PRC laws, administrative regulations and relevant PRC economic policies and are not beyond the business scope specified in the business license of the Company;
- (II) to treat all shareholders impartially;
- (III) to keep informed of the operation and management conditions of the Company in a timely manner;

- (IV) to sign written statements confirming periodic reports of the Company; and to ensure that all information disclosed is true, accurate and complete;
- (V) to provide the status reports and information to the Audit Committee honestly, and not to hinder the Audit Committee from exercising its powers;
- (VI) other obligations of diligence stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

#### **Article 103**

If a director fails to attend the Board Meeting in person or entrust any other directors to attend the meeting on his/her behalf for two consecutive times, it shall be deemed that he/she cannot perform his/her duties, and the Board shall advise the Shareholders' Meeting to remove such director. Subject to the securities regulatory rules of the place where the Company's shares are listed, a director who attends a meeting of the Board of Directors by internet, video, telephone or other means with equivalent effect shall also be deemed to have attended the meeting in person.

#### **Article 104**

A director may resign before the expiry of his tenure. The resignation of a director shall be submitted to the Board in a written resignation report. The resignation shall take effect on the date when the Company receives the resignation report, and the Company will disclose the relevant information within 2 business days.

If the resignation of a director causes the Company's Board of Directors to be below the quorum, the former director shall, before the newly elected director takes office, still perform the duties of a director in accordance with the provisions of laws, administrative regulations, departmental rules or the Articles of Association. The Company shall conduct a by-election within 60 days from the date of resignation submitted by the director, ensuring that the composition of the Board of Directors and its special committees complies with the provisions of laws and regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 105**

The Company shall establish a management system for the departure of directors, to clearly define the guarantee measures for holding liable and recovering compensation for unfulfilled public commitments and other outstanding matters. When a director's resignation takes effect or his/her term of office expires, the director shall complete all handover procedures with the Board, and his/her fiduciary duties to the Company and shareholders shall not be discharged after the termination of office. His/her confidentiality obligation in relation to the Company's trade secrets shall remain effective after the termination of office until such secrets become public information. The duration of other obligations shall be determined in accordance with the principle of fairness.

The liability incurred by directors in the performance of their duties during their term of office shall not be exempted or terminated due to their resignation.

**Article 106**

The Shareholders' Meeting may adopt a resolution to remove a director and the resolution shall take effect on the date of resolution.

Where a director is removed before expiry of his/her term of office without justified reasons, the director may require the Company to pay compensation.

**Article 107**

No director may act in his/her name on behalf of the Company or the Board without the lawful authorization under the provisions of the Articles of Association or by the Board. Where a director acts in his/her own name, the director shall declare in advance his/her position and identity in the case that a third party would reasonably believe that the director is acting on behalf of the Company or the Board.

**Article 108**

If a director causes damages to others while performing his/her duties to the Company, the Company shall be liable for compensation. If the director has any intentional misconduct or gross negligence, he/she shall also be liable for compensation.

If a director violates laws, administrative regulations, departmental rules or the Articles of Association while performing his/her duties and causes losses to the Company, he/she shall be liable for compensation.

## **Section 2 The Board of Directors**

**Article 109**

The Company shall set up a Board composed of nine directors, which include one chairman and may include vice chairmen. The chairman and vice chairmen shall be elected by a majority of the Board of Directors.

## Article 110

The Board shall exercise the following functions and powers:

- (I) to convene a Shareholders' Meeting and report to the meeting on the work of the Board;
- (II) to implement the resolutions of Shareholders' Meetings;
- (III) to decide on the Company's business plans and investment plans;
- (IV) to formulate the profit distribution plan and loss recovery plan of the Company;
- (V) to formulate plans of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;
- (VI) to formulate plans for material acquisition, shares buy-backs, or merger, division, dissolution or change in corporate form of the Company;
- (VII) to determine matters such as external investments, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, related party transactions, external donations of the Company within the authority granted by the Shareholders' Meeting;
- (VIII) to determinate the establishment of the Company's internal management structure;
- (IX) to appoint or dismiss the general manager, secretary to the Board and other senior management personnel of the Company, and decide on matters of remuneration, rewards and penalties; to appoint or dismiss deputy general manager and chief financial officer and other senior management personnel according to the nomination of the general manager, and decide on matters of remuneration, rewards and penalties;
- (X) to set up the basic management regime of the Company;
- (XI) to formulate the proposals for any amendment to the Articles of Association;
- (XII) to manage the information disclosure of the Company;
- (XIII) to propose to the Shareholders' Meeting the appointment or replacement of the accounting firms which provide auditing services to the Company;

(XIV) to receive the reports of the general manager of the Company and review his/her work;

(XV) to exercise other functions and powers granted by the relevant laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The Board may resolve on the issues specified in the above paragraphs by approval of more than half of the directors save for the issues specified in items (V), (VI) and (XI) in which the approval of more than two-thirds of the directors is required.

Matters in which the Board exercises its powers beyond the scope authorized by the Shareholders' Meeting shall be submitted to the Shareholders' Meeting for deliberation.

#### **Article 111**

The Board shall make explanations to the Shareholders' Meeting on the non-standard audit opinions issued by the certified public accountants on the Company's financial reports.

#### **Article 112**

The Board shall formulate the Rules of Procedure of the Board Meetings, for the purpose of ensuring the implementation by the Board of the resolutions of the Shareholders' Meeting, enhancing work efficiency, and guaranteeing scientific decision making. The Rules of Procedure of the Board Meetings shall stipulate the procedures for convening and voting at Board Meetings, shall serve as an appendix to the Company's Articles of Association, and shall be formulated by the Board and approved by the Shareholders' Meeting.

#### **Article 113**

The Board of Directors shall determine the extent of authority, and establish strict examination and decision-making procedures for the purchase or sale of assets, external investments (including consigned financial management, investment in subsidiaries, etc.), provision of financial assistance (including interest-bearing or non-interest-bearing borrowings, entrusted loans, etc.), provision of guarantees (including guarantees for controlling subsidiaries, etc.), leasing in or leasing out of assets, entrusting or being entrusted to manage assets and business, donating or receiving assets, restructuring of creditors' rights and debts, entering into license agreements, transferring or being assigned to research and development projects, waiving rights (including waiver of right of first refusal, pre-emptive rights, etc.), asset mortgage, related party transactions and other transaction matters; major investment projects shall be assessed by relevant experts and professionals and submitted to the Shareholders' Meeting for approval.

The above-mentioned purchase or sale of assets does not include the purchase of raw materials, fuel and power, and sale of products, commodities and other asset purchase or sale activities related to daily operations, but the purchase or sale of such assets involved in asset replacement is still included.

In accordance with the provisions of the relevant laws, administrative regulations and regulatory documents, as well as the principle of prudent authorization, the Shareholders' Meeting shall authorize the Board in respect of the matters set out in the preceding paragraph as follows:

(I) Transactions (excluding external guarantees and related party transactions) of the Company that meet one of the following criteria shall be submitted to the Board for decision-making:

1. The total assets involved in the transaction (if both book value and appraised value exist, whichever is higher) account for not less than 10% of the latest audited total assets of the Company. If they reach or exceed 50% of the latest audited total assets of the Company or any acquisition or disposal of material assets within one year exceeds 30% of the latest audited total assets of the Company, they shall be submitted to the Shareholders' Meeting for approval;
2. The net assets involved in the transaction target (such as equity) (if both book value and appraised value exist, whichever is higher) account for not less than 10% of the latest audited net assets of the Company, and the absolute amount exceeds RMB10,000,000. If they reach or exceed 50% of the latest audited net assets of the Company and the absolute amount exceeds RMB50,000,000, they shall be submitted to the Shareholders' Meeting for approval;
3. The transaction amount (including the debts and expenses incurred) accounts for not less than 10% of the latest audited net assets of the Company, and the absolute amount exceeds RMB10,000,000. If it reaches or exceeds 50% of the latest audited net assets of the Company, and the absolute amount exceeds RMB50,000,000, it shall be submitted to the Shareholders' Meeting for approval;
4. The profit generated from the transaction accounts for more than 10% of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB1,000,000. If it reaches or exceeds 50% of the audited net profit of the Company in the latest accounting year and the absolute amount exceeds RMB5,000,000, it shall be submitted to the Shareholders' Meeting for approval;

5. The revenue of the transaction target (such as equity) in the latest accounting year accounts for not less than 10% of the audited revenue of the Company in the latest accounting year, and the absolute amount exceeds RMB10,000,000. If it reaches or exceeds 50% of the Company's audited revenue in the latest accounting year and the absolute amount exceeds RMB50,000,000, it shall be submitted to the Shareholders' Meeting for approval;
6. The net profit of the transaction target (such as equity) in the latest accounting year accounts for not less than 10% of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB1,000,000. If it reaches or exceeds 50% of the audited net profit of the Company in the latest accounting year and the absolute amount exceeds RMB5,000,000, it shall be submitted to the Shareholders' Meeting for approval.

In case the figure involved in the above index calculation is negative, absolute value thereof shall be taken for calculation. If the transaction only meets the criteria for submission to the Shareholders' Meeting for deliberation under item 4 or item 6 above, and the absolute value of the earnings per share of the Company in the latest accounting year is less than RMB0.05, the Company may be exempted from submitting the transaction to the Shareholders' Meeting for deliberation.

(II) External guarantees: For other external guarantees of the Company that do not meet the criteria for external guarantees required to be deliberated and approved by the Shareholders' Meeting in accordance with Article 42 of the Articles of Association, such guarantees shall be deliberated and approved by the Board; when the Board deliberates and approves the proposal on external guarantees of the Company, it shall be approved by not less than two-thirds of the directors present at the meeting.

(III) Related party transactions: Related party transactions between the Company and related natural persons with a transaction amount of not less than RMB300,000; related party transactions with related legal persons with a transaction amount of not less than RMB3,000,000 and accounting for not less than 0.5% of the absolute value of the latest audited net assets of the Company (except for the provision of guarantee by the Company). The related party transactions between the Company and its related parties (except for the provision of guarantee by the Company, the receipt of cash assets as a gift, and the debt that purely relieves the obligations of the Company) with an amount of not less than RMB30,000,000 and accounting for not less than 5% of the absolute value of the

latest audited net assets of the Company shall be submitted to the Shareholders' Meeting for deliberation. The guarantee provided by the Company for related persons, regardless of the amount, shall be disclosed in a timely manner after it is deliberated and approved by the Board of Directors and shall be submitted to the Shareholders' Meeting for deliberation.

Transactions between the Company and its controlling subsidiaries within the scope of consolidation or between the controlling subsidiaries shall be exempt from performing the corresponding procedures in accordance with this Article, unless otherwise provided by the regulatory authorities.

If the CSRC and the stock exchange on which the Company's shares are listed have other special provisions on the approval authority of the above matters, such provisions shall prevail.

#### **Article 114**

The Chairman of the Board shall exercise the following functions and powers:

- (I) to preside over Shareholders' Meetings and to convene and preside over Board Meetings;
- (II) to procure and examine the implementation of resolutions of the Board;
- (III) other functions and powers granted by the Board.

#### **Article 115**

The vice chairman of the Company shall assist the chairman in performing his/her duties. In the event that the chairman is unable or fails to perform his/her duties, the vice chairman shall perform the duties on his/her behalf (in the event that the Company has two or more vice chairmen, the vice chairman jointly elected by not less than half of the directors shall perform the duties); in the event that the vice chairman is unable or fails to perform his/her duties, a director jointly elected by not less than half of the directors shall perform the duties.

#### **Article 116**

The Board shall hold at least four regular meetings each year, which shall be convened by the Chairman and notified to all the directors 14 days prior to the meeting in writing.

#### **Article 117**

Shareholders representing not less than one-tenth of the voting rights, and not less than one-third of the directors or the Audit Committee may propose an extraordinary Board Meeting. The chairman of the Board shall convene and preside over a Board Meeting within ten days after receiving the proposal.

**Article 118**

Notice of an extraordinary Board Meeting may be delivered by email, express mail, hand, electronic communication, or other means. Notice of an extraordinary Board Meeting shall be given five days in advance. In case of emergency, the notice may be sent by telephone or other oral means at any time, and shall be explained in the minutes of the Board Meeting.

**Article 119**

The notice of the Board Meeting shall contain the following contents:

- (I) the date and venue of the meeting;
- (II) the duration of the meeting;
- (III) the reason for convening the meeting and proposals thereof;
- (IV) date of issue of notice.

**Article 120**

A Board Meeting shall not be held unless more than half of the directors are present. A resolution made by the Board shall be approved by more than half of all the directors.

When voting on Board resolutions, each director shall have one vote.

**Article 121**

Where a director is affiliated with the enterprise or an individual involved in resolutions of the Board Meeting, he/she shall timely report to the Board in writing. The interested director shall not exercise the right to vote on the resolutions, nor shall he/she exercise the right to vote on behalf of another director. The Board Meeting may be held by more than half of the uninterested directors. The resolutions of the Board Meeting shall be adopted by more than half of the uninterested directors. If the number of uninterested directors present at the Board Meeting is less than three, the matter shall be submitted to the Shareholders' Meeting for deliberation. In case of any additional restrictions on the directors' participation in and voting at the Board meetings imposed by laws, regulations and securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

**Article 122**

Board Meetings may be held on site, or via electronic communication, or a combination of both; voting shall be conducted by disclosed ballot.

**Article 123**

The directors shall attend the Board Meeting in person. If a director is unable to attend the meeting for some reason, he/she may entrust another director in writing to attend the meeting on his/her behalf. The power of attorney shall specify the name, matters entrusted, scope of authorization and term of validity, and shall be signed or sealed by the principal. The director attending the meeting as a proxy shall exercise the rights of a director within the scope of the authorization. A director failing to attend the Board Meeting in person or by proxy shall be deemed as having waived his/her voting rights at such meeting.

**Article 124**

Meeting minutes shall be prepared to record the decisions made by the Board for deliberation. The directors attending the meeting shall sign the meeting minutes. The directors attending the meeting have the right to have their speeches at the meeting descriptively recorded on the meeting minutes. The minutes of Board Meetings shall be kept in corporate archives for a period of not less than ten years.

**Article 125**

The minutes of the Board Meeting shall include the following:

- (I) date and venue of the meeting and the name of the convener;
- (II) names of the directors present and of directors (proxies) appointed by others to attend the Board Meeting;
- (III) agenda of the meeting;
- (IV) main points made by the directors;
- (V) voting method and results of each resolution (the results shall indicate the number of votes approved, opposed or abstained);
- (VI) other matters that should be recorded in the opinion of attending directors.

### **Section 3 Independent Director**

**Article 126**

Independent directors shall, in accordance with relevant laws, administrative regulations, and the provisions of CSRC and the Stock Exchanges and the Articles of Association, earnestly perform their duties, play the role of participating in decision-making, supervision and balancing, and professional consultation in the Board, safeguard the overall interests of the Company, and protect the legitimate rights and interests of the minority shareholders.

**Article 127**

Independent directors shall maintain their independence. The following persons shall not serve as independent directors:

- (I) The persons holding posts in the Company or its affiliated enterprises and their spouses, parents, children and key social relationships;
- (II) The persons holding, directly or indirectly, 1% or more of the issued shares of the Company or ranking among the top ten shareholders of the Company and their spouses, parents and children;
- (III) The persons holding posts in entities that directly or indirectly hold 5% or more of the issued shares of the Company or ranking among the top five shareholders of the Company and their spouses, parents and children;

- (IV) The persons holding posts in the affiliated enterprises of the Company's controlling shareholders or actual controllers, and their spouses, parents and children;
- (V) The persons who have significant business transactions with the Company and its controlling shareholders, actual controllers or their respective affiliated enterprises, or who hold positions in entities with significant business transactions and their controlling shareholder or actual controller;
- (VI) The persons providing financial, legal, consulting, sponsorship and other services to the Company and its controlling shareholders, actual controllers or their respective affiliated enterprises, including but not limited to all members of the project team of the intermediary institutions providing services, review personnel at all levels, personnel affixing signatures to the reports, partners, directors, senior management personnel and main responsible persons;
- (VII) The persons having the circumstances as mentioned in the items (I) to (VI) during the recent 12 months;
- (VIII) Other personnel who do not have independence as stipulated by laws, administrative regulations, the provisions of CSRC, the business rules of the Stock Exchanges and the Articles of Association.

The affiliated enterprises of the Company's controlling shareholders or actual controllers as mentioned in items (IV) to (VI) of the preceding paragraph do not include enterprises that are controlled by the same state-owned asset management institution as the Company and have not formed a related relationship with the Company in accordance with the relevant regulations.

Independent directors shall conduct a self-examination of their independence every year and submit the self-examination results to the Board. The Board shall assess the independence of incumbent independent directors every year and issue special opinions, which shall be disclosed concurrently with the annual report.

## Article 128

The person serving as an independent director of the Company shall meet the following requirements:

- (I) to be qualified as a director of the Company in accordance with laws, administrative regulations and other relevant provisions;
- (II) to comply with the requirements for independence as stipulated in the Articles of Association;

- (III) to have the basic knowledge of operation of the Company and be familiar with the relevant laws, regulations and rules;
- (IV) to have at least five years of legal, accounting, economic or other work experience necessary to perform the duties of an independent director;
- (V) to have sound personal character and no major records of bad faith or other bad records;
- (VI) other conditions as stipulated by laws, administrative regulations, the provisions of CSRC, the business rules of the Stock Exchanges and the Articles of Association.

#### **Article 129**

As members of the Board, independent directors shall bear the faithful obligations and diligence obligations to the Company and all shareholders, and shall perform the following duties prudently:

- (I) to participate in the decision-making of the Board and express clear opinions on the matters deliberated;
- (II) to supervise potential major conflicts of interest between the Company and its controlling shareholders, actual controllers, directors and senior management personnel, and to protect the legitimate rights and interests of minority shareholders;
- (III) to provide professional and objective suggestions for the Company's operation and development to promote the improvement of the decision-making level of the Board;
- (IV) other duties as prescribed by laws, administrative regulations, the provisions of CSRC and the Articles of Association.

#### **Article 130**

Independent directors shall exercise the following special functions and powers:

- (I) to independently engage intermediary institutions to audit, consult or verify specific matters of the Company;
- (II) to propose to the Board to convene an extraordinary Shareholders' Meeting;
- (III) to propose to convene a Board Meeting;
- (IV) to publicly solicit shareholders' rights from shareholders in accordance with the law;

- (V) to express independent opinions on matters that may harm the rights and interests of the Company or minority shareholders;
- (VI) other functions and powers as prescribed by laws, administrative regulations, the provisions of CSRC and the Articles of Association.

An independent director exercising the functions and powers listed in items (I) to (III) of the preceding paragraph shall obtain the consent of more than half of all independent directors.

If an independent director exercises the functions and powers listed in paragraph (I), the Company shall disclose it in a timely manner. If the aforesaid functions and powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

## **Article 131**

The following matters shall be submitted to the Board for deliberation after being approved by more than half of all independent directors of the Company:

- (I) related party transactions that shall be disclosed;
- (II) plans for the Company and related parties to change or waive their commitments;
- (III) decisions made and measures adopted by the Board of the acquired listed company regarding the acquisition;
- (IV) other matters as stipulated by laws, administrative regulations, the provisions of CSRC and the Articles of Association.

## **Article 132**

The Company shall establish a special meeting mechanism attended entirely by independent directors. When the Board deliberates matters such as related party transactions, they shall be approved in advance by a special meeting of independent directors.

The Company shall hold special meetings of independent directors on a regular or irregular basis. The matters listed in items (I) to (III) of paragraph 1 of Article 130 and Article 131 of the Articles of Association shall be deliberated by a special meeting of independent directors.

The special meetings of independent directors may study and discuss other matters of the Company as needed.

A special meeting of independent directors shall be convened and presided over by an independent director jointly elected by more than half of the independent directors. When the convener fails to or is unable to perform his/her duties, two or more independent directors may convene a meeting and elect one representative to preside over the meeting on their own initiative.

Meeting minutes shall be prepared for a special meeting of independent directors as prescribed, and the opinions of independent directors shall be stated in the meeting minutes. Independent directors shall affix their signatures to the meeting minutes for confirmation.

The Company shall provide convenience and support for the convening of special meetings of independent directors.

#### **Section 4 Special Committees under the Board of Directors**

##### **Article 133**

The Board of the Company shall have an Audit Committee, which shall exercise the functions and powers of the Supervisory Committee as provided by the Company Law.

##### **Article 134**

The Audit Committee shall consist of three directors, who do not serve as senior management personnel in the Company, and of whom the majority shall be independent directors. The accounting professional among the independent directors shall serve as the convener.

##### **Article 135**

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, and supervising and evaluating internal and external audit work and internal control. The following matters shall be submitted to the Board for deliberation after being approved by more than half of all members of the Audit Committee:

- (I) disclosure of financial information in financial accounting reports and periodical reports, as well as internal control evaluation reports;
- (II) engagement or dismissal of accounting firms that undertake the auditing business of the Company;
- (III) appointment or dismissal of the chief financial officer of the Company;
- (IV) changes in accounting policies or accounting estimates, or corrections of major accounting errors for reasons other than changes in accounting standards;
- (V) other matters as stipulated by laws, administrative regulations, the provisions of CSRC and the Articles of Association.

**Article 136**

The Audit Committee shall hold at least one meeting every quarter. An interim meeting may be convened upon proposal by two or more members or when the convener deems it necessary. The meeting of the Audit Committee shall be held only when more than two-thirds of the members are present.

A resolution of the Audit Committee shall be adopted by more than half of the members of the Audit Committee.

In voting on a resolution of the Audit Committee, each member shall have one vote.

The resolutions of the Audit Committee shall be recorded in meeting minutes as required, and the members of the Audit Committee attending the meeting shall affix signatures to the meeting minutes.

The working procedures of the Audit Committee shall be formulated by the Board.

**Article 137**

The Company's Board shall establish other special committees, including the Strategy and ESG Committee, the Nomination Committee, and the Remuneration and Evaluation Committee, which shall perform duties in accordance with the Articles of Association and the authorization of the Board. Proposals from the special committees shall be submitted to the Board for deliberation and decision. The working procedures of the special committees shall be formulated by the Board.

The Strategy and ESG Committee comprises three members, of whom the majority shall be independent directors.

The Nomination Committee consists of three members, of whom the majority shall be independent directors, and the convener shall be elected from among the independent directors.

The Remuneration and Evaluation Committee consists of three members, of whom the majority shall be independent directors, and the convener shall be elected from among the independent directors.

**Article 138**

The Strategy and ESG Committee is primarily responsible for studying and providing suggestions on the Company's long-term development strategies, major investment decisions, sustainability planning, and matters relating to environmental, social and governance (ESG).

## Article 139

The Nomination Committee shall be responsible for formulating the selection criteria and procedures for directors and senior management personnel, selecting and reviewing candidates for directors and senior management positions and their qualifications, and making recommendations to the Board of Directors on the following matters:

- (I) the nomination or removal of directors;
- (II) the appointment or dismissal of senior management personnel;
- (III) other matters as required by laws, administrative regulations, rules of the CSRC, and provisions of the Articles of Association.

Where the Board of Directors does not adopt or does not fully adopt the recommendations of the Nomination Committee, it shall state the opinions of the Nomination Committee and the specific reasons for not adopting such recommendations in the resolution of the Board and make relevant disclosure.

## Article 140

The Remuneration and Evaluation Committee shall be responsible for formulating the appraisal criteria for directors and senior management personnel and conducting evaluations accordingly, and for formulating and reviewing the remuneration determination mechanisms, decision-making procedures, and policies and plans related to remuneration, including payment and clawback arrangements, for directors and senior management personnel. It shall also make recommendations to the Board of Directors on the following matters:

- (I) the remuneration of directors and senior management personnel;
- (II) the formulation or amendment of equity incentive plans, employee stock ownership plans, the granting of rights to incentive participants, and the fulfillment of conditions for the exercise of such rights;
- (III) the arrangement of stock ownership plans by directors and senior management personnel in relation to the proposed spin-off of a subsidiary under their charge;
- (IV) other matters as required by laws, administrative regulations, rules of the CSRC, and provisions of the Articles of Association.

Where the Board of Directors does not adopt or does not fully adopt the recommendations of the Remuneration and Evaluation Committee, it shall state the opinions of the Remuneration and Evaluation Committee and the specific reasons for not adopting such recommendations in the resolution of the Board and make relevant disclosure.

## Chapter 6 Senior Management Members

### Article 141

The Company shall have one general manager, who shall be appointed or dismissed by the Board of Directors.

The Company shall have several deputy general managers, who shall be appointed or dismissed by the Board of Directors.

The general manager, deputy general manager, chief financial officer, and Secretary to the Board shall be the senior management personnel of the Company.

### Article 142

The provisions of the Articles of Association regarding circumstances under which a person shall not serve as a director, as well as the resignation management system, shall apply mutatis mutandis to senior management personnel.

The provisions of the Articles of Association regarding the fiduciary duties and diligence obligations of directors shall apply mutatis mutandis to senior management personnel.

### Article 143

Persons holding administrative positions other than those of director or supervisor at the Company's controlling shareholder's entity shall not serve as senior management personnel of the Company.

Senior management personnel of the Company shall receive their remuneration exclusively from the Company and shall not be paid by the controlling shareholder on its behalf.

### Article 144

The term of office of the general manager shall be three years. Reappointment shall be permissible upon re-election.

### Article 145

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

- (I) to preside over the Company's production and operational management, to organize the implementation of resolutions of the Board of Directors, and to report to the Board of Directors on his or her work;
- (II) to organize the implementation of the Company's annual business plans and investment proposals;
- (III) to draft the plan for the establishment of the Company's internal management departments;
- (IV) to draft the basic management systems of the Company;

- (V) to formulate specific rules and regulations of the Company;
- (VI) to propose to the Board of Directors the appointment or dismissal of the deputy general manager and the chief financial officer of the Company;
- (VII) to decide on the appointment or dismissal of management personnel other than those whose appointment or dismissal must be decided by the Board of Directors;
- (VIII) other powers conferred by the Articles of Association or the Board of Directors.

The general manager shall attend meetings of the Board of Directors. If the general manager is not a director, he or she shall not have voting rights at Board meetings.

For transactions involving the acquisition or disposal of assets or other non-routine business operations that, in accordance with the relevant calculation standards, do not meet the thresholds specified in Article 113 of the Articles of Association requiring approval by the Board of Directors or the Shareholders' Meeting, the general manager shall have the authority to approve and decide.

#### **Article 146**

The general manager shall formulate detailed rules for the work of the general manager, which shall be implemented after approval by the Board of Directors.

#### **Article 147**

The detailed rules for the work of the general manager shall include the following:

- (I) the conditions and procedures for convening general manager meetings, and the personnel to attend such meetings;
- (II) the respective duties and divisions of work among the general manager and other senior management personnel;
- (III) the authority regarding the use of Company funds and assets, the signing of major contracts, and the reporting system to the Board of Directors;
- (IV) other matters deemed necessary by the Board of Directors.

#### **Article 148**

The general manager may resign prior to the expiry of his or her term of office. The specific procedures and methods relating to the resignation of the general manager shall be governed by the employment contract between the general manager and the Company.

**Article 149**

The Company shall have several deputy general managers, who shall be nominated by the general manager and appointed or dismissed by the Board of Directors. The deputy general manager shall be responsible for assisting the general manager in his or her work.

**Article 150**

The Company shall have a Secretary to the Board, who shall be a natural person possessing the requisite professional knowledge and experience, and who shall be appointed by the Board of Directors. The Secretary to the Board shall be responsible for the preparation of the Shareholders' Meeting and Board meetings, safekeeping of documentation, management of shareholder-related information, handling of information disclosure matters, and other related affairs.

The Secretary to the Board shall comply with the relevant provisions of laws, administrative regulations, departmental rules, and the Articles of Association.

**Article 151**

Where senior management personnel, in the performance of their duties, cause damage to others, the Company shall bear liability for compensation. Where such senior management personnel have acted with intent or gross negligence, they shall also bear liability for compensation.

Where senior management personnel, in the performance of their duties, violate laws, administrative regulations, departmental rules, or the provisions of the Articles of Association and cause losses to the Company, they shall bear liability for compensation.

**Article 152**

Senior management personnel of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. Where senior management personnel fail to faithfully perform their duties or act in breach of their duty of good faith, thereby causing damage to the interests of the Company or public shareholders, they shall bear liability for compensation in accordance with the law.

## **Chapter 7 Financial and Accounting Systems and Distribution of Profits and Audit**

### **Section 1 Financial and Accounting Systems**

**Article 153**

The Company shall establish its financial and accounting system in accordance with laws, administrative regulations, and relevant provisions of national authorities. The Company's accounting year shall adopt the Gregorian calendar year, commencing on 1 January, and ending on 31 December, of each year.

**Article 154**

The Company shall submit and disclose its annual report to the regional office of the CSRC and the Stock Exchanges within four months from the end of each accounting year; submit and disclose its semi-annual report to the CSRC and the Stock Exchanges within two months from the end of the first six months of each accounting year; and submit and disclose its quarterly reports to the CSRC and the Stock Exchanges within one month from the end of the first three months and the first nine months of each accounting year.

The aforementioned financial accounting reports shall be prepared in accordance with relevant laws, administrative regulations, and the rules of the CSRC and the Stock Exchanges.

**Article 155**

The Company shall not establish any accounting books other than statutory accounting books. The Company's funds shall not be deposited in accounts opened under any individual's name.

**Article 156**

When distributing the annual after-tax profits, the Company shall allocate 10% of the profits to the statutory reserve fund. When the accumulated amount of the statutory reserve fund reaches 50% or more of the Company's registered capital, further allocation may cease.

If the statutory reserve fund is insufficient to cover losses from previous years, the current year's profits shall first be used to offset such losses before being allocated to the statutory reserve fund as stipulated above.

After allocating to the statutory reserve fund from the after-tax profits, the Company may, upon resolution of the Shareholders' Meeting, allocate discretionary reserve funds from the after-tax profits.

The remaining after-tax profits after covering losses and allocating to reserve funds shall be distributed to shareholders in proportion to their shareholdings, except as otherwise provided in the Articles of Association.

If the Shareholders' Meeting distributes profits to shareholders in violation of the Company Law, such shareholders shall return the profits distributed in violation to the Company; if losses are caused to the Company, the shareholders and responsible directors and senior management personnel shall bear compensation liability.

Shares held by the Company itself shall not participate in profit distribution.

The Company shall appoint one or more receiving agents in Hong Kong for holders of H Shares. Such receiving agents shall receive and hold on behalf of the relevant H shareholders any dividends or other amounts payable by the Company in respect of the H Shares for payment to such H shareholders. The receiving agents appointed by the Company shall comply with the requirements of laws, regulations, and the securities regulatory rules of the place where the Company's shares are listed.

#### **Article 157**

The Company's reserve funds shall be used to cover the Company's losses, expand the Company's production and operations, or convert into the Company's registered capital.

When using reserve funds to cover losses, discretionary reserve funds and statutory reserve funds shall be used first; if still insufficient, capital reserve funds may be used in accordance with regulations.

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

#### **Article 158**

The basic principles of the Company's profit distribution policy are:

- (I) The Company shall fully consider returns to investors and distribute dividends to shareholders annually based on a prescribed proportion of the distributable profits realized by the parent company;
- (II) The Company's profit distribution policy shall maintain continuity and stability, while also considering the Company's long-term interests, the overall interests of all shareholders, and the Company's sustainable development;
- (III) The Board of Directors and the Shareholders' Meeting of the Company shall fully consider the opinions of independent directors and public investors when making decisions and conducting demonstrations on the profit distribution policy;
- (IV) The Company's profit distribution policy shall comply with relevant laws and regulations.

#### **Article 159**

The specific policies for the Company's profit distribution are:

- (I) Forms of profit distribution: The Company may distribute dividends in the form of cash, shares, or a combination of cash and shares. The Company shall prioritize cash dividends. Under appropriate conditions, the Company may conduct interim profit distributions.

(II) Specific conditions and proportions for cash dividends of the Company:

The cumulative profits distributed by the Company in cash over the past three years shall not be less than 30% of the average annual distributable profits realized over the past three years. Except under special circumstances, if the Company is profitable in the current year and the cumulative undistributed profits are positive, it shall distribute dividends in cash, and the profits to be distributed in cash each year shall not be less than 10% of the distributable profits realized by the parent company in the current year.

The aforementioned special circumstances refer to:

1. The Company undertakes significant investments in the current year, with the investment amount exceeding 10% of the Company's audited net assets in the most recent year (excluding projects funded by raised funds);
2. The Company's planned external investments, asset acquisitions, or equipment purchases in the next twelve months amount to or exceed 10% of the Company's audited net assets in the most recent period;

Significant investment plans or major cash expenditures meeting the above conditions shall be reviewed by the Board of Directors and submitted to the Shareholders' Meeting for approval.

(III) Specific conditions for the Company to issue stock dividends:

If the Company is operating well and the Board of Directors believes that the Company's stock price does not match the Company's capital size, and issuing stock dividends is beneficial to the overall interests of all shareholders, the Company may propose a stock dividend distribution plan under the conditions of satisfying the above cash dividend requirements.

(IV) Conditions under which the Company shall not distribute profits:

The Company may choose not to distribute profits under the following circumstances: (1) The audit report for the most recent year is not an unqualified opinion or an unqualified opinion includes a paragraph with significant uncertainty related to going concern; (2) The asset-liability ratio at the end of the current year exceeds 70%; (3) The operating cash flow for the current year is negative. The Company's profit distribution shall not impair the Company's ability to continue as a going concern.

(I) The Company's profit distribution plan shall be formulated by the Company's management and submitted to the Board of Directors for deliberation. The Board of Directors shall fully discuss the reasonableness of the profit distribution plan and, after forming a special resolution, submit it to the Shareholders' Meeting for review. Provided that the Company's information disclosure and insider information management policies are not violated, the Company's management and Board of Directors shall, through various channels, including but not limited to telephone calls, faxes, email communications, organizing investor reception days, and inviting minority shareholders to attend meetings, fully solicit the opinions of minority shareholders. Based on the Company's profitability, capital requirements, and other relevant factors, the Company shall propose reasonable profit distribution recommendations and preliminary plans. When the Shareholders' Meeting deliberates on the specific cash dividend plan, it shall also proactively communicate and engage with shareholders, particularly minority shareholders, through the aforementioned multiple channels to fully understand and consider their opinions and demands, and shall respond promptly to questions raised by minority shareholders. Where the independent directors believe that the specific cash dividend plan may harm the interests of the Company or those of the minority shareholders, they shall have the right to express independent opinions. If the Board of Directors does not adopt or fully adopt the opinions of the independent directors, it shall record the independent directors' opinions and the specific reasons for not adopting them in the Board resolution and disclose such information.

When the Company convenes the AGM to review the annual profit distribution plan, it may also review and approve the conditions, maximum ratio, and maximum amount for interim cash dividends in the following year. The maximum amount of interim dividends to be reviewed at the AGM for the following year shall not exceed the net profit attributable to the Company's shareholders for the corresponding period. Based on the resolution of the Shareholders' Meeting, and provided the conditions for profit distribution are met, the Board of Directors shall formulate a specific interim dividend plan.

(II) If the Company does not distribute cash dividends due to special circumstances as provided in the Articles of Association, the Board of Directors shall provide a dedicated explanation on the specific reasons for not distributing cash dividends, the specific use of retained earnings, and the expected return on investment, which shall be submitted to the Shareholders' Meeting for deliberation and disclosed in the media designated by the Company.

**Article 161**

Implementation of profit distribution plan of the Company:

The Company shall complete the distribution of dividends (or shares) within two months after the Shareholders' Meeting has resolved on the profit distribution plan, or within two months after the Board of Directors of the Company has formulated a specific interim dividend plan based on the conditions and upper limits for interim dividends approved by the AGM for the following year.

**Article 162**

The change of the profit distribution policy of the Company:

In the event of force majeure such as war or natural disasters, or changes in the Company's external operating environment that materially impact its production and operations, or substantial changes in the Company's own operating conditions, the Company may adjust its profit distribution policy.

Any adjustment to the profit distribution policy of the Company shall be subject to a special discussion by the Board of Directors, with a detailed justification for the adjustment. The Company shall solicit the opinions of minority shareholders through various channels (including but not limited to telephone calls, faxes, email communications, organizing investor reception days, and inviting minority shareholders to attend meetings), and shall form a written demonstration report to be submitted to the Shareholders' Meeting for approval by special resolution. When reviewing matters relating to changes in the profit distribution policy, the Company shall provide online voting channels for shareholders.

## **Section 2 Internal Audit**

**Article 163**

The Company shall implement an internal audit system, under which the leadership structure, responsibilities and authorities, staffing, funding assurance, utilization of audit results, and accountability mechanisms of internal audit work shall be clearly defined.

The internal audit system of the Company shall be implemented upon approval by the Board of Directors and shall be disclosed externally.

**Article 164**

The internal audit department of the Company shall conduct supervision and inspection over matters including the Company's business activities, risk management, internal control, and financial information.

The internal audit department shall maintain its independence, be staffed with full-time audit personnel, and shall not be placed under the leadership of the finance department or jointly operated with the finance department.

**Article 165**

The internal audit department shall be accountable to the Board of Directors.

In the course of supervising and inspecting the Company's business activities, risk management, internal control, and financial information, the internal audit department shall be subject to the supervision and guidance of the Audit Committee. Where the internal audit department identifies any material issues or leads, it shall promptly report directly to the Audit Committee.

**Article 166**

The internal audit department shall be responsible for the specific organization and implementation of the Company's internal control evaluation. Based on the evaluation report issued by the internal audit department and reviewed by the Audit Committee, as well as relevant supporting materials, the Company shall issue the annual internal control evaluation report.

**Article 167**

When the Audit Committee communicates with external audit entities such as accounting firms and national audit institutions, the internal audit department shall actively cooperate and provide the necessary support and coordination.

**Article 168**

The Audit Committee shall participate in the performance evaluation of the person in charge of internal audit.

### **Section 3 Engagement of Accounting Firms**

**Article 169**

The Company shall engage an accounting firm that meets the requirements of the Securities Law to provide services including the audit of financial statements, verification of net assets, and other related consulting services. The term of engagement shall be one year and may be renewed.

**Article 170**

The engagement or dismissal of an accounting firm shall be determined by an ordinary resolution of the Shareholders' Meeting. The Board of Directors shall not appoint an accounting firm prior to a resolution by the Shareholders' Meeting.

**Article 171**

The Company shall ensure that the engaged accounting firm is provided with true and complete accounting vouchers, accounting books, financial and accounting reports, and other accounting materials, and shall not refuse, conceal, or provide false information.

**Article 172**

The remuneration of the accounting firm or the method for determining such remuneration shall be decided by the Board of Directors as authorized by the Shareholders' Meeting.

**Article 173**

When the Company dismisses or decides not to renew the engagement of an accounting firm, it shall notify the accounting firm 30 days in advance. When the Shareholders' Meeting votes on the dismissal of the accounting firm, the accounting firm shall be permitted to make a statement of its opinion.

If the accounting firm resigns, it shall explain to the Shareholders' Meeting whether there is any impropriety on the part of the Company.

## **Chapter 8 Notice and Announcement**

### **Section 1 Notice**

**Article 174**

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

- (I) by personal delivery;
- (II) by mail;
- (III) by email;
- (IV) by announcement;
- (V) other form recognized by relevant regulatory authorities of the place where the Company's shares are listed or as specified in the Articles of Association.

**Article 175**

Where a notice issued by the Company is made by way of announcement, such notice shall be deemed to have been received by all relevant persons once the announcement is published.

**Article 176**

Notices of Shareholders' Meetings or Board meetings of the Company may be delivered by any one or more of the following means: personal delivery, email, letter, fax, or announcement.

**Article 177**

If a notice of the Company is delivered by personal delivery, the date on which the recipient signs (or stamps) the acknowledgment of receipt shall be deemed the date of delivery. If a notice of the Company is sent by mail, the fifth working day from the date of delivery to the post office shall be deemed the date of delivery. If a notice of the Company is given by announcement, the date of the first publication of the announcement shall be deemed the date of delivery.

**Article 178**

Accidental omission to give notice of a meeting to any person entitled to receive such notice, or the failure of such person to receive the notice, shall not affect the validity of the meeting or any resolution passed thereat.

## Section 2 Announcement

### Article 179

Unless the context otherwise requires, the “announcement” referred to in the Articles of Association means, in respect of announcements issued to the holders of A Shares or announcements required to be issued within the PRC pursuant to relevant requirements and the Articles of Association, the information published on the SSE website and on media that satisfy the requirements stipulated by the CSRC; in respect of an announcement issued to the holders of H Shares or issued in Hong Kong as required under the relevant regulations and the Articles of Association, the announcement shall be published on the Company’s website, the website of the Hong Kong Stock Exchange, and other websites as stipulated by the Hong Kong Listing Rules from time to time in accordance with the relevant requirements of the Hong Kong Listing Rules.

Under the premise of the Company’s compliance with the laws, regulations, the relevant listing rules of the place where the Company’s shares are listed and the Articles of Association, regarding the provision and/or distribution of corporate communications by the Company to holders of H Shares in accordance with requirements of such listing rules, the Company may also provide or distribute corporate communications to H Shares holders by electronic means or by publishing on the Company’s website or the website of the stock exchange of the place where the Company’s shares are listed, in lieu of delivery by personal delivery or prepaid mail.

The Company designates the website of the SSE (<http://www.sse.com.cn>), the HKEXnews website of the Hong Kong Stock Exchange (<https://www.hkexnews.hk/>), or other media and websites recognized by the CSRC and the Stock Exchanges, as the media (hereinafter referred to as the “Designated Media”) for publishing the Company’s announcements and other information required to be disclosed.

## Chapter 9 Merger, Division, Capital Increase and Reduction, Dissolution and Liquidation

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

### Article 180

The Company may carry out merger or division in accordance with the law. Merger of the Company may take two forms: merger by absorption and merger by new establishment. A company absorbs other companies as an absorption merger, and the absorbed company is dissolved. The merger of two or more companies to create a new company is a new merger, and the merging parties are dissolved.

**Article 181**

Where the consideration for the merger does not exceed 10% of the net assets of the Company, a resolution of the Shareholders' Meeting is not required, unless otherwise provided in the Articles of Association.

A merger that is not subject to a resolution of the Shareholders' Meeting in accordance with the preceding paragraph shall be subject to a resolution of the Board of Directors.

**Article 182**

In the case of a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and property list. The Company shall notify its creditors within 10 days from the date on which the resolution for the merger is made, and shall make a public announcement within 30 days in the Designated Media or through the National Enterprise Credit Information Publicity System.

Creditors may, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if the notice is not received, require the Company to settle the debts or provide corresponding guarantees.

**Article 183**

Upon merger, the surviving company or the newly established company shall succeed to the claims and debts of the parties to the merger.

**Article 184**

In the case of a division of the Company, its assets shall be correspondingly divided.

Where the Company is to be divided, the parties to the division shall enter into a division agreement and prepare a balance sheet and property list. The Company shall notify its creditors within 10 days from the date on which the resolution for the division is made, and shall make a public announcement within 30 days in the Designated Media or through the National Enterprise Credit Information Publicity System.

**Article 185**

Debts incurred by the Company prior to the division shall be assumed jointly and severally by the companies resulting from the division, unless otherwise provided in a written agreement on debt repayment entered into between the Company and the creditors prior to the division.

**Article 186**

Where the Company reduces its registered capital, it shall prepare a balance sheet and property list.

The Company shall notify its creditors within 10 days from the date on which the resolution of the Shareholders' Meeting on capital reduction is made, and shall make a public announcement within 30 days in the Designated Media or through the National Enterprise Credit Information Publicity System. Creditors may, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if the

notice is not received, require the Company to settle the debts or provide corresponding guarantees.

When reducing its registered capital, the Company shall reduce the capital contributions or shares of the shareholders in proportion to their respective shareholdings, unless otherwise provided by law or the Articles of Association.

#### **Article 187**

Where the Company, after making up losses in accordance with paragraph 2 of Article 157 of the Articles of Association, still has accumulated losses, it may reduce its registered capital to make up such losses. In such case, the Company shall not distribute any funds to the shareholders or exempt any shareholder from the obligation to pay its capital contributions or share subscription.

Where the registered capital is reduced in accordance with the preceding paragraph, paragraph 2 of Article 186 of the Articles of Association shall not apply. However, a public announcement shall be made within 30 days from the date of the resolution of the Shareholders' Meeting on capital reduction in the Designated Media or through the National Enterprise Credit Information Publicity System.

After the registered capital is reduced in accordance with the preceding two paragraphs, the Company shall not distribute profits until the total amount of statutory surplus reserve and discretionary surplus reserve reaches 50% of the registered capital.

#### **Article 188**

Where the Company reduces its registered capital in violation of the Company Law or other relevant provisions, any funds received by a shareholder shall be returned, and any reduction or exemption in a shareholder's capital contribution shall be reinstated. If losses are caused to the Company, the shareholders and responsible directors or senior management personnel shall bear liability for compensation.

#### **Article 189**

Where the Company increases its registered capital through the issuance of new shares, the shareholders shall not have any preemptive subscription right, unless otherwise provided in the Articles of Association or resolved by the Shareholders' Meeting.

#### **Article 190**

Where the Company undergoes a merger or division and any registration particulars change as a result, it shall duly complete the procedures for changing registration with the company registration authority in accordance with the law. Where the Company is dissolved, it shall go through deregistration procedures in accordance with the law. Where a new company is established, the procedures for company establishment registration shall be completed in accordance with the law.

Where the Company increases or reduces its registered capital, it shall complete the procedures for changing registration with the company registration authority in accordance with the law.

## **Section 2 Dissolution and Liquidation**

### **Article 191**

The Company shall be dissolved if:

- (I) business term specified in the Articles of Association expires or other dissolution reasons as stipulated in the Articles of Association arise;
- (II) the Shareholders' Meeting resolves to dissolve the Company;
- (III) a dissolution is required due to merger or division of the Company;
- (IV) the Company's business license is revoked and it is ordered to close down or dissolve in accordance with the law;
- (V) there is severe difficulty in the operation and management of the Company, and the continued existence of the Company will have material prejudice to the interests of the shareholders and there is no other way to resolve, shareholders holding more than 10% of the voting rights of the Company can make a petition to a People's Court to dissolve the Company.

Where any of the above circumstances for dissolution arise, the Company shall disclose the cause of dissolution via the National Enterprise Credit Information Publicity System within 10 days.

### **Article 192**

If the Company falls under item (I) or item (II) of Article 191 of the Articles of Association and has not yet distributed its assets to shareholders, it may continue to exist by amending the Articles of Association or by a resolution of the Shareholders' Meeting.

Any amendment to the Articles of Association or resolution of the Shareholders' Meeting in accordance with the preceding paragraph must be adopted by shareholders representing more than two-thirds of the voting rights present at the Shareholders' Meeting.

### **Article 193**

If the Company is dissolved in accordance with item (I), item (II), item (IV), or item (V) of Article 191 of the Articles of Association, it shall be liquidated. The directors shall be the liquidation obligors of the Company and shall establish a liquidation committee to carry out liquidation within 15 days from the date on which the cause for dissolution arises.

The liquidation committee shall be composed of the directors, unless otherwise provided in the Articles of Association or resolved by the Shareholders' Meeting to appoint others.

Where the liquidation obligors fail to perform their liquidation obligations in a timely manner and cause losses to the Company or its creditors, they shall bear liability for compensation.

#### **Article 194**

The liquidation committee shall exercise the following functions and powers during liquidation:

- (I) to examine the assets of the Company and prepare a balance sheet and property list;
- (II) to notify creditors by a notice or announcement;
- (III) to handle the outstanding business of the Company in connection with liquidation;
- (IV) to settle the outstanding taxes and taxes incurred during the liquidation process;
- (V) to clear up claims and debts;
- (VI) to distribute the remaining assets of the Company after the discharge of debts;
- (VII) to participate in civil litigation on behalf of the Company.

#### **Article 195**

The liquidation committee shall, within 10 days from its establishment, notify the creditors and shall make a public announcement within 60 days via the Designated Media or the National Enterprise Credit Information Publicity System. Creditors shall declare their claims to the liquidation committee within 30 days from the date of receipt of the notice, or, if no such notice is received, within 45 days from the date of the public announcement.

When declaring a claim, the creditor shall explain relevant details of the claim and provide supporting documents. The liquidation committee shall register the claims accordingly.

During the claims declaration period, the liquidation committee shall not make any repayment to creditors.

**Article 196**

After examining the Company's assets and preparing the balance sheet and property list, the liquidation committee shall formulate a liquidation plan and submit it to the Shareholders' Meeting or a People's Court for confirmation.

The remaining assets of the Company, after payment of liquidation expenses, employees' salaries, social insurance premiums, and statutory compensations, as well as settlement of outstanding taxes and debts, shall be distributed to shareholders in proportion to their shareholdings.

During the liquidation period, the Company shall continue to exist but shall not conduct any business activities unrelated to the liquidation.

The Company's assets shall not be distributed to shareholders before the debts have been settled in accordance with the preceding paragraph.

**Article 197**

Where, during liquidation due to dissolution of the Company, the liquidation committee finds, after examining the Company's assets and preparing the balance sheet and property list, that the Company's assets are insufficient to repay its debts, it shall apply to a People's Court for bankruptcy liquidation.

Upon acceptance of the bankruptcy application by a People's Court, the liquidation committee shall hand over the liquidation affairs to the bankruptcy administrator designated by a People's Court.

**Article 198**

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report, which shall be submitted to the Shareholders' Meeting or a People's Court for confirmation, and filed with the company registration authority for the purpose of applying for cancellation of the Company's registration.

**Article 199**

Members of the liquidation committee shall perform their duties faithfully and diligently.

If any member of the liquidation committee fails to perform their duties and thereby causes losses to the Company, they shall bear liability for compensation. If a member causes losses to creditors due to willful misconduct or gross negligence, they shall also bear liability for compensation.

**Article 200**

Where the Company is declared bankrupt according to law, bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

## Chapter 10 Amendments to the Articles of Association

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| <b>Article 201</b> | The Company may amend the Articles of Association in accordance with laws, administrative regulations, and the Articles of Association.   |
| <b>Article 202</b> | The Company shall amend the Articles of Association under any of the following circumstances:   |
|                    | (I) Where, following amendments to the Company Law or relevant laws, administrative regulations, or securities regulatory rules of the place where the Company's shares are listed, any provision herein conflicts with such 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 content in the Articles of Association;  |
|                    | (III) the Shareholders' Meeting decides to amend the Articles of Association.   |
| <b>Article 203</b> | Where any amendment to the Articles of Association resolved by the Shareholders' Meeting is subject to approval by a competent authority, such amendment shall be submitted to the competent authority for approval; where the amendment involves changes in the Company's registration particulars, the procedures for change of registration shall be completed in accordance with the law. |
| <b>Article 204</b> | The Board of Directors shall amend the Articles of Association in accordance with the resolutions of the Shareholders' Meeting and the approval opinions of the relevant competent authorities.   |
| <b>Article 205</b> | Where any amendment to the Articles of Association involves information required by law or regulations to be disclosed, such information shall be publicly announced in accordance with the provisions.   |

## Chapter 11 Dispute Resolution

|                    |   |
|--------------------|---|
| <b>Article 206</b> | Any dispute or claim arising from the rights and obligations provided in the Articles of Association and relevant laws and administrative regulations and relating to the Company's affairs, occurring between a shareholder and the Company, between a shareholder and any director or senior management personnel of the Company, or between shareholders, shall, where the securities regulatory authority under the State Council has not reached any understanding or agreement on dispute resolution with the relevant overseas securities regulatory authority, be resolved in accordance with the methods prescribed by laws and administrative regulations, or in a manner agreed upon by the parties concerned. |
|--------------------|---|

The resolution of disputes mentioned in the preceding paragraph shall be governed by the PRC laws.

## Chapter 12 Supplementary Rules

### Article 207

#### Definitions

- (I) The term “controlling shareholder” refers to a shareholder whose shareholding accounts for more than 50% of the total share capital of the Company; or, although holding less than 50% of the shares, the voting rights attached to the shares held are sufficient to exert a significant influence on the resolutions of the Shareholders’ Meeting, or a controlling shareholder as defined under the securities regulatory rules of the place where the Company’s shares are listed.
- (II) The term “actual controller” refers to a natural person, legal person, or other organization that is able to effectively control the Company’s conduct through investment relationships, agreements, or other arrangements.
- (III) The term “related relationship” refers to the relationships between the Company’s controlling shareholders, actual controllers, directors, and senior management personnel and the enterprises directly or indirectly controlled by them, as well as other relationships that may cause the Company’s interests to be transferred. However, enterprises under state ownership shall not be deemed to have a related relationship solely because they are all under state ownership.

### Article 208

The Board may formulate the articles in accordance with the provisions of the Articles of Association. The articles shall not contradict the provisions of the Articles of Association.

### Article 209

The Articles of Association are prepared in Chinese. In case of discrepancies between any other languages or different versions of the Articles of Association, the Chinese version of the Articles of Association after the latest approval of registration with the Market Supervision Administration of Shanghai Municipality shall prevail.

The Shareholders’ Meetings and Board meetings of the Company shall all be held in Chinese language. The notice of the meetings shall also be in Chinese language. An English translation or an English version of the notice may be provided if necessary.

### Article 210

Terms of “not less than”, “within” used in the Articles of Association shall include the number itself; while “over”, “beyond”, “below” and “more than” shall exclude the number itself.

**Article 211**

The Articles of Association shall be interpreted by the Board of the Company. The Articles of Association shall be approved by the Shareholders' Meeting of the Company and shall come into effect and be implemented from the date on which the initial public offering of H shares of the Company is listed on the Hong Kong Stock Exchange. In the event of any inconsistency between the Articles of Association and the provisions of laws and regulations, or the rules of the securities regulatory authorities or Stock Exchanges of the places where the Company's shares or GDRs are listed, such laws, regulations, or rules shall prevail.

**Article 212**

The appendix to the Articles of Association shall include the Rules of Procedure of the Shareholders' Meetings, and the Rules of Procedure of the Board Meetings.

OmniVision Integrated Circuits Group, Inc.