

**Montage Technology Co., Ltd.**

**Articles of Association**

**(Effective upon the issuance and listing of H Shares)**

**December 2025**

## Contents

<b>Chapter 1</b>	<b>General Provisions</b>	<b>1</b>
<b>Chapter 2</b>	<b>Business Purpose and Scope</b>	<b>2</b>
<b>Chapter 3</b>	<b>Shares</b>	<b>3</b>
Section 1	Issuance of Shares	3
Section 2	Increase, Decrease and Repurchase of Shares	6
Section 3	Transfer of Shares	7
<b>Chapter 4</b>	<b>Shareholders and Shareholders' General Meetings</b>	<b>8</b>
Section 1	General Provisions of Shareholders	8
Section 2	Controlling Shareholders and Actual Controllers	11
Section 3	General Provisions of the General Meeting	13
Section 4	Convening of the General Meeting	16
Section 5	Proposals and Notices of the General Meeting	18
Section 6	Holding of the General Meeting	19
Section 7	Voting and Resolutions of the General Meeting	23
<b>Chapter 5</b>	<b>Directors and Board of Directors</b>	<b>27</b>
Section 1	General Provisions of Directors	27
Section 2	Board of Directors	32
Section 3	Independent Directors	37
Section 4	Special Committees under the Board of Directors	40
<b>Chapter 6</b>	<b>Members of Senior Management</b>	<b>42</b>
<b>Chapter 7</b>	<b>Financial and Accounting System, Profit Distribution and Audit</b>	<b>44</b>
Section 1	Financial and Accounting System	44
Section 2	Internal Audit	48
Section 3	Engagement of Accounting Firms	49
<b>Chapter 8</b>	<b>Notices and Announcements</b>	<b>49</b>
<b>Chapter 9</b>	<b>Merger, Division, Capital Increase and Decrease, Dissolution and Liquidation</b>	<b>50</b>
Section 1	Merger, Division, Capital Increase and Decrease	50
Section 2	Dissolution and Liquidation	52
<b>Chapter 10</b>	<b>Amendments to the Articles of Association</b>	<b>54</b>
<b>Chapter 11</b>	<b>Supplementary Provisions</b>	<b>54</b>

## Chapter 1 General Provisions

**Article 1** To safeguard the legitimate rights and interests of the Company, its shareholders, employees and creditors, and to regulate the organization and activities of the Company, these Articles of Association are compiled in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules") and other relevant provisions.

**Article 2** The Company is a joint stock limited company established in accordance with the Company Law and other relevant provisions (hereinafter referred to as the "Company").

The Company was established by way of promotion. It was registered with the Shanghai Municipal Administration for Market Regulation and obtained its business license with the Unified Social Credit Code of 913100007626333657.

**Article 3** According to the Approval for Registration of the Shares in the Initial Public Offering of the Company issued by the China Securities Regulatory Commission (hereinafter referred to as the "CSRC") on 25 June 2019 (Zheng Jian Xu Ke [2019] No. 1128), the Company initially issued 112,981,389 Renminbi-denominated ordinary shares (hereinafter referred to as the "A Shares") to the public, which were listed on the Shanghai Stock Exchange STAR Market on 22 July 2019.

The Company has been filed with the CSRC on [•], and with the approval of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange") on [•], it has issued [•] shares in its initial public offering of overseas listed shares (hereinafter referred to as the "H Shares"), which are listed on the Main Board of the Hong Kong Stock Exchange on [•].

**Article 4** The registered name of the Company: 瀾起科技股份有限公司

Name in English: Montage Technology Co., Ltd.

**Article 5** Domicile address of the Company: 15th Floor, Building 1, No. 181 Caobao Road, Xuhui District, Shanghai.

**Article 6** The Company's registered capital is RMB[•].

**Article 7** The Company is a joint stock limited company with perpetual existence.

**Article 8** The chairman of the board of directors shall be the director who executes company affairs on behalf of the Company and serves as the legal representative of the Company.

If the director who serves as the legal representative resigns, he is deemed to resign from the post of legal representative at the same time.

If the legal representative resigns, the Company will confirm a new legal representative within 30 days from the date of resignation of the legal representative.

**Article 9** The legal representative engages in civil activities in the name of the Company and the legal consequences thereof are borne by the Company.

The restrictions on the powers of the legal representative imposed by these Articles of Association or the general meeting shall not be asserted against a third party acting in good faith.

If the legal representative causes damage to others while performing duties, the Company shall bear civil liability. After the Company assumes civil liability, it may seek compensation from the at-fault legal representative in accordance with the laws or these Articles of Association.

**Article 10** The shareholders shall be liable to the Company only to the extent of their subscribed shares, and the Company shall be liable for its debts with all of its assets.

**Article 11** From the effective date, these Articles of Association shall constitute a legally binding document that regulates the organization and conduct of the Company, as well as the rights and obligations between the Company and its shareholders and among shareholders, and shall be legally binding on the Company, its shareholders, directors and senior management.

Based on the provisions of these Articles of Association, shareholders may sue other shareholders, shareholders may sue the Company's directors and members of the senior management, shareholders may sue the Company, and the Company may sue the shareholders, directors and members of the senior management.

**Article 12** Members of the senior management mentioned in these Articles of Association refer to executive officers as recognized by the board of directors including the chief executive officer, general manager, deputy general manager, head of finance and secretary to the board of directors of the Company.

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

**Article 13** The Company's business purpose is to adhere to the "craftsmanship spirit" and uphold "people-oriented" philosophy. It focuses on the technological innovation in the field of integrated circuit, continuously meets the customer's demand for high-performance chips, and realizes the leap-forward development of the enterprise through continuous accumulation, so as to create satisfactory returns for shareholders and contribute beneficial value to the society.

**Article 14** Subject to registration in accordance with the law, the business scope of the Company includes: integrated circuit, large-scale integrated circuits with line widths of 0.25 micron and below, software products, new electronic components (chip components, sensitive components and sensors, frequency control and selection components, hybrid integrated circuit, power electronic devices, optoelectronic devices) design, development, wholesale, import and export, commission agency (except auction) and provision of related ancillary services. (For commodities that are not subject to state trade administration but are subject to quota and license administration, the application shall be processed in accordance with relevant national regulations) For projects subject to approval according to the laws, business activities may only be carried out after obtaining approval of the relevant departments

The Company may make adjustments to its business scope and mode of operation based on market changes and its own business development needs. Any adjustment to the business scope and mode of operation shall be subject to amendment of the Articles of Association of the Company in accordance with the provisions of these Articles of Association and registration with the company registration authority. Any adjusted business scope that is restricted by the laws and administrative regulations of the PRC shall be subject to approval in accordance with the laws.

## Chapter 3 Shares

### Section 1 Issuance of Shares

**Article 15** Shares of the Company are in the form of share certificates.

**Article 16** The Company shall issue shares in accordance with the principles of openness, fairness, and equality, and each share of the same class shall have the same rights.

The issue terms and price per share of the same class in the same issue shall be the same; the same price shall be paid for each share subscribed for by any subscriber.

**Article 17** The par value shares issued by the Company shall each bear a par value denominated in Renminbi.

**Article 18** The A Shares issued by the Company are centrally deposited with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. The H Shares issued by the Company are mainly deposited with the nominee company under Hong Kong Securities Clearing Company Limited, and may also be held by shareholders in their own names.

**Article 19** At the inception of the Company, the names of the promoters, the number of shares subscribed for, the shareholding percentage, and the time and method of capital contribution were as follows:

No.	Name of shareholder	Number of shares held (share)	Shareholding percentage	Method of capital contribution
1	China Electronics Investment Holding Co., Ltd. (中國電子投資控股有限公司)	161,716,775	17.892%	By conversion of net assets into shares
2	Jiaxing Xindian Investment Partnership (Limited Partnership) (嘉興芯電投資合夥企業(有限合夥))	21,128,300	2.338%	By conversion of net assets into shares
3	WLT Partners, L.P.	87,816,687	9.716%	By conversion of net assets into shares
4	Zhuhai Rongying Equity Investment Partnership (Limited Partnership) (珠海融英股權投資合夥企業(有限合夥))	69,265,238	7.663%	By conversion of net assets into shares
5	Shanghai Linli Investment Partnership (Limited Partnership) (上海臨理投資合夥企業(有限合夥))	53,506,750	5.920%	By conversion of net assets into shares
6	Shanghai Linfeng Investment Partnership (Limited Partnership) (上海臨豐投資合夥企業(有限合夥))	18,610,575	2.059%	By conversion of net assets into shares
7	Shanghai Linji Investment Partnership (Limited Partnership) (上海臨驥投資合夥企業(有限合夥))	15,234,825	1.686%	By conversion of net assets into shares
8	Shanghai Linli Investment Partnership (Limited Partnership) (上海臨利投資合夥企業(有限合夥))	13,339,175	1.476%	By conversion of net assets into shares
9	Shanghai Linguo Investment Partnership (Limited Partnership) (上海臨國投資合夥企業(有限合夥))	13,070,825	1.446%	By conversion of net assets into shares
10	Shanghai Lintong Jianfa Investment Partnership (Limited Partnership) (上海臨桐建發投資合夥企業(有限合夥))	9,276,675	1.026%	By conversion of net assets into shares
11	Shanghai Lingqi Investment Partnership (Limited Partnership) (上海臨齊投資合夥企業(有限合夥))	7,011,450	0.776%	By conversion of net assets into shares
12	Jiaxing Hongyue Investment Partnership (Limited Partnership) (嘉興宏越投資合夥企業(有限合夥))	44,247,750	4.895%	By conversion of net assets into shares

No.	Name of shareholder	Number of shares held (share)	Shareholding percentage	Method of capital contribution
13	Jiaxing Monet Equity Investment Partnership (Limited Partnership) (嘉興莫奈股權投資合夥企業(有限合夥))	20,634,525	2.283%	By conversion of net assets into shares
14	Xinyun Capital Fund I, L.P.	44,247,750	4.895%	By conversion of net assets into shares
15	Xinyun Capital Fund, L.P.	12,057,500	1.334%	By conversion of net assets into shares
16	Xinyun Capital Fund III, L.P.	2,076,425	0.230%	By conversion of net assets into shares
17	Jiaxing Tuoshi No.1 Investment Partnership (Limited Partnership) (嘉興擇石一號投資合夥企業(有限合夥))	22,772,325	2.519%	By conversion of net assets into shares
18	Jiaxing Tuoshi No.2 Investment Partnership (Limited Partnership) (嘉興擇石二號投資合夥企業(有限合夥))	13,038,000	1.442%	By conversion of net assets into shares
19	Jiaxing Tuoshi No.3 Investment Partnership (Limited Partnership) (嘉興擇石三號投資合夥企業(有限合夥))	32,972,200	3.648%	By conversion of net assets into shares
20	CITIC Securities Investment Co., Ltd.	51,033,325	5.646%	By conversion of net assets into shares
21	Jinshi Zhongrui Phase I (Shenzhen) Equity Investment Partnership (Limited Partnership) (金石中睿一期(深圳)股權投資合夥企業(有限合夥))	35,294,550	3.905%	By conversion of net assets into shares
22	Jinshi Zhongrui Phase II (Shenzhen) Equity Investment Partnership (Limited Partnership) (金石中睿二期(深圳)股權投資合夥企業(有限合夥))	5,597,200	0.619%	By conversion of net assets into shares
23	Zhuhai Rongyang Equity Investment Partnership (Limited Partnership) (珠海融揚股權投資合夥企業(有限合夥))	25,939,975	2.870%	By conversion of net assets into shares
24	Theon Investment, LP	5,920,000	0.655%	By conversion of net assets into shares
25	Xinjiang Tairui Jiade Equity Investment Partnership (Limited Partnership) (新疆泰瑞嘉德股權投資合夥企業(有限合夥))	16,108,750	1.782%	By conversion of net assets into shares
26	Xiamen City Huatianyu Equity Investment Partnership (Limited Partnership) (廈門市華天宇股權投資合夥企業(有限合夥))	9,758,175	1.080%	By conversion of net assets into shares
27	Shanghai Huayi Investment Center (Limited Partnership) (上海華伊投資中心(有限合夥))	21,500,000	2.379%	By conversion of net assets into shares
28	China Everbright Investment and Management Co., Ltd. (中國光大投資管理有限責任公司)	10,535,175	1.166%	By conversion of net assets into shares
29	Tibet Changle Investment Co., Ltd. (西藏長樂投資有限公司)	10,217,075	1.130%	By conversion of net assets into shares
30	Ningbo Xinyuan Rongke Equity Investment Fund Partnership (Limited Partnership) (寧波信遠融科股權投資基金合夥企業(有限合夥))	10,206,675	1.129%	By conversion of net assets into shares
31	Hangzhou Tiaolu Investment and Management Partnership (Limited Partnership) (杭州調露投資管理合夥企業(有限合夥))	9,250,000	1.023%	By conversion of net assets into shares
32	Shanghai Junbi Investment and Management Partnership (Limited Partnership) (上海君弼投資管理合夥企業(有限合夥))	8,235,350	0.911%	By conversion of net assets into shares
33	Green Spark Investment Limited	7,525,000	0.833%	By conversion of net assets into shares
34	Chen Xiao	3,750,000	0.415%	By conversion of net assets into shares

No.	Name of shareholder	Number of shares held (share)	Shareholding percentage	Method of capital contribution
35	New Speed Consultancy Co., Ltd.	3,125,000	0.346%	By conversion of net assets into shares
36	TransLink Capital Partners I, L.P.	3,125,000	0.346%	By conversion of net assets into shares
37	Hong Kong Pine Stone Capital Limited	2,212,500	0.245%	By conversion of net assets into shares
38	Beijing Integrated Circuit Industry International Fund, L.P.	1,047,350	0.116%	By conversion of net assets into shares
39	Lip-Bu Tan	500,000	0.055%	By conversion of net assets into shares
40	Ko Ping Keung	500,000	0.055%	By conversion of net assets into shares
41	Shenzhen Qianhai Kexi Asset Management Co., Ltd. (深圳前海珂璽資本管理有限公司)	196,250	0.022%	By conversion of net assets into shares
42	Xi Jin	100,000	0.011%	By conversion of net assets into shares
43	Shun-Wen Chang	100,000	0.011%	By conversion of net assets into shares
44	Qian-Shen Bai	50,000	0.006%	By conversion of net assets into shares
<b>Total:</b>		<b>903,851,100</b>	<b>100.000%</b>	

The promoters have paid in full their subscribed capital contribution prior to the registration of alteration of the Company. The total number of shares issued at the establishment of the Company was 903,851,100 shares with a par value of RMB1 per share.

**Article 20** The number of issued shares of the Company is [•] shares. The share capital structure of the Company is as follows: [•] ordinary shares, comprising [•] A Shares and [•] H Shares.

**Article 21** The Company or its subsidiaries (including the affiliated enterprises of the Company) shall not provide any financial assistance to others for acquiring shares of the Company or its parent company, by way of gifts, capital advances, guarantees or borrowings, except for employee stock ownership plans implemented by the Company.

For the benefit of the Company, upon passing a resolution of the board of directors, the Company may provide financial assistance to others for acquiring shares in the Company, but the accumulated total amount of financial assistance shall not exceed 10% of the total issued share capital. The resolution passed by the board of directors shall be approved by more than two-thirds of all directors.



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

**Article 22** The Company may increase its capital in the following ways in light of its business and development needs and in accordance with the laws and regulations, the regulatory rules of the place(s) where the shares of the Company are listed and by resolutions made at general meetings:

- (1) offering of shares to unspecified targets;
- (2) offering of shares to specific targets;
- (3) distributing bonus shares to existing shareholders;
- (4) converting provident fund into share capital;

(5) other means as stipulated by the laws, administrative regulations and the regulatory rules of the place(s) where the Company's shares are listed.

**Article 23** The Company may reduce its registered capital. The Company shall decrease its registered capital in accordance with the procedures set forth in the Company Law and other relevant provisions and these Articles of Association.

**Article 24** The Company shall not repurchase its shares, except in any of the following circumstances:

- (1) reducing the registered capital of the Company;
- (2) merging with another company that holds the shares of the Company;
- (3) granting the shares for the employee stock ownership plans or as share incentives;
- (4) Shareholders who disagree with the resolutions for the merger and division of the Company made at the general meeting may demand the Company to repurchase their shares;
- (5) using the shares to satisfy the conversion of corporate bonds convertible into the shares issued by the Company;
- (6) it is necessary for the Company to maintain its value and shareholders' equity.

**Article 25** The Company may repurchase its shares through open and centralized trade or other ways approved by laws, administrative regulations, other securities regulatory rules of the place(s) where the shares of the Company are listed and the CSRC.

Where the Company repurchases its shares under the circumstances described in items (3), (5) and (6) of the first paragraph of Article 24 of these Articles of Association, it shall be carried out by open and centralized trade.



**Article 26** Where the Company repurchases its shares due to circumstances specified in items (1) and (2) of the first paragraph of Article 24 of these Articles of Association, it shall be subject to a resolution made at a general meeting; where the Company repurchases its shares due to the circumstances specified in items (3), (5) and (6) of the first paragraph of Article 24 of these Articles of Association, it shall be resolved by a board of directors meeting with the attendance of more than two-thirds of the directors.

Shares repurchased by the Company under item (1) of the first paragraph of Article 24 of these Articles of Association shall be cancelled within 10 days from the date of repurchase; shares repurchased under items (2) and (4) shall be transferred or cancelled within 6 months thereafter; and all of the shares repurchased in accordance with items (3), (5) and (6) shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within 3 years.

After the Company has repurchased its own shares, it shall perform the obligations of information disclosure pursuant to the requirements of the Securities Law of the People's Republic of China.

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

**Article 27** The shares of the Company shall be transferred according to law.

The transfer of all H Shares shall be effected by a written instrument of transfer (including the standard transfer form or instrument of transfer prescribed by the Hong Kong Stock Exchange from time to time) in the common or usual form or any other form satisfactory to the board of directors. If the transferor or transferee of the Company's shares is a recognized clearing house (hereinafter the "Recognized Clearing House") or its nominee as defined in the relevant ordinances of Hong Kong law in force from time to time, the written instrument of transfer may be signed by hand or by mechanical means. All instruments of transfer must be deposited at the registered office of the Company or such other place as the board of directors may from time to time determine.

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

**Article 29** Shares issued prior to the Company's public offering of A Shares shall not be transferable within 1 year from the date on which the A Shares of the Company are listed for trading on a stock exchange.

The directors and senior management members of the Company shall report to the Company their shareholdings in the Company and changes therein and shall not transfer more than 25% of the total number of the same class of shares of the Company held by them each year during their terms of office. The shares of the Company held by them shall not be transferred within one year from the date when the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six months from the date when they leave office.

**Article 30** For shareholders holding more than 5% of the shares of the Company, directors and senior management members who sell the shares held by them or other securities in the nature of equity within six months after buying the same or buy such shares or securities within six months after selling the same, the earnings arising therefrom shall belong to the Company and the board of directors of the Company shall recover such earnings. However, the restriction shall not apply to a securities company which holds over 5% of the Company's shares as a result of its purchasing and underwriting of the untaken shares in an offer and other circumstances stipulated by the securities regulatory authority under the State Council.

The shares or other securities with an equity nature held by any director, senior management member or natural person shareholder referred to in the preceding paragraph include the stocks or other securities with an equity nature held by their spouses, parents and children, and held in any other person's account.

If the board of directors of the Company fails to comply with the first paragraph of this Article, the shareholders are entitled to request the board of directors to do so within 30 days. If the board of directors of the Company fails to do so within the aforesaid period, the shareholders are entitled to initiate litigation directly before the People's Court in their own names for the interests of the Company.

If the board of directors of the Company fails to comply with the first paragraph of this Article, the responsible directors shall be jointly and severally liable in accordance with the law.

## **Chapter 4 Shareholders and Shareholders' General Meetings**

### **Section 1 General Provisions of Shareholders**

**Article 31** The Company establishes a register of shareholders based on the certificates provided by the securities registration and clearing institution, and the register of shareholders is sufficient evidence proving shareholders' holding of the Company's shares. A shareholder shall enjoy the rights and assume the obligations attached to the class of shares he/she holds. Shareholders holding the same class of shares shall be entitled to the same rights and assume equal obligations. The register of members for H Shares kept in Hong Kong shall be available for inspection by shareholders. However, the Company may suspend the registration of shareholders on terms equivalent to those set out in section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

**Article 32** When the Company convenes a general meeting, distributes dividends, goes into liquidation or conducts other acts that need to confirm the identity of the shareholders, the board of directors or the convener of the general meeting shall determine the shareholding registration date. The shareholders recorded in the register of members at the close of business on the shareholding registration date shall be the shareholders who are entitled to the relevant rights and interests.

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

- (1) to receive dividends and other forms of benefit distribution in proportion to the number of shares they hold;
- (2) to lawfully require, convene, preside over, attend or appoint a proxy to attend the general meeting and exercise corresponding voting rights;
- (3) to supervise the operation of the Company and make suggestions and inquiries;
- (4) to transfer, donate or pledge their shares in accordance with laws, administrative regulations, and these Articles of Association;
- (5) to inspect and copy the Articles of Association, the register of shareholders, minutes of general meetings, resolutions of board of directors meetings, financial and accounting reports; and (for shareholders who meet the relevant requirements) to inspect the Company's accounting books and vouchers;

(6) upon termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company in proportion to the number of shares they hold;

(7) to require the Company to repurchase their shares by shareholders who disagree with the resolutions for the merger and division of the Company made at the general meeting;

(8) other rights provided by laws, administrative regulations, departmental rules or these Articles of Association.

**Article 34** Shareholders who request to inspect or copy materials related to the Company shall comply with the Company Law, the Securities Law and other laws and administrative regulations.

Shareholders who request to inspect or copy the above materials shall submit a written application to the Company in advance, explaining the content and purpose of such access, provide valid identification documents and shareholding proofs, and sign a confidentiality agreement. The Company will provide such information in accordance with laws during business hours upon verification of the identity of the shareholder.

**Article 35** If any resolution of the general meeting or the board of directors meeting violates laws and administrative regulations, the shareholders shall have the right to submit to the People's Court to declare the resolution invalid.

If the convening procedures and voting ways of the general meeting or the board of directors meeting violate laws, administrative regulations or these Articles of Association, or the resolutions violate these Articles of Association, the shareholders have the right to submit to the People's Court to cancel the resolutions within 60 days after the adoption of the resolutions, except for the circumstances where the convening procedures and voting ways have only minor flaws and there's no substantial impact on resolutions.

If relevant parties such as the board of directors and shareholders dispute the validity of a resolution of a general meeting, they shall promptly file a lawsuit with the People's Court. Before the People's Court makes a judgement or ruling to revoke a resolution, the relevant parties shall execute the resolution of the general meeting. The Company, its directors and senior management shall perform their duties diligently to ensure the normal operation of the Company.

If the People's Court makes a judgement or ruling on the relevant matter, the Company shall fulfil its obligations to disclose the information in accordance with laws, administrative regulations, and the requirements of the CSRC and the Shanghai Stock Exchange, fully explain the impact of the judgement or ruling, and actively cooperate with the authorities in the enforcement of the judgement or ruling after it has come into effect. Where previous matters need to be corrected, the Company shall handle the same in a timely manner and fulfil its obligations to disclose the information accordingly.

**Article 36** A resolution of the general meeting or the board of directors meeting of the Company shall not be valid under any of the following circumstances:

- (1) no general meeting or the board of directors meeting has been convened to pass the resolution;
- (2) the resolution is not voted on at the general meeting or the board of directors meeting;
- (3) the number of persons attending the meeting or the number of voting rights held by them has not reached the number of persons or the number of voting rights held as stipulated in the Company Law or these Articles of Association;
- (4) the number of persons or the number of voting rights held by them voting in favour of the resolution does not reach the number of persons or the number of voting rights held as stipulated in the Company Law or these Articles of Association.

**Article 37** Any shareholder(s) individually or jointly holding more than 1% of the Company's shares for more than 180 consecutive days shall have the right to request the audit committee in writing to bring a legal action before the People's Court against any director or senior management member (other than members of the audit committee) for loss suffered by the Company resulting from their violation of any laws, administrative regulations or these Articles of Association in the course of performing their duties; and such shareholders may request the board of directors in writing to bring a legal action before the People's Court against any member of the audit committee for loss suffered by the Company resulting from his/her violation of any laws, administrative regulations or these Articles of Association in the course of performing the duties.

The shareholders described in the preceding paragraph may bring a legal action before the People's Court directly in their own names in the interest of the Company in the event that the audit committee or the board of directors refuses to initiate legal proceedings after receiving the aforesaid written request of shareholders, or fails to initiate such legal proceedings within 30 days on which such request is received, or in case of emergency where failure to initiate such legal proceedings immediately will result in irreparable damage to the Company's interest.

In the event that some other persons infringe the legitimate rights and interests of the Company, thus causing losses to the Company, the shareholders prescribed in the first paragraph of this Article may lodge a legal action with the People's Court in accordance with the provisions of the preceding two paragraphs.

If the directors, supervisors (if any) or members of the senior management of a wholly-owned subsidiary of the Company violates the laws and administrative regulations or these Articles of Association in fulfilling their duties, thus causing losses to the Company, or if others have infringed the legitimate rights and interests of a wholly-owned subsidiary of the Company and caused losses, shareholders who individually or jointly hold more than 1% of the Company's shares for more than 180 consecutive days may, in accordance with the first three provisions of Section 189 of the Company Law, submit a written request to the board of supervisors (if any) or the board of directors of the wholly-owned subsidiary to lodge a legal action with the People's Court, or lodge a legal action directly with the People's Court in their own names.

**Article 38** If any director or senior management member is in violation of laws, administrative regulations or these Articles of Association, thus causing any losses to the shareholders, the shareholders may initiate legal proceedings before the People's Court against such director or senior management member.

**Article 39** The shareholders of the Company shall assume the following obligations:

- (1) to comply with laws, administrative regulations and these Articles of Association;
- (2) to pay subscription monies according to the shares subscribed and the method of subscription;
- (3) not to withdraw their share capital unless required by laws and regulations;
- (4) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders; and not to abuse the status of the Company as an independent legal person and the limited liability of shareholders to jeopardize the interests of any creditors of the Company;
- (5) other obligations imposed by laws, administrative regulations and these Articles of Association.

**Article 40** Where any shareholder of the Company abuses the shareholders' rights, causing losses to the Company or other shareholders, such shareholder shall be liable for compensation according to law.

Where any shareholder of the Company abuses the Company's status as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholder shall be jointly and severally liable for the debts owed by the Company.

**Article 41** Where a shareholder holding more than 5% of the Company's shares has pledged any of the shares he/she holds, such shareholder shall submit a written report to the Company within 2 trading days.

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

**Article 42** The controlling shareholders and the actual controllers of the Company shall exercise their rights and fulfil their obligations in accordance with laws, administrative regulations, and the requirements of the CSRC and the Shanghai Stock Exchange, and safeguard the interests of the Company.

If the Company does not have any controlling shareholder or actual controller, the provisions set forth in this section shall apply to the first majority shareholder, except for Hong Kong Securities Clearing Company Limited holding SSE Securities and shareholders holding less than 5% of the Company's shares.

**Article 43** The controlling shareholders and the actual controllers of the Company shall comply with the following provisions:

- (1) to exercise their rights as shareholders in accordance with the law and not abuse their control or use their related relationship to prejudice the legitimate interests of the Company or other shareholders;
- (2) to strictly implement the public statements and undertakings made and shall not change or waive them in a unilateral manner;
- (3) to fulfil information disclosure obligations in strict accordance with the relevant regulations, to proactively cooperate with the Company in information disclosure and to inform the Company in a timely manner of material events that have occurred or are proposed to occur;

(4) not to appropriate the Company's funds in any way;

(5) not to order, instruct or request the Company and relevant personnel to provide guarantees in violation of laws and regulations;

(6) not to make use of the Company's undisclosed material information to gain benefits, not to divulge in any way undisclosed material information relating to the Company, and not to engage in insider trading, short-swing trading, market manipulation and other illegal and unlawful acts;

(7) not to prejudice the legitimate rights and interests of the Company and other shareholders through unfair related transactions, profit distribution, asset restructuring, external investment or any other means;

(8) to ensure the integrity of the Company's assets, and the independence of personnel, finance, organization and business, and not to affect the independence of the Company in any way;

(9) other provisions prescribed by laws, administrative regulations, the CSRC, the business rules of the Shanghai Stock Exchange and these Articles of Association.

If the controlling shareholders or actual controllers of the Company do not serve as directors of the Company but actually execute the affairs of the Company, the provisions of these Articles of Association regarding the obligations of loyalty and diligence of directors shall apply.

Where the controlling shareholders and the actual controllers of the Company instruct a director or a senior management member to engage in an act that is detrimental to the interests of the Company or the shareholders, they shall be jointly and severally liable with such director or senior management member.

**Article 44** When the controlling shareholders or actual controllers pledge the shares of the Company held or actually controlled by them, they shall maintain the controlling right in the Company and the stability of production and operation.

**Article 45** When controlling shareholders and actual controllers transfer their shares in the Company, they shall comply with the laws, administrative regulations, the requirements of the CSRC and the Shanghai Stock Exchange on share transfer restrictions and the undertakings made by them on share transfer restrictions.



### **Section 3 General Provisions of the General Meeting**

**Article 46** The general meeting shall comprise all shareholders. The general meeting is the organ of authority of the Company, and shall exercise the following functions and powers according to law:

- (1) to elect and replace directors who are not representatives of the employees and to determine matters relating to the remuneration of the directors;
- (2) to consider and approve reports of the board of directors;
- (3) to consider and approve the Company's profit distribution plans and plans for making up losses;
- (4) to resolve on increases or reductions in the Company's registered capital;
- (5) to resolve on issuance of corporate bonds of the Company;
- (6) to resolve on the Company's merger, division, dissolution, liquidation or change of its corporate form;
- (7) to amend these Articles of Association;
- (8) to resolve on the engagement or dismissal of the accounting firm that undertakes the Company's audit, and the determination of its remuneration;
- (9) to consider and approve the guarantees as stipulated in Article 47 of these Articles of Association;
- (10) to consider matters relating to the acquisition or disposal of material assets by the Company within one year in an amount exceeding 30% of the latest audited total assets of the Company;
- (11) to consider and approve the transactions as stipulated in Article 48 of these Articles of Association;
- (12) to consider any connected transaction (excluding the provision of guarantees, receiving cash assets as gifts, obtaining debt relief, accepting guarantees and financial assistance by the Company, or otherwise as stipulated by the Shanghai Stock Exchange) between the Company and related persons with an amount exceeding RMB30 million and accounting for more than 1% of the latest audited total assets or market capitalization of the Company;
- (13) to consider and approve matters relating to the changes in the use of proceeds;
- (14) to consider share incentive plans and employee stock ownership plans;
- (15) to consider other matters to be resolved by the general meeting as required by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or these Articles of Association.



The general meeting may authorize the board of directors to make resolutions on the issuance of corporate bonds.

The “transaction(s)” as mentioned in these Articles of Association includes the acquisition or disposal of assets, external investment (except for the purchase of low-risk bank wealth management products), transferring or acceptance of transfer of research and development projects, signing of licensing agreements, provision of guarantees (including guarantees for controlled subsidiaries, etc.), leasing in or out of assets, entrusting or fiduciary management of assets and businesses, donation or acceptance of donation of assets, debts and liabilities restructuring, provision of financial assistance (including interest-bearing or interest-free loans, entrusted loans, etc.), waiving of rights (including waiving of pre-emption or pre-emptive rights, etc.) and other transactions recognized by the Shanghai Stock Exchange.

The above acquisition or disposal of assets do not include transactions related to daily operations such as purchases of raw materials, fuels and power, and sales of products and commodities.

**Article 47** The following external guarantees made by the Company are required to be considered and approved by the board of directors, and shall be submitted to the general meeting for consideration:

- (1) any guarantee to be provided after the total amount of external guarantees of the Company and its controlled subsidiaries exceeds 50% of the latest audited net assets;
- (2) any guarantee provided after the total amount of external guarantees of the Company exceeds 30% of the latest audited total assets;
- (3) the amount of guarantee provided by the Company to others within one year exceeding 30% of the latest audited total assets of the Company;
- (4) any guarantee provided for a target party whose asset-liability ratio is over 70%;
- (5) any guarantee with a single guaranteed amount that exceeds 10% of the latest audited net assets;
- (6) any guarantee provided to shareholders, actual controllers and their related parties.

In addition to approval obtained from more than half of all the directors, any of the Company’s transactions involving the “provision of guarantee” shall be approved by more than two-thirds of the directors present at the board of directors meeting; any guarantee provided under item (3) of the preceding paragraph shall be approved by more than two-thirds of the voting rights held by the shareholders present at the general meeting.

The provision of guarantees for wholly-owned subsidiaries by the Company, or the provision of guarantees for controlled subsidiaries for which other shareholders of the said controlled subsidiaries provide guarantees in equal proportion to their rights and interests, which does not harm the interests of the Company, may be exempted from the requirements applicable to items (1), (4) and (5) above and is not required to be submitted to the general meeting for consideration.

Where any director, senior management member or other relevant personnel of the Company is not in compliance with the approval authority and review procedures for external guarantees as stipulated in these Articles of Association, or enters into an external guarantee contract without authorization, or neglects to perform their duties and responsibilities, the Company shall hold relevant responsible personnel liable for any resulting losses caused to the Company.

**Article 48** The following transactions of the Company (except for the provision of guarantees, provision of financial assistance, acceptance of donations of cash assets, obtaining debt relief, acceptance of guarantees and financial assistance) shall be considered and approved by the general meeting:

(1) the amount of total assets involved in the transaction (if both book value and appraised value exist, whichever the higher) accounts for more than 50% of the latest audited total assets of the Company;

(2) the transaction amount accounts for more than 50% of the market capitalization of the Company;

(3) the net assets of the target of transaction (such as equity interest) in the latest accounting year accounts for more than 50% of the market capitalization of the Company;

(4) the profit generated by the transaction accounts for more than 50% of the audited net profit of the Company in the latest accounting year and exceeds RMB5 million;

(5) the operating revenue of the target of transaction (such as equity interest) in the latest accounting year accounts for more than 50% of the audited operating revenue of the Company in the latest accounting year and exceeds RMB50 million;

(6) the net profit of the target of transaction (such as equity interest) in the latest accounting year accounts for more than 50% of the audited net profit of the Company in the latest accounting year and exceeds RMB5 million.

**Article 49** The general meetings are divided into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year and be held within six months from the end of the previous accounting year.

**Article 50** The Company shall convene an extraordinary general meeting within two months upon the actual occurrence of any of the following circumstances:

(1) the number of directors is less than the number specified in the Company Law or two-thirds of the number specified in these Articles of Association (i.e. 6 directors);

(2) when the unrecovered losses of the Company amount to one-third of the total share capital;

(3) when any shareholder(s) individually or collectively holding over 10% of the Company's shares so request;

- (4) whenever the board of directors considers necessary;
- (5) whenever the audit committee proposes to convene;
- (6) any other circumstances as provided by laws, administrative regulations, departmental rules or these Articles of Association.

**Article 51** The place for the Company to hold the general meeting is the domicile address of the Company or the place specified in the notice of meeting.

The general meeting shall have a venue and be held on-site.

The Company will also provide online electronic voting to provide convenience to shareholders (including allowing shareholders to attend virtually using technology). Shareholders who participate in the general meeting in the aforesaid manners shall be deemed to be present, and each of them shall have rights to speak and vote.

**Article 52** The Company will engage lawyers to provide legal opinions on the following issues and make announcements when convening the general meeting:

- (1) whether the procedures of convening and holding the meeting have complied with laws, administrative regulations and the provisions of these Articles of Association;
- (2) whether the qualifications of the persons attending the meeting and the qualifications of the convener are legal and valid;
- (3) whether the voting procedures and voting results of the meeting are legal and valid;
- (4) legal opinions on other relevant issues as required by the Company.

#### **Section 4 Convening of the General Meeting**

**Article 53** The board of directors shall convene the general meeting on time within the specified period.

Independent directors shall have the right to propose to the board of directors to convene an extraordinary general meeting. Where an independent director exercises the above-mentioned functions and powers, he/she shall obtain the approval of a majority of all independent directors. Where an independent director proposes that an extraordinary general meeting be held, the board of directors shall, in accordance with laws, administrative regulations and these Articles of Association, furnish a written reply on whether to convene the extraordinary general meeting within 10 days upon receipt of the proposal.

If the board of directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be given within five days upon the passing of the board of directors' resolution. If the board of directors does not agree to convene the extraordinary general meeting, it shall explain the reasons and make an announcement.

**Article 54** The audit committee shall have the right to propose to the board of directors to convene an extraordinary general meeting, and such proposal shall be made to the board of directors in writing. The board of directors shall, in accordance with laws, administrative regulations and these Articles of Association, furnish a written reply on whether to convene the extraordinary general meeting within 10 days upon receipt of the proposal.

If the board of directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days upon the passing of the board of directors' resolution. Any changes to the original proposal made in the notice shall be approved by the audit committee.

If the board of directors does not agree to convene the extraordinary general meeting or fails to furnish a reply within 10 days upon receipt of such proposal, the board of directors shall be deemed to be unable or fail to perform the duty of convening the general meeting, and the audit committee may convene and preside over the meeting on its own.

**Article 55** Any shareholder(s) individually or jointly holding over 10% of the Company's shares shall have the right to request the board of directors to convene an extraordinary general meeting, and such request shall be made in writing to the board of directors. The board of directors shall, in accordance with laws, administrative regulations and these Articles of Association, furnish a written reply on whether to convene the extraordinary general meeting within 10 days upon receipt of the request.

If the board of directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days upon the passing of the board of directors' resolution. Any changes to the original request made in the notice shall be approved by the relevant shareholders.

If the board of directors does not agree to convene the extraordinary general meeting or fails to furnish a reply within 10 days upon receipt of such request, the shareholder(s) individually or jointly holding over 10% of the shares of the Company shall have the right to request the audit committee to convene an extraordinary general meeting, and such request shall be made in writing.

If the audit committee agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days upon receipt of the request. Any changes to the original request in the notice shall be approved by the relevant shareholders.

If the audit committee fails to issue the notice of the general meeting within the prescribed period, it shall be deemed that the audit committee does not convene and preside over the general meeting, and the shareholder(s) individually or jointly holding over 10% of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting on its/their own.

**Article 56** If the audit committee or shareholder(s) decide(s) to convene a general meeting on its/their own, it/they shall notify the board of directors in writing and, at the same time, make a filing with the Shanghai Stock Exchange.

Before announcing the resolutions of the general meeting, the convening shareholders shall not hold less than 10% of the shares of the Company.

The audit committee or the convening shareholders shall submit relevant supporting documents to the Shanghai Stock Exchange when issuing the notice of the general meeting and announcing the resolutions of such meeting.

**Article 57** For general meeting convened by the audit committee or by the shareholders on their own initiative, the board of directors and the secretary to the board of directors will cooperate and fulfill the obligation of information disclosure in a timely manner. The board of directors shall provide the register of members as at the shareholding registration date.

**Article 58** For general meeting convened by the audit committee or by the shareholders on their own initiative, all reasonable expenses incurred for such meeting shall be borne by the Company.

## **Section 5 Proposals and Notices of the General Meeting**

**Article 59** The content of proposals of the general meeting shall fall within the terms of reference of the general meeting, have clear topics and specific matters to be resolved, and comply with laws, administrative regulations and the provisions of these Articles of Association.

**Article 60** When the Company holds a general meeting, the board of directors, the audit committee and the shareholder(s) individually or jointly holding more than 1% of the Company's shares shall have the right to make proposals to the Company.

The shareholder(s) individually or jointly holding more than 1% of the Company's shares may put forward interim proposals and submit such proposals in writing to the convener ten days before the general meeting is held. The convener shall issue a supplemental notice of the general meeting within 2 days upon the receipt of such proposals, announce the contents of the interim proposals and submit the same to the general meeting for consideration, provided that such proposals shall not violate laws, administrative regulations or the Articles of Association, and shall fall within the scope of authority of the general meeting.

Except for the circumstances prescribed in the preceding paragraph, the convener shall not modify the proposals listed or add any new proposal in the notice of the general meeting after sending it out.

Proposals not set out in the notice of the general meeting or not in compliance with these Articles of Association shall not be voted on or resolved on at the general meeting.

**Article 61** The convener shall inform each shareholder of the annual general meeting in writing (including an announcement) 21 days before convening such meeting and shall inform each shareholder of the extraordinary general meeting in writing (including an announcement) 15 days before convening such meeting. When calculating the starting date, the convening date of the meeting shall be excluded.

**Article 62** The notice of a general meeting shall include the following:

- (1) the time, place and duration of the meeting;
- (2) matters and proposals to be considered at the meeting;
- (3) a prominent written statement that all shareholders have the right to attend the general meeting, and may appoint a proxy in writing, who need not be a shareholder, to attend and vote on his/her behalf;
- (4) the shareholding registration date for shareholders entitled to attend the general meeting;

- (5) the name and telephone number of permanent contact persons for the affairs of the meeting;
- (6) the voting time and procedure via the Internet or through other means.

The specific details of all proposals shall be adequately and fully disclosed in all notices and supplementary notices of the general meeting.

The interval between the shareholding registration date and the date of the general meeting shall not be more than 7 working days. Once confirmed, the shareholding registration date shall not be changed.

**Article 63** If the general meeting is to discuss the election of directors, the notice of the general meeting will fully disclose detailed information about each candidate, including at least the following:

- (1) personal information such as education background, work experience, part-time jobs;
- (2) whether there is any related relationship with the Company or the Company's controlling shareholders and actual controllers;
- (3) the number of shares held in the Company;
- (4) whether they have been subject to any penalties by the CSRC and other authorities and any punishments imposed by any stock exchange.

Except in the case of cumulative voting for directors, each candidate for a director shall be proposed as an individual resolution.

**Article 64** After issuance of the notice for the general meeting, the general meeting shall not be postponed or cancelled without proper reasons and the proposals specified in such notice shall not be withdrawn. In case of postponement or cancellation, the convener shall make an announcement and give reasons at least 2 working days prior to the date on which the meeting is originally scheduled. Where the securities regulatory rules of the place(s) where the shares of the Company are listed provide otherwise in respect of the procedures for postponement or cancellation of a general meeting, such provisions shall apply to the extent that they do not contravene the regulatory requirements of the place where the Company was incorporated.

## **Section 6 Holding of the General Meeting**

**Article 65** The Company's board of directors and other conveners will take necessary measures to ensure the orderly conduct of the general meeting. Any acts that disrupt the meeting, provoke disturbances, or infringe upon shareholders' lawful rights and interests shall be stopped by taking measures, and promptly reported to relevant authorities for investigation.

**Article 66** All shareholders registered on the shareholding registration date or their proxies are entitled to attend and speak at the general meeting, and exercise voting rights in accordance with the relevant laws, regulations and these Articles of Association.

Any shareholder may attend the general meeting in person or authorize a proxy to attend and vote at the general meeting on his/her/its behalf.



**Article 67** An individual shareholder who attends the general meeting in person shall produce his/her own identity card or other valid documents or proof evidencing his/her identity. Where a shareholder appoints a proxy to attend the general meeting on his/her behalf, the proxy shall produce his/her own valid identity documents and the power of attorney issued by the shareholder.

A corporate shareholder shall designate its legal representative or a proxy appointed by the legal representative to attend the meeting. If the legal representative attends the meeting, he or she shall produce his or her own identity card and valid proof of his or her legal representative status. If a proxy has been appointed to attend the meeting, such proxy shall produce his/her own identity card and the written power of attorney issued by the legal representative of the corporate shareholder according to law except where the shareholder is a Recognized Clearing House or its nominee.

An unincorporated organization shareholder shall attend the meeting by its responsible person or a proxy appointed by the responsible person. If the responsible person attends the meeting, he or she shall produce his or her own identity card and valid proof of his or her status of a responsible person. If a proxy has been appointed to attend the meeting, such proxy shall produce his/her own identity card and the written power of attorney issued by the responsible person of the organization according to law.

If the shareholder is a Recognized Clearing House or its nominee, such shareholder may authorize one or more persons it deems appropriate to act as its proxy or representative at any general meeting of shareholders or any class meeting of shareholders; provided, however, that if more than two persons are authorized, the power of attorney or instrument of authorization shall specify the number and class of shares to which each such person is authorized (share certificates need not be produced, and notarized authorization and/or further evidence of due authorization shall be required).

**Article 68** The power of attorney issued by a shareholder authorizing others to attend the general meeting shall state the following:

- (1) the name of the appointer and the number of the Company's shares held by him/her;
- (2) the name of the proxy;
- (3) the specific instructions of the shareholder, including instructions to vote for, against or abstain from voting on each matter to be deliberated on the agenda of the general meeting;
- (4) date of issuance and validity period of the power of attorney;
- (5) signature (or seal) of the appointer. If the appointer is a corporate shareholder, the seal of the legal entity shall be affixed. If the appointer is an unincorporated organization, the seal of the unincorporated organization shall be affixed.



**Article 69** Where the power of attorney for proxy of voting is signed by another person authorized by the appointer, the power of attorney or other authorizing document authorizing the signing shall be notarized. The notarized power of attorney or other authorizing document and the form of proxy for voting shall be kept at the domicile address of the Company or such other place as may be specified in the notice of convening the meeting.

Where the appointor is a corporate legal person, its legal representative or board of directors, or a person authorized by resolution of other decision-making body shall attend the general meeting of the Company as its representative. Where the appointor is an unincorporated organization, its responsible person or a person authorized by resolution of its decision-making body shall attend the general meeting of the Company as its representative.

**Article 70** The register of attendees of the meetings shall be compiled by the Company. The register of meetings shall record the names of the persons (or names of entities) attending the meetings, their identity card numbers (or passport numbers), the number of shares with voting rights held or represented, and the names of their principals (or the names of their entities), etc.

**Article 71** The convener and the lawyers appointed by the Company will jointly verify the legitimacy of the eligibility of shareholders according to the register of members provided by the securities depository and clearing institution, and register the names of shareholders and the number of voting shares held by them. Registration for the meeting shall be closed before the chairman of the meeting announces the number of shareholders and proxies present at the meeting and the total number of shares with voting rights held by them.

**Article 72** If the general meeting requires any director or member of the senior management to attend the meeting, such director or member of the senior management shall be present as non-voting attendees and accept questions from the shareholders.

**Article 73** General meetings are chaired by the chairman of the board of directors. When the chairman of the board of directors is unable or fails to perform his duties, the vice chairman of the board of directors (if any) shall preside over the meeting. In absence of a vice chairman or when the vice chairman is unable or fails to perform his duties, a director jointly elected by a majority of the directors shall preside over the meeting.

Where a general meeting is convened by the audit committee, it shall be presided over by the convener of the audit committee. If the convener of the audit committee is unable or fails to perform his duties, a member of the audit committee jointly elected by a majority of the members of the audit committee shall preside over the meeting.

Where a general meeting is convened by the shareholders on their own initiative shall be presided over by the convener or a representative recommended by the convener.

When holding a general meeting, if the chairman of the meeting violates the rules of procedure such that the general meeting is impossible to proceed, with the consent of a majority of the shareholders with voting rights present at the general meeting, the general meeting may elect a person to act as the chairman of the meeting and continue the meeting.

**Article 74** The Company shall formulate the rules of procedure for shareholders' general meetings, which stipulate in detail the procedures for convening, holding and voting of the general meetings, including notification, registration, consideration of proposals, voting, vote counting, announcement of voting results, formation of resolutions, minutes of meetings and the signing thereof, and announcements, as well as the principles of authorizing the board of directors by the general meeting, the authorization content shall be clear and specific. The rules of procedure for shareholders' general meetings shall be attached to the Articles of Association in the form of an appendix, which shall be formulated by the board of directors and approved by the general meeting.

**Article 75** At the annual general meeting, the board of directors shall report its work for the past year to the general meeting. Each of the independent directors shall also present a work report.

**Article 76** The directors and senior management shall provide explanations and clarifications to the questions and suggestions raised by the shareholders at the general meetings. The explanations and clarifications shall be centered on the resolutions under consideration, and shall not divulge the commercial secrets of the Company or harm the interests of the Company or its shareholders.

**Article 77** The chairman of the meeting shall announce the number of shareholders and proxies present at the meeting and the total number of voting shares held by them before voting takes place. The number of shareholders and proxies present at the meeting and the total number of voting shares held by them are subject to the record of registration at the meeting.

**Article 78** The general meetings shall have minutes of meetings which shall be kept by the secretary to the board of directors. The minutes of meetings record the following details:

- (1) the time, place, agenda and name of the convener of the meeting;
- (2) the chairman of the meeting and the names of the directors and members of the senior management present at the meeting;
- (3) the number of shareholders and their proxies attending the meeting, the total number of shares with voting rights held by them and their proportion to the total number of shares of the Company;
- (4) the deliberation process, key points of speech and voting results of each proposal;
- (5) the queries, opinions or suggestions from shareholders and the corresponding replies or explanations;
- (6) the names of lawyers, vote counters and scrutineers;
- (7) other matters which should be recorded in the minutes of meeting as required by the Articles of Association.

**Article 79** The convener shall ensure the truthfulness, accuracy and completeness of the minutes of meetings. The directors, the secretary to the board of directors, the convener or his representative, and the chairman of the meeting who attend or present at the meeting shall sign on the minutes of the meeting. The minutes of the meeting shall be kept together with the signature register of the shareholders present in person, the proxy forms of the proxies attending the meeting, and the valid materials of online and other voting methods, for a period of not less than 10 years.

**Article 80** The convener shall ensure that the general meeting shall be held continuously until a final resolution is reached. If the general meeting is suspended or unable to pass a resolution due to special reasons such as force majeure, necessary measures shall be taken to resume convening the general meeting as soon as possible or terminate the current general meeting directly, and an announcement shall be made in a timely manner. At the same time, the convener shall report to the branch office of the CSRC at the place where the Company is located and the Shanghai Stock Exchange.

## **Section 7 Voting and Resolutions of the General Meeting**

**Article 81** The resolutions of the general meeting shall be classified as ordinary resolutions and special resolutions.

Ordinary resolutions at a general meeting shall be passed by more than half of the voting shares held by shareholders (including their proxies) attending the meeting.

Special resolutions at a general meeting shall be passed by more than two-thirds of the voting rights held by shareholders (including their proxies) attending the general meeting.

**Article 82** The following matters shall be resolved by an ordinary resolution at a general meeting:

- (1) work reports of the board of directors;
- (2) profit distribution plans and loss recovery plans formulated by the board of directors;
- (3) dismissal and appointment of members of the board of directors, and their remuneration and method of payment of their remuneration;
- (4) matters other than those stipulated by laws, administrative regulations or these Articles of Association to be approved by special resolutions.

**Article 83** The following matters shall be resolved by a special resolution at a general meeting:

- (1) any increase or reduction in the Company's registered capital;
- (2) division, spin-off, merger, dissolution or liquidation of the Company;
- (3) any amendment to these Articles of Association;
- (4) the acquisition or disposal of material assets or provision of guarantee for others by the Company within one year with an amount exceeding 30% of the latest audited total assets of the Company;
- (5) share incentive plan;
- (6) other matters stipulated by laws, administrative regulations and these Articles of Association, as well as other matters that the general meeting determines by ordinary resolutions will have a material impact on the Company and need to be passed by special resolution.

**Article 84** Shareholders (including their proxies) shall exercise their voting rights according to the number of voting shares they represent, and each share shall have one vote. To the extent permitted by the applicable securities regulatory rules of the place(s) where the shares are listed, a shareholder (including a shareholder's proxy) with two or more voting rights is not required to cast all of its votes entirely in favor of, against, or as abstentions on a resolution.

Where any material matter that has an impact on the interests of minority investors is considered at a general meeting, the votes cast by minority investors shall be counted separately. The results of the separate counting shall be disclosed to the public in a timely manner.

Shares of the Company held by the Company shall carry no voting rights, and be excluded from the total voting shares held by shareholders present at a general meeting.

Where any shareholder is, under the applicable laws and regulations and the Hong Kong Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted towards the total number of shares carrying voting rights.

If a shareholder's purchase of the Company's voting shares violates the provisions of (1) and (2) of Article 63 of the Securities Law, the portion of the shares over the prescribed ratio shall not be allowed to exercise voting rights for a period of thirty-six months after the purchase and shall not be counted towards the total number of voting shares held by shareholders present at the general meeting.

The board of directors, independent directors and shareholders holding more than 1% of the voting shares or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may solicit voting rights from shareholders. When soliciting voting rights from shareholders, specific voting intentions and other information must be fully disclosed to the persons being solicited. It is prohibited to solicit voting rights from shareholders in a paid or disguised pay way. Except for statutory conditions, the Company may not impose any minimum shareholding ratio restrictions on the solicitation of voting rights.

**Article 85** When matters relating to related transactions are considered at a general meeting, the related shareholders shall abstain from voting, and the number of voting shares represented by them shall not be counted into the total number of valid votes; the announcement of any resolution made at the general meeting should fully disclose the voting information of the non-related shareholders.

The Company shall make a detailed explanation on this matter in the resolutions of the general meeting, specifically collect statistics on the votes of non-related shareholders and disclose the results in the resolutions.

When considering related transactions, the abstention and voting procedures of the related shareholders are as follows:

(1) if the matter considered by the general meeting is related to a shareholder, the shareholder shall disclose his related relationship to the Company's board of directors before the date on which the general meeting is held;

(2) when the general meeting is considering the relevant related transaction, the chairman of the meeting shall announce the list of shareholders with related relationship, explain and clarify the related relationship between the related shareholders and the related transaction;

(3) the chairman shall announce the abstention of voting by the related shareholders, and the non-related shareholders shall consider and vote on the related transactions;

(4) resolution made by the general meeting on a related transaction shall only be valid if it is approved by a majority of voting rights held by shareholders (other than the related shareholders) present at the general meeting in the case of ordinary resolution, and approved by more than two-thirds of the voting rights held by shareholders present at the meeting (other than the related shareholders) in the case of special resolution;

(5) if the related shareholders fail to disclose the related relationship or do not abstain from voting on a related matter in accordance with the above procedures, the resolution on the related matter shall be invalid;

(6) when matters relating to related transactions are considered at a general meeting, shareholders with related relationships shall abstain from the consideration thereof; if a related shareholder is required to attend the meeting to give an explanation, the related shareholder has the responsibility and obligation to attend the meeting and give a truthful explanation.

In these Articles of Association, the term “related transaction” includes the meaning of the term “connected transaction” as defined in the Hong Kong Listing Rules; the term “related persons” includes the meaning of the term “connected persons” as defined in the Hong Kong Listing Rules; and the term “related relationship” includes the meaning of the term “connected relationship” as defined in the Hong Kong Listing Rules.

**Article 86** Except in special circumstances such as in a crisis of the Company, the Company will not, without a special resolution of the general meeting, enter into any contract with persons other than directors and members of the senior management that entrusts the management of all or significant parts of the Company’s business.

**Article 87** The list of candidates for non-employee directors shall be submitted in a form of a proposal to the general meeting for voting.

When voting at a general meeting on the election of non-employee directors (other than independent directors), if any single shareholder of the Company together with its parties acting in concert holds shares representing 30% interests of the Company or more, the general meeting shall adopt the cumulative voting system; if any single shareholder of the Company together with its parties acting in concert holds shares representing less than 30% interests of the Company, the cumulative voting system shall not be adopted. When the Company is electing more than two independent directors, the cumulative voting system shall be adopted.

The cumulative voting system means that when non-employee directors are elected at the general meeting, each share has the same voting rights as the number of non-employee directors to be elected, and the voting rights held by shareholders can be used in a centralized manner. The board of directors shall announce the background and basic information of the non-employee directors to the shareholders.

**Article 88** Except for those resolutions subject to the cumulative voting system, all resolutions shall be voted on one by one at the general meetings. If there are different resolutions on the same matter, such resolutions shall be voted on in the chronological order in which they were proposed. Unless a general meeting is suspended or no resolution can be passed at the meeting due to special reasons such as force majeure, the voting on resolutions shall not be postponed or cancelled at the general meeting.

**Article 89** A resolution shall not be revised when it is considered at a general meeting. Any amendment shall be regarded as a new resolution and shall not be voted on at the current general meeting.

**Article 90** Each voting right may only be exercised by either on-site or online or by any one other voting method. In the event of repeated exercise of the same voting right, the first vote cast shall prevail.

**Article 91** Voting at a general meeting shall be conducted by way of registered poll.

**Article 92** Before voting on a resolution at a general meeting, two shareholders' representatives shall be elected to participate in vote-taking and scrutinizing. If the matters being considered is related to a shareholder, the relevant shareholder and its proxy shall not participate in vote-taking and scrutinizing.

When voting on a resolution at the general meeting, vote-taking and scrutinizing shall be jointly responsible by lawyers and shareholders' representatives, the poll result shall be announced immediately on-site, and the poll result of the resolution shall be recorded in the minutes of meeting.

The shareholders of the Company or their proxies who vote online or by other means shall have the right to inspect their own voting results through the relevant voting system.

**Article 93** The conclusion of the on-site general meeting shall not be earlier than the meeting held online or by other means, and the chairman of the meeting shall announce the voting status and poll result of each resolution and declare whether the resolution has been passed according to the poll result.

Prior to the formal announcement of the poll result, all relevant parties at the general meeting, whether voting on-site, online and by other means, including the Company, the vote-taking persons, scrutineers, shareholders, and internet service providers shall comply with the obligation of confidentiality.

**Article 94** Shareholders attending the general meeting shall vote either "For", "Against" or "Abstain" on each proposal submitted for voting, except for the securities registry and clearing institution which acts as the nominal holder of stocks under the Inter-connected Mechanism for Trading on Stock Markets in the Mainland and Hong Kong, or a Recognized Clearing House or its agent acting as the nominal holder within the meaning of the relevant provisions of the Laws of Hong Kong in force from time to time, shall report on the voting intentions of the de facto holders.

Ballots that are blank, incorrectly filled, illegible, or not submitted shall be deemed as an abstention, and the shares represented shall be counted as "Abstain."

**Article 95** If the chairman of the meeting has any doubt about the result of a resolution submitted for voting, he may organize a recount of the votes cast. If the chairman of the meeting does not conduct a recount, and a shareholder or proxy attending the meeting objects to the result announced by the chairman, he shall have the right to demand a recount immediately after the announcement of the voting result, and the chairman shall immediately organize a recount.

**Article 96** The resolutions of a general meeting shall be announced in a timely manner, and the announcement shall set out the shareholders present at the meeting and the number of proxies, the total number of shares with voting rights held by them and their proportion to the Company's total number of shares with voting rights, the voting methods, the poll result of each resolution and details of each of the resolutions passed.



**Article 97** If a resolution is not passed, or if a resolution of the previous general meeting is revised at the current general meeting, a special reminder shall be given in the announcement of the resolutions of the general meeting.

**Article 98** If resolutions on the election of directors are passed at the general meetings, the new directors shall take office on the date of passing the resolutions at the general meetings, up to the expiration of the term of office of the current board of directors.

**Article 99** If resolutions on the distribution of cash dividends, bonus issue, or capitalization of capital reserves are passed at a general meeting, the Company shall implement the specific plans within 2 months after the conclusion of the general meeting.

## **Chapter 5 Directors and Board of Directors**

### **Section 1 General Provisions of Directors**

**Article 100** Directors include executive directors, non-executive directors and independent directors (“independent directors” has the same meaning as “independent non-executive directors” in the Hong Kong Listing Rules). Non-executive directors refer to directors who do not carry out operation and management duties in the Company. Independent directors refer to persons who meet the regulatory rules of the stock exchange(s) at the place(s) where the Company’s shares are listed. Directors of the Company are natural persons. Directors shall possess the qualifications required by laws, administrative regulations and rules for their positions. A person shall not serve as a director of the Company if any of the following circumstances applies:

- (1) a person who has no capacity or has restricted capacity for civil conduct;
- (2) a person who has been sentenced to criminal punishment for corruption, bribery, embezzlement of property, misappropriation of property or disruption of the socialist market economic order; or has been deprived of political rights because of committing an offence, in each case where less than 5 years have elapsed since the expiration of the execution period, and in the case of a suspended sentence, less than 2 years have elapsed since the expiration of the probation period;
- (3) a person who is a former director, factory director or manager of a company or an enterprise which was insolvent and liquidated and who was personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;
- (4) a person who was the legal representative of a company or an enterprise whose business license has been revoked and was ordered to close up due to the violation of laws and who is personally liable for the revocation or the closure, where less than 3 years have elapsed since the date of the revocation of the business license or order of closure of such company or enterprise;
- (5) a person who has a relatively large amount of personal indebtedness which is overdue and outstanding and has been listed as a discredited subject to enforcement by a People’s Court;
- (6) a person who has been banned from entering the securities market by the CSRC and whose term has not yet expired;



- (7) a person who is deemed to be disqualified to act as a director or senior management of listed companies by the stock exchange, where the disqualification period remains effective;
- (8) Other contents stipulated by laws, administrative regulations or departmental rules.

Any election, appointment or engagement of a director in violation of this Article shall be invalid. If a director falls under the circumstances stipulated in this Article during his/her term of office, the Company will remove him/her from his/her position and suspend his/her duties.

Where a director candidate falls into any of the following circumstances, the Company shall disclose the specific circumstances and the reason to appoint such candidate and whether it will have any effect on the standardized operation of the Company:

- (1) he/she was subject to administrative punishment by the CSRC within the most recent 36 months;
- (2) he/she received public condemnation or three or more informed criticisms from a stock exchange within the most recent 36 months;
- (3) he/she is under investigation by judicial authorities on suspicion of committing a crime or he/she is under investigation by the CSRC on suspicion of breaching laws or regulations where no definitive conclusion has been reached;
- (4) he/she has a record of material dishonesty or other misconduct.

The last day of the above period shall be the date on which the general meeting of the Company considered the resolution for the appointment of candidates for directors.

**Article 101** Non-employee directors are elected or replaced by the general meeting and may be removed from office by the general meeting 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, through an ordinary resolution (including removal of directors before the expiration of their term, provided that any claims for compensation that the removed director may have under any contract are not affected thereby). The term of office for a director is three years, and they may be re-elected upon expiration of their term. Independent directors shall not hold office for more than six consecutive years.

The board of directors, and shareholders who individually or collectively hold more than one percent of the Company's issued shares may propose candidates for independent directors to be elected and decided upon at a general meeting. An investor protection agency established according to the law may publicly request shareholders to entrust it with the exercise of the right to nominate independent directors on their behalf.

The term of office of a director shall commence on the date of appointment and shall continue until the expiry of the current term of the board of directors. Should a director's term expire without timely re-election, the incumbent director shall continue to perform their duties in accordance with the provisions of laws, administrative regulations, departmental rules, and these Articles of Association, until the newly elected director assumes office.

A director may concurrently hold the position of senior management personnel; however, the aggregate number of directors concurrently holding such senior management positions, together with directors serving as employee representatives, shall not exceed one-half of the total number of directors of the Company.

The employee representatives on the board of directors shall be elected by the Company's employees through employee representatives meeting, employees meeting or otherwise by democratic election and shall assume office directly.

**Article 102** Directors shall, in accordance with laws, administrative regulations and these Articles of Association, owe loyalty duties to the Company. They should take measures to avoid conflicts between their own interests and those of the Company, and should not use their authority of office to obtain improper benefits.

Directors shall undertake the following loyalty duties to the Company:

(1) shall not abuse his/her authority of office to accept bribes or other illegal income or misappropriate the properties of the Company;

(2) shall not misappropriate the funds of the Company;

(3) shall not set up accounts in his/her own name or in the name of any other person for the purpose of depositing any of the funds of the Company;

(4) shall not violate the provisions of these Articles of Association by lending the Company's funds to others or using the Company's properties to provide guarantees for others without the consent of the general meeting or the consent of the board of directors;

(5) shall not directly or indirectly enter into contracts or carry out transactions with the Company, without reporting to the board of directors or at the general meeting and without obtaining approval by a resolution of the board of directors or at the general meeting in accordance with the provisions of these Articles of Association;

(6) shall not take advantage of their positions to seek business opportunities for themselves or others that should belong to the Company except under one of the following circumstances: they report the matter to the board of directors or at the general meeting, which is approved by a resolution at the general meeting; and the Company cannot utilize such business opportunities under the provisions of laws, administrative regulations or these Articles of Association;

(7) shall not operate a business similar to the business of the Company for the benefit of themselves or others, without reporting to the board of directors or at the general meeting and obtaining approval by a resolution at the general meeting;

(8) shall not accept commissions paid by others for transactions conducted with the Company as their own benefits;

(9) shall not disclose confidential information of the Company without permission;

(10) shall not abuse his/her related relationship with the Company to jeopardize the interests of the Company;

(11) other loyalty duties as required by the laws, administrative regulations, departmental rules and these Articles of Association.

Any income derived by a director in violation of the provisions of this Article shall belong to the Company. The director shall be liable to indemnify the Company against any loss incurred.

When close family members of the directors and senior management officers, the enterprises controlled directly or indirectly by the directors, senior management officers or their close family members, and associates with other relationship with the directors and senior management officers, enter into contracts or transactions with the Company, the requirements set out in item (5) of the second paragraph of this Article are applicable.

**Article 103** Directors shall, in accordance with laws, administrative regulations and these Articles of Association, owe diligence duties to the Company. In performing their duties, they shall exercise the reasonable care that shall be generally possessed by a manager for the best interests of the Company. Directors shall bear the following diligence duties to the Company:

(1) shall exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the State's laws, administrative regulations and requirements of the State's economic policies, not exceeding the scope of business specified in the Company's business license;

(2) shall treat all shareholders impartially;

(3) shall master the operation and management conditions of the Company in due time;

(4) shall sign the written confirmation opinions for the regular reports of the Company, to ensure that the information disclosed by the Company is true, accurate and complete;

(5) shall honestly provide the audit committee with relevant information, and not interfere with the audit committee in performing its duties and powers;

(6) shall fulfil other due diligence duties as stipulated by laws, administrative regulations, departmental rules and these Articles of Association.

**Article 104** A director who fails to attend the board of directors meetings in person on two consecutive occasions and does not appoint another director to attend on his/her behalf shall be deemed incapable of performing his/her duties, and the board of directors shall propose to the general meeting that he/she be removed.

**Article 105** Directors may resign prior to the expiration of their terms of office. The directors who resign shall submit to the Company a written report in relation to their resignation. The resignation shall take effect on the day of receipt of such report by the Company. Relevant information shall be disclosed by the Company within 2 trading days.

In the event that the resignation of any director results in the number of members of the board of directors falling below the statutory minimum requirement, the existing directors shall continue to perform their duties in accordance with laws, administrative regulations and departmental rules and these Articles of Association until the re-elected directors assume their office.

An independent director may resign before the expiry of his/her terms. A resigning independent director shall deliver his/her written report of resignation to the board of directors, and shall make a statement on any conditions related to his/her resignation or conditions which he/she considers the shareholders and creditors of the Company shall be brought to attention. The Company shall disclose the reasons for and concerns about the resignation of an independent director. If the resignation of an independent director results in the proportion of independent directors to the board of directors or the special committee(s) thereunder not complying with the provisions of these Articles of Association, or the absence of an accounting professional among the independent directors, the independent director who intends to resign shall continue to perform his/her duties until the date on which a new independent director is appointed. The Company shall complete the by-election within sixty days from the date on which the independent director tenders his/her resignation, so as to ensure that the composition of the board of directors and its special committees is in compliance with laws and regulations, the securities regulatory rules of the place(s) where the shares of the Company are listed and these Articles of Association.

Except for circumstances set out in the preceding paragraph, the resignation of a director shall take effect when the resignation report is received by the board of directors. Subject to the relevant laws, regulations and regulatory rules of the place where the shares of the Company are listed, if the board of directors appoints a new director to fill a casual vacancy on the board of directors or to increase the number of directors, without the approval of the shareholders, the term of office of such director shall last until the next annual general meeting of the Company, and be eligible for re-election. All directors appointed to fill a casual vacancy shall be subject to election by the shareholders at the first general meeting after acceptance of their appointment.

**Article 106** The Company has established a management system for director resignations, clearly specifying the accountability and compensation measures for unfulfilled public commitments and other outstanding matters. When a Director's resignation takes effect or his/her term of service expires, he/she shall complete all transfer procedures with the board of directors. His/her loyalty duties towards the Company and the shareholders do not necessarily cease after the end of his/her term of service. The duties of confidentiality in respect of trade secrets of the Company shall still be in effect after the end of his/her term of office, until such trade secrets become publicly available information. Other loyalty duties of the director shall still be in force within twelve months after the expiration of his/her term of office or the effective date of his/her resignation. The responsibility that a director bears during his/her term of service due to the performance of his/her duties shall not be waived or terminated upon termination of tenure.

**Article 107** The general meeting may remove a director by a resolution, and such removal shall become effective on the date the resolution is passed.

A director who is removed before the expiry of his/her term without justifiable reasons may demand compensation from the Company.

**Article 108** No director shall act in his/her personal capacity on behalf of the Company or the board of directors unless so provided for in these Articles of Association or with the lawful authorization of the board of directors. Where a director acts in his/her personal capacity, and a third party would reasonably assume that the director is acting on behalf of the Company or the board of directors, the director shall declare his/her position and identity beforehand.

**Article 109** The Company shall be liable for compensation if a director causes damages to others during performance of his/her duties in the Company; and a director who commits intentional or gross negligence shall also be liable for compensation.

Where a director violates the laws, administrative regulations, departmental rules or these Articles of Association in the execution of his/her duties with the Company, thereby causing losses to the Company, he/she shall be liable for compensation.

## **Section 2 Board of Directors**

**Article 110** The Company shall have a board of directors. The board of directors shall comprise 8 directors, and the number of independent directors shall not be less than one-third of the members of the board of directors. The board of directors shall include 2 employee representatives, who shall be elected democratically by the employees of the Company at the employees' congress, the assembly of employees or by other ways.

**Article 111** The board of directors shall exercise the following functions and powers:

- (1) to convene the general meeting and report to the general meeting;
- (2) to implement the resolutions passed at the general meeting;
- (3) to determine the business plans and investment plans of the Company;
- (4) to prepare the plans for profit distribution and plans for making up losses of the Company;
- (5) to formulate plans in respect of any increase or reduction of the registered capital, the issuance of bonds or other securities, and the listing of the Company;
- (6) to formulate plans for material acquisition, repurchase of the Company's shares, or merger, division, dissolution, and change of the corporate form of the Company;
- (7) to determine, within the authority granted by the general meeting, matters such as external investments, the acquisition and disposal of assets, asset mortgages, external guarantees, consigned financial management, related transactions, external donations and gifts;
- (8) to determine the establishment of the internal management structure of the Company;
- (9) to determine the appointment or dismissal of the chief executive officer, the general manager, the secretary to the board of directors and other senior management members, and determine their remunerations, rewards and punishments; and according to the nomination by the general manager, to determine the appointment or dismissal of other senior management members such as the deputy general manager and the head of finance of the Company, and determine their remunerations, rewards and punishments;
- (10) to formulate the Company's basic management system;
- (11) to draw up proposals for any amendment to these Articles of Association;
- (12) to manage the matters of information disclosure of the Company;
- (13) to propose at the general meeting the appointment or change of any accounting firm which provides auditing services for the Company;

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

(15) to exercise other functions and powers granted by laws, administrative regulations, departmental rules, these Articles of Association or the general meeting.

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

**Article 112** The board of directors of the Company shall explain to the general meeting regarding the non-standard audit opinion given by a certified accountant in respect of the financial report of the Company.

**Article 113** The board of directors shall formulate the rules of procedure for board of directors meetings, to ensure the implementation by the board of directors of the resolutions of the general meeting, enhance the efficiency and scientific decision-making. The rules of procedure for board of directors meetings shall be annexed to the Articles of Association, and shall be prepared by the board of directors and approved by the general meeting.

**Article 114** The board of directors shall lay down strict procedures to inspect and decide on the approval limit for external investment, purchase or sale of assets, pledge of assets, provision of external guarantees, entrusted assets management, related transactions and external donations; for major investment projects, the board of directors shall organize the relevant experts and professionals to conduct assessment for approval on a general meeting.

The board of directors has the power to approve the following matters:

(1) External guarantee matters, except that the external guarantee matters stipulated in Article 47 shall be submitted to the general meeting for consideration after being considered and approved by the board of directors;

(2) Transactions which involved total assets (when both the carrying value and valuation value are available, the higher value is taken under consideration) accounting for more than 30% of the Company's latest audited total assets, but which account for more than 50% of the Company's latest audited total assets shall be considered on the general meeting;

(3) Transactions which the transaction amount account for more than 30% of the Company's market value, but which account for more than 50% of the Company's market value shall be considered on the general meeting;

(4) The net assets of the transaction subject (such as equity interests) in the latest fiscal year account for more than 30% of the Company's market value, but which account for more than 50% of the Company's market value shall be considered on the general meeting;

(5) The profit generated from the transactions account for more than 30% of the audited net profit of the Company in the latest fiscal year and the absolute amount exceed RMB5 million, but which account for more than 50% of the audited net profit of the Company in the latest fiscal year with amount exceeding RMB5 million shall be considered on the general meeting;

(6) The operating income of the transaction subject (such as equity interests) in the latest fiscal year account for more than 30% of the Company's audited operating income in the latest fiscal year and the absolute amount exceeds RMB50 million, but which account for more than 50% of the Company's audited operating income in the latest fiscal year and the amount exceeds RMB50 million shall be considered on the general meeting;



(7) The net profit of the transaction subject (such as equity interests) in the latest fiscal year account for more than 30% of the Company's audited net profit in the latest fiscal year and the absolute amount exceeds RMB5 million, but which account for more than 50% of the Company's audited net profit in the latest fiscal year and the amount exceeds RMB5 million shall be considered on the general meeting;

(8) Transactions between the Company and the related natural persons with an transaction amount of more than RMB300,000 (except for the guarantees provided by the Company); related transactions with related corporations of more than RMB3 million and account for more than 0.1% of the Company's latest audited total assets or market value (except for the provision of guarantees by the Company), but related transactions between the Company and related persons (except for guarantees provided by the Company, receipt of cash assets, exemption from debt relief, acceptance of guarantees and financial assistance) with an amount exceeding RMB30 million, and account for more than 1% of the latest audited total assets or market value of the Company shall be considered on the general meeting;

(9) Other matters that need to be considered and approved by the board of directors according to the laws, administrative regulations and department rules.

**Article 115** The board of directors shall have one chairman and may appoint vice chairman(s). The chairman and vice chairman(s) shall be elected by more than half of all directors of the board of directors.

**Article 116** The chairman of the board of directors shall exercise the following powers:

(1) to preside over the shareholders' meetings and to convene and preside over meetings of the board of directors;

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

(3) to sign important documents of the board of directors;

(4) to make decisions on matters not required to be approved by the general meeting or the board of directors under these Articles of Association;

(5) to perform other functions and powers as delegated by the board of directors.

**Article 117** Board of directors meetings are classified as regular meetings and extraordinary meetings. The board of directors is required to convene at least four meetings a year. Board of directors meetings shall be convened by the chairman. All directors shall be informed in writing 14 days before any regular meeting.

**Article 118** The board of directors shall convene an extraordinary meeting in any of the following cases:

(1) at the proposal of shareholders representing more than one-tenth of the voting rights;

(2) at the joint proposal of more than one-third of the directors;



- (3) at the proposal of the audit committee;
- (4) where the chairman deems it necessary;
- (5) at the proposal of more than half of the independent directors;
- (6) at the proposal of the general manager;
- (7) at the request of securities regulatory authorities;
- (8) under other circumstances as stipulated in these Articles of Association.

The chairman shall convene and preside over the board of directors meeting within 10 days from the receipt of such proposal.

**Article 119** Notice of extraordinary meeting of the board of directors shall be served in writing to all directors 3 days before the date of the meeting. In case of urgency, with the unanimous consent of all directors, the extraordinary meeting of the board of directors may be convened without the above-mentioned time limit for notification, but it shall be recorded in the board of directors minutes and signed by all directors attending such meeting.

**Article 120** The notice of a board of directors meeting shall consist of the following:

- (1) date and place of the meeting;
- (2) duration of the meeting;
- (3) causes and issues to be discussed;
- (4) date of issuance of notice.

**Article 121** The board of directors meeting shall be held upon the attendance of more than half of the directors. Resolutions of the board of directors shall be passed by more than half of all the directors.

In the event that the board of directors is required to decide on a matter to be passed by the general meeting through a special resolution, such matter must be approved by more than two-thirds of all directors before being submitted to the general meeting for deliberation. As for external guarantees that shall obtain approval from the board of directors, in addition to being approved by more than half of the directors, they must also be approved by more than two-thirds of the directors present at the board of directors meeting.

When voting on the board of directors' resolutions, one director shall have one vote.

**Article 122** Where a director has a related relationship with any enterprise or person involved in a matter to be resolved at a board of directors meeting, such director shall promptly report in writing to the board of directors, and he/she shall not exercise his/her voting rights for such resolution, nor exercise voting rights on behalf of other director(s). The board of directors meeting shall not be held unless attended by more than half of the directors without any related relationship, and any resolution made at the board of directors meeting must be passed by more than half of the directors without any such related relationship. Where the number of directors without any related relationship attending the meeting is less than three, the matter shall be submitted to the general meeting for consideration.

**Article 123** The method of voting on resolutions of the board of directors shall be by a show of hands or by written ballot.

Extraordinary meetings of the board of directors may, on the premise of ensuring full expression of opinions by directors, be convened and resolutions may be made by electronic means of communication (including but not limited to facsimile), and shall be signed by the directors attending the meeting.

**Article 124** Board of directors meetings shall be attended by directors in person. If a director is unable to attend for any reason, he/she may appoint another director in writing to attend on his/her behalf, and the proxy shall specify the name of the proxy, matters entrusted, scope of authorization and validity period, and be signed by the principal. The director attending on behalf of another shall exercise the rights of a director within the scope of authorization. A director who fails to attend a board of directors meeting and does not appoint a representative to attend shall be deemed to have waived his/her voting rights at that meeting.

Each director may not act as the proxy for more than two directors to attend a single board of directors meeting on their behalf. When considering related party transactions, non-related directors may not entrust related directors to attend the meeting on their behalf.

**Article 125** The board of directors shall keep minutes of its decisions on matters discussed at meetings. The directors attending the meeting shall sign the minutes. Directors present at the meeting are entitled to require explanatory records of their comments made at that meeting in the minutes.

Minutes of the board of directors meetings shall be kept as company archives for a period of not less than 10 years.

**Article 126** Minutes of the board of directors meetings shall include the following:

- (1) date and place of the meeting and name of the convener;
- (2) names of directors present and names of directors (proxies) attending on behalf of others;
- (3) agenda of the meeting;
- (4) key points of directors' speeches;
- (5) voting method and result of each resolution (specifying the number of votes in favor, against or abstained).

### Section 3 Independent Directors

**Article 127** Independent directors shall diligently perform their responsibilities in accordance with laws, administrative regulations, rules of the CSRC and the Shanghai Stock Exchange and provisions of these Articles of Association. They shall participate in decision-making, supervising and balancing, and providing professional advice in the board of directors to safeguard the overall interests of the Company and protect the legitimate rights and interests of minority shareholders

**Article 128** Independent directors must maintain their independence. The following persons shall not be independent directors:

(1) Persons working in the Company or its affiliated enterprises, and their spouses, parents, children and main social relations;

(2) Natural person shareholders directly or indirectly holding more than 1% of the issued shares of the Company or among the top ten shareholders of the Company, and their spouses, parents and children;

(3) Shareholders directly or indirectly holding more than 5% of the issued shares of the Company or persons among the top five shareholders of the Company, and their spouses, parents and children;

(4) Persons working in the affiliated enterprises of the controlling shareholders or actual controllers of the Company, and their spouses, parents and children;

(5) Persons who have material business dealings with the Company and its controlling shareholders or actual controllers or their respective affiliated enterprises, or who work in entities that have material business dealings with the Company and its controlling shareholders or actual controllers;

(6) Persons who provide financial, legal, consulting and sponsorship services for the Company, its controlling shareholders, actual controllers or their respective affiliated enterprises, including but not limited to, all project team members, review persons at all levels, report signing persons, partners, directors, senior management members and principal persons of the intermediary agency providing services;

(7) Persons who have experienced any of the conditions listed in items 1 to 6 within the last twelve months;

(8) Other persons who do not possess independence as stipulated by laws, administrative regulations, the provisions of the CSRC, the business rules of the Shanghai Stock Exchange, and the provisions of these Articles of Association.

The affiliated enterprises of the controlling shareholders and the actual controllers of the Company mentioned in items 4 to 6 of the preceding paragraph exclude the enterprises which are controlled by the same state-owned assets management institution together with the Company and are not related with the Company according to the relevant regulations.

Independent directors shall conduct self-examination of their independence on an annual basis and submit the results to the board of directors. The board of directors shall evaluate the independence of the incumbent independent directors annually and issue a special opinion, which shall be disclosed concurrently with the annual report.

**Article 129** To serve as an independent director of the Company, one shall meet the following conditions:

- (1) be qualified to serve as a director of a listed company in accordance with laws, administrative regulations and other relevant regulations;
- (2) meet the independence requirements stipulated in these Articles of Association;
- (3) have basic knowledge of the operation of listed companies and be familiar with relevant laws, regulations and rules;
- (4) have more than five years' work experience, in the fields of laws, accounting or economics, etc. required to perform the duties of an independent director;
- (5) possess good personal integrity and have no records of major breach of trust or other negative records;
- (6) meet other conditions required by laws, administrative regulations, the provisions of the CSRC, the business rules of the Shanghai Stock Exchange and these Articles of Association.

**Article 130** Independent directors, as members of the board of directors, owe loyalty duties and duties of diligence to the Company and all shareholders, and shall prudently perform the following duties:

- (1) to participate in the decision-making of the board of directors and express clear opinions on matters under discussion;
- (2) to supervise any potential material conflict of interest between the Company and its controlling shareholders, actual controllers, directors and senior management, and protect the legitimate rights and interests of minority shareholders;
- (3) to provide professional and objective advice on the Company's operations and development to promote improvement in the decision-making quality of the board of directors;
- (4) other duties as stipulated by laws, administrative regulations, the provisions of the CSRC and these Articles of Association.

**Article 131** Independent directors shall exercise the following special functions and powers:

- (1) to engage an intermediary institution independently for auditing, consultation or verification on specific matters of the Company;
- (2) to propose to the board of directors for the convening of extraordinary general meetings;
- (3) to propose for the convening of board of directors meetings;

- (4) to publicly solicit shareholders' rights from shareholders in accordance with the law;
- (5) to express independent opinions on matters that may jeopardize the rights and interests of the Company or minority shareholders;
- (6) other functions and powers as stipulated by laws, administrative regulations, the provisions of the CSRC and these Articles of Association.

In the event that independent directors exercise any of the functions and powers listed in items 1 to 3 of the preceding paragraph, the exercise of such functions and powers shall be subject to the approval of more than half of all the independent directors.

The Company shall disclose any such exercise of powers by independent directors set out in the first paragraph in a timely manner. If the above-mentioned functions and powers cannot be performed normally, the Company shall disclose the specific circumstances and reasons

**Article 132** The following matters shall be submitted to the board of directors for consideration after being approved by more than half of all independent directors of the Company:

- (1) related transactions that shall be disclosed;
- (2) the plans for changes in or waivers of commitments by the Company and relevant parties;
- (3) decisions made and measures taken by the board of directors of the acquired listed company with regard to the Company being acquired;
- (4) other matters as prescribed by laws, administrative regulations, the provisions of the CSRC and these Articles of Association.

**Article 133** The Company shall establish a mechanism for special meetings which shall be attended by independent directors. Matters such as related transactions to be deliberated by the board of directors shall be approved in advance by a special meeting of the independent directors.

The Company shall convene special meetings of the independent directors on a regular or irregular basis. Matters listed in items (1) to (3) of the first paragraph of Article 131, and Article 132 of these Articles of Association shall be deliberated at the special meetings of the independent directors.

Special meetings of the independent directors may study and discuss other matters of the Company when necessary.

The special meetings of the independent directors shall be convened and chaired by an independent director nominated by more than half of the independent directors; in the event that the convener does not perform his/her duties or he/she is unable to perform his/her duties, two or more independent directors can convene a meeting on their own and nominate a representative to chair the meeting.

The special meetings of the independent directors shall prepare minutes of meetings in accordance with regulations. The minutes of meetings shall record the opinions of the independent directors. The independent directors shall sign and confirm the minutes of meetings.

The Company shall facilitate and support the convening of the special meetings of the independent directors.

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

**Article 134** The Company's board of directors shall establish an audit committee, which shall exercise the powers and functions of the board of supervisors as stipulated in the Company Law.

**Article 135** The audit committee shall comprise three members, who shall be directors not holding senior management positions within the Company, of whom two shall be independent directors. The convener shall be an independent director with professional accounting qualifications.

**Article 136** The audit committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal control, and the following matters shall be submitted to the board of directors for deliberation after being approved by more than half of all members of the audit committee:

- (1) disclosing financial information in financial and accounting reports and periodic reports, and internal control evaluation reports;
- (2) appointing or dismissing the accounting firm engaged to undertake the audit of the Company;
- (3) appointing or dismissing the Company's head of finance;
- (4) making changes to accounting policies or accounting estimates, or correcting material accounting errors, for reasons other than changes in accounting standards;
- (5) other matters stipulated by laws, administrative regulations, the provisions of the CSRC and these Articles of Association.

**Article 137** The audit committee shall convene at least one meeting every quarter. An extraordinary meeting may be convened upon the proposal of two or more members, or when the convener deems it necessary. A meeting of the audit committee requires the attendance of more than two-thirds of its members to be held.

Resolutions made by the audit committee shall be passed by more than half of its members. Voting on audit committee resolutions shall be on a one-person, one-vote basis.

Resolutions of the audit committee shall be recorded in meeting minutes as required, and the members of the audit committee present at the meeting shall sign the minutes.

The rules of procedure of the audit committee shall be formulated by the board of directors.

**Article 138** The board of directors of the Company shall establish an audit committee, a nomination committee, a remuneration and evaluation committee, and a strategy and ESG committee. The special committees shall be accountable to the board of directors and perform their duties in accordance with these Articles of Association and the authorization of the board of directors, and the proposals of the special committees shall be submitted to the board of directors for deliberation and decision. The working regulations of the special committees shall be formulated by the board of directors.



**Article 139** The nomination committee shall comprise no less than three directors, the majority of whom shall be independent directors. The nomination committee shall be responsible for formulating the standards and procedures for the selection of directors and senior management, selecting and reviewing the candidates for directors and senior management and their qualifications for office, and making recommendations to the board of directors on the following matters:

(1) nominating or removing directors;

(2) appointing or dismissing senior management members;

(3) other matters stipulated by laws, administrative regulations, the provisions of the CSRC and these Articles of Association.

If the board of directors does not adopt or does not fully adopt the recommendations of the nomination committee, it shall record the opinion of the nomination committee and the specific reasons for not adopting in the resolution of the board of directors and disclose the same.

**Article 140** The remuneration and evaluation committee shall comprise no less than three directors, the majority of whom shall be independent directors. The remuneration and evaluation committee shall be responsible for formulating and conducting appraisals for directors and senior management, formulating and reviewing remuneration policies and plans, including the remuneration determination mechanism, decision-making process, and payment, cessation of payment and claim arrangements, for directors and senior management, and making recommendations to the board of directors on the following matters:

(1) remuneration for directors and senior management;

(2) formulation or changes of share incentive plans and employee stock ownership plans, granting of rights to incentive recipients, and fulfillment of conditions for exercising such rights;

(3) stock ownership plans for directors and senior management in proposed spin-off of subsidiaries;

(4) other matters stipulated by laws, administrative regulations, the provisions of the CSRC and these Articles of Association.

If the board of directors does not adopt or does not fully adopt the recommendations of the remuneration and evaluation committee, it shall record the opinion of the remuneration and evaluation committee and the specific reasons for not adopting in the resolution of the board of directors and disclose the same.

**Article 141** The strategy and ESG committee shall comprise no less than three directors, and shall mainly be responsible for studying and making professional recommendations on the Company's long term development strategies and its environmental, social and governance (ESG) strategies.

## **Chapter 6 Members of Senior Management**

**Article 142** The Company shall have one general manager, who shall be nominated by the chairman of the board of directors and appointed or dismissed by the board of directors.

The Company shall have one chief executive officer (CEO), who shall be nominated by the chairman of the board of directors and appointed or dismissed by the board of directors. The chief executive officer shall be primarily responsible for supervising the implementation of the resolutions of the board of directors by the management and carrying out relevant work as authorized by the board of directors or the chairman of the board of directors.

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

The chief executive officer, the general manager, deputy general managers, the head of finance, the secretary to the board of directors of the Company and others recognized by the board of directors are the senior management members of the Company.

A director may serve concurrently as the chief executive officer, the general manager, a deputy general manager or other senior management member, but the directors serving concurrently as such and the directors being employee representatives shall not be more than half of all directors of the Company.

**Article 143** The provisions of these Articles of Association concerning the circumstances under which a person may not serve as a director and the resignation management system shall also apply to senior management members.

The provisions of these Articles of Association concerning the duty of loyalty and duty of diligence of directors shall also apply to senior management members.

**Article 144** Persons who hold administrative positions other than director and supervisor in the entities of the controlling shareholder of the Company shall not serve as senior management members of the Company. The senior management members of the Company shall receive remuneration only from the Company and shall not have their salaries paid by the controlling shareholder on behalf of the Company.

**Article 145** Each term of office for the general manager is 3 years, and the general manager may be reappointed for consecutive appointments.

**Article 146** The general manager shall be accountable to the board of directors and exercises the following functions and powers:

(1) to be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the board of directors, and to report to the board of directors;

(2) to organize the implementation of the annual business plan and investment plan of the Company;

(3) to formulate the plan for the establishment of the internal management structure of the Company;

(4) to formulate the basic management system of the Company;

(5) to formulate the specific rules of the Company;

(6) to make proposal to the board of directors on the appointment or dismissal of senior management members of the Company including deputy general manager and the head of finance;

(7) to decide on the appointment or dismissal of responsible management personnel other than those whose appointment or dismissal shall be decided by the board of directors;

(8) other functions and powers as conferred by these Articles of Association, the board of directors or the chairman of the board of directors.

The general manager shall take charge of the daily management of the Company, attend the meetings of the board of directors, report to the board of directors, and exercise his or her powers according to the terms of reference for general manager.

**Article 147** The general manager shall formulate detailed working rules for the general manager, which shall be implemented after approval by the board of directors.

**Article 148** The detailed working rules for the general manager shall include the following:

(1) conditions, procedures and participants for convening general manager meetings;

(2) specific duties and division of work of the general manager and other senior management officers;

(3) authority for use of Company funds and assets, signing of major contracts, and reporting system to the board of directors;

(4) other matters deemed necessary by the board of directors.

**Article 149** The general manager and deputy general manager may resign prior to the expiration of his/her term of office. The specific procedures and methods for the resignation shall be stipulated in the labour contract between the general manager and deputy general manager and the Company.

The deputy general manager is directly responsible to and report to the general manager and performs relevant duties based on the scope of responsibilities as designated.

**Article 150** The Company shall have a secretary to the board of directors, who shall be responsible for the preparation of the general meetings and board of directors meetings, document keeping and management of shareholders' information of the Company, and shall deal with information disclosure and other matters.

The secretary to the board of directors shall comply with the relevant provisions of the laws, administrative regulations, departmental rules and these Articles of Association.

**Article 151** Any senior management performing duties of the Company, thereby causing losses to others, the Company shall be liable for compensation; any senior management responsible for intentional or gross negligence shall also be liable for compensation.

Any senior management who violates the relevant laws, administrative regulations, departmental rules or these Articles of Association in performing his/her duties in the Company, thereby causing losses to the Company, shall be liable for compensation.

**Article 152** The senior management of the Company shall faithfully perform their duties, and safeguard the best interests of the Company and all shareholders. Any senior management of the Company who fails to faithfully perform his/her duties or breaches the fiduciary duty, thereby causing harm to the benefits of the Company and the public shareholders, shall be liable for compensation according to law.

## **Chapter 7 Financial and Accounting System, Profit Distribution and Audit**

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

**Article 153** The Company shall formulate its financial and accounting system in accordance with laws, administrative regulations and provisions of relevant state authorities.

**Article 154** The annual reports and interim reports of the Company shall be prepared in accordance with relevant laws, administrative regulations and rules of the CSRC and the Shanghai Stock Exchange. Within four months from the date of the expiration of each accounting year, an annual report shall be submitted and disclosed to the agency of the CSRC and the Shanghai Stock Exchange respectively. Within two months after the first half of each accounting year, an interim report shall be submitted and disclosed to the agency of the CSRC and the Shanghai Stock Exchange respectively.

**Article 155** The Company shall not set up other account books except for the statutory account books. The Company's funds shall not be deposited in any account opened in the name of any individual.

**Article 156** In distributing the current year's profits after tax, 10% of the profits shall be allocated to the Company's statutory reserve funds. When the aggregate amount of the statutory reserve funds has reached more than 50% of the Company's registered capital, further appropriations are not required.

If the statutory reserve funds of the Company are insufficient to make up the losses of the previous year, the profits of the current year shall be used to make up such losses before allocating to the statutory reserve funds in accordance with the preceding paragraph.

After the allocation of its profits after tax to its statutory reserve funds, the Company may allocate its profits after tax to its discretionary reserve funds upon a resolution of the general meeting.

The remaining profits after tax after the Company has made up its losses and allocated to its reserve funds may be distributed to its shareholders in proportion to their shareholdings unless it is stipulated in these Articles of Association that no profit distribution shall be made in accordance with shareholdings.

If the general meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return the profits distributed in violation of such law to the Company; and the shareholders and the directors and senior management who are held accountable for any loss of the Company arising therefrom, shall assume compensation liabilities.

The shares of the Company held by the Company shall not participate in the distribution of profits.

**Article 157** The Company's reserve funds shall be used to make up the losses of the Company or expand the production operations, or be converted to increase the registered capital of the Company.

The discretionary reserve funds and statutory reserve funds shall be used first to make up the Company's losses; if the losses cannot be covered, the capital reserve funds can be used in accordance with regulations.

When the statutory reserve funds are converted into registered capital, the remainder of the reserve funds shall not be less than 25% of the Company's registered capital prior to such conversion.

**Article 158** In the event that resolutions in respect of the profit distribution plan have been adopted at a general meeting or the board of directors formulates a specific plan based on the conditions and upper limits for interim dividends approved at the annual general meeting for the following year, the distribution of dividends (or shares) shall be completed within 2 months after such general meeting or the formulation of such specific plan.

**Article 159** The profit distribution policy of the Company is as follows:

1. Basic principles of the profit distribution policy of the Company

The Company adopts an active profit distribution policy and emphasizes on reasonable investment returns to investors. The profit distribution policy of the Company shall be consistent and stable, taking into account the long-term interests of the Company, the entire interests of shareholders as a whole, and the sustainable development of the Company. The profit distribution shall not exceed the scope of distributable profit and shall not harm the Company's ability to continue as a going concern. In discussing and determining the profit distribution policy, the board of directors and the general meeting shall give full consideration to the opinions of independent directors and public investors.

2. Methods and proportion of profit distribution

The Company may distribute profit in cash, shares or in combination of both, and cash dividend shall take precedence in profit distribution.

The board of directors shall propose differentiated cash dividend policies in accordance to the procedures as stipulated in the Articles of Association, so as to identify the following circumstances, after taking into full consideration the characteristics of the industry in which the Company operates, its stage of development, its business model, profitability, the ability to repay its debts, and whether there are any arrangements for significant capital expenses and the return to the investors:

(1) If the Company is at a mature stage and has no arrangement for significant capital expenses, when making profit distribution, the Company shall distribute cash dividend accounting for at least 80% of the total dividends distributed;

(2) If the Company is at a mature stage and has arrangements for significant capital expenses, when making profit distribution, the Company shall distribute cash dividend accounting for at least 40% of the total dividends distributed;

(3) If the Company is at a growth stage and has arrangements for significant capital expenses, when making profit distribution, the Company shall distribute cash dividend accounting for at least 20% of the total dividends distributed;

If it is difficult to determine the Company's stage of development but there is a significant capital expenditure arrangement, profit distribution may be dealt with pursuant to item (3) of the preceding paragraph.

The proportion of cash dividends in the profit distribution shall be cash dividends divided by the sum of cash dividends and share dividends.

### 3. Conditions and intervals for profit distribution

The Company shall distribute its profit when the following conditions are met:

(1) The Company's distributable profit (i.e. post-tax profit after making up for losses and extracting surplus reserves) in such year are positive in value;

(2) The auditing firm issues a standard unqualified audit report on the financial report of the Company for such year;

(3) Where the Company is at a good business operation status and the board of directors considers that the distribution of share dividend will be in the interests of the shareholders of the Company as a whole, the Company may propose a plan for distribution of share dividend, provided that there are sufficient cash for dividend distribution. Profit distribution in shares shall be based on true and reasonable factors such as the growth of the Company and the dilution of net assets per share.



The Company may not make profit distribution in the following circumstances: (1) the audit report for the latest year is modified or an unqualified opinion with paragraphs regarding significant uncertainties related to going concern is made; (2) the gearing ratio as at the end of the current year is over 70%; (3) the Company recorded negative operating cash flow for the current year. Distribution of profit shall not harm the continuous operation ability of the Company.

When the Company convenes annual general meeting to consider the annual profit distribution proposal, it may consider and approve the conditions, proportion limit and amount limit, etc for interim cash dividend for the next year. The interim dividend limit for the next year considered at the annual general meeting shall not exceed the net profit attributable to shareholders of the Company for the corresponding period. The board of directors shall formulate a specific interim dividend distribution plan according to the resolutions of the general meeting subject to the conditions for profit distribution.

#### 4. Conditions and proportion of cash dividends

The Company shall prioritize cash dividends for profit distribution when it is profitmaking, has no undistributed deficit, and possesses ample cash to pay out dividends without disrupting its regular business operations. Over any three-year period, the cumulative amount of cash dividends distributed must be at least 30% of the average annual distributable profits for those three years. The board of directors shall set a specific annual distribution ratio based on the Company's performance in each given year.

#### 5. Decision-making procedures and mechanism for profit distribution

When formulating a specific plan for cash dividend distribution, the board of directors shall carefully study and demonstrate the timing, conditions and minimum proportion of cash dividend distribution, adjustment conditions and its decision-making procedures requirements and other matters.

If the independent directors believe that the specific plan for cash dividend distribution may harm the shareholders' interests, they have the right to express independent opinions. Where the board of directors fails to adopt or fails to fully adopt the opinions of independent directors, it shall record and disclose the opinions of independent directors and specific reasons of non-adoption in a resolution of the board of directors.

Before the general meeting that considers the specific plan for cash dividend distribution, the Company shall take the initiative to communicate and exchange with its shareholders, especially the minority shareholders, through various channels, such as investor relations emails and telephone calls, and adequately listen to the opinions and demands of the minority shareholders and provide timely responses to issues of concern of minority shareholders.

If the Company made a profit in the current year and satisfies the conditions for cash dividend distribution, but the board of directors fails to submit a profit distribution plan to the general meeting in accordance with the established profit distribution policy, it shall explain the reasons thereof, and the use and intension for the funds not utilized for dividend distribution in its periodic reports.

6. Conditions, decision-making procedures and mechanism for adjustment of profit distribution policy

The Company shall strictly implement the dividend distribution policy as determined in these Articles of Association and the specific dividend distribution plan as considered and approved on the general meeting. If the Company needs to adjust the cash dividend policy stipulated in these Articles of Association according to the production and operation conditions, investment plans and the needs of long-term development, or there are significant changes in the external business environment of the Company, the board of directors shall conduct a full discussion on the feasibility of adjusting or changing the profit distribution policy, and after forming a special resolution and submitting it to the general meeting of the Company for approval, the Company shall account for the interests of shareholders and pay attention to the protection of shareholders' interests when proposing to adjust the profit distribution policy, and explain the reasons for the adjustment in detail in the proposal to be submitted to the general meeting. The adjusted profit distribution policy shall not violate the relevant regulations of the CSRC and the Shanghai Stock Exchange.

## **Section 2 Internal Audit**

**Article 160** The Company implements an internal audit system, which specifies the leadership system, responsibilities and authorities, staffing, funding security, use of audit results, and accountability in relation to internal audit work.

The internal audit system of the Company shall be implemented upon approval by the board of directors and disclosed to the public.

**Article 161** The internal audit agency of the Company shall supervise and inspect the Company's business activities, risk management, internal control, financial information and other matters.

**Article 162** The internal audit agency is accountable to the board of directors.

The internal audit agency shall be subject to the supervision and guidance of the audit committee in the course of its supervising and inspecting the Company's business activities, risk management, internal control and financial information. The internal audit agency shall immediately report directly to the audit committee upon discovering any relevant major issues or leads.

**Article 163** The internal audit agency shall be responsible for the specific organization and implementation of the Company's internal control evaluation. The Company shall issue an annual internal control evaluation report based on the evaluation report and related information issued by the internal audit agency and reviewed by the audit committee.

**Article 164** When the audit committee communicates with external audit units such as accounting firms and national audit agencies, the internal audit agency shall proactively cooperate with them and provide necessary support and collaboration.

**Article 165** The audit committee shall participate in the appraisal of the person in charge of internal audit.

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

**Article 166** The Company shall engage an accounting firm in accordance with the Securities Law to audit its financial statements, verify its net assets and provide other relevant consultancy services. The accounting firm so appointed shall hold office for up to one year, and can be reappointed upon expiration.

**Article 167** The engagement, dismissal of the accounting firm and the determination of its remuneration shall be determined by an ordinary resolution at the general meeting. The board of directors shall not engage an accounting firm before the decision is made at the general meeting.

**Article 168** The Company guarantees to provide the hired accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not reject, conceal or make false reports of any information.

**Article 169** The audit fee of an accounting firm shall be determined by the general meeting.

**Article 170** When the Company dismisses or no longer renews the appointment of an accounting firm, the accounting firm shall be notified 30 days in advance. When the dismissal of an accounting firm is voted on at the general meeting, the accounting firm is allowed to state its opinions.

If the accounting firm resigns, it shall explain to the general meeting whether the Company has any improper circumstances.

### **Chapter 8 Notices and Announcements**

**Article 171** Notices of the Company shall be issued in the following forms:

- (1) Delivery by hand;
- (2) By way email;
- (3) By way of announcement;
- (4) Other forms as provided in these Articles of Association.

**Article 172** Where a notice of the Company is given by way of announcement, once the announcement is made, all relevant persons shall be deemed to have received the notice.

**Article 173** Notices of general meetings of the Company shall be given by announcement.

**Article 174** Notices of board of directors meetings of the Company shall be given by personal delivery or by email.

**Article 175** Where a notice of the Company is delivered by personal service, the recipient shall sign (or affix a seal) on the service receipt, and the date of signature by the recipient shall be the date of service; where a notice is sent by email, the day which the email is received on the server of the counterparty shall be the date of service; where a notice is given by announcement, the date of first publication of the announcement shall be the date of service.

**Article 176** If, due to accidental omission, a meeting notice is not sent to a person entitled to receive it or such person does not receive the meeting notice, the meeting and resolutions made thereat shall not thereby be invalid.

**Article 177** The Company has designated the followings as channels for publishing announcements and other disclosable information of the Company: media as specified in the Securities Law, the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>), the website of the Hong Kong Stock Exchange (<https://www.hkexnews.hk/>), or other media and websites recognized by the CSRC and the stock exchange.

## **Chapter 9 Merger, Division, Capital Increase and Decrease, Dissolution and Liquidation**

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

**Article 178** The merger of the Company may take the form of either merger by absorption or merger by incorporation.

Merger by absorption means that a company absorbing another company and the company being absorbed shall be dissolved. Merger by incorporation means that a merger of two or more companies through the establishment of a new company and the companies being consolidated shall be dissolved.

**Article 179** Where the consideration paid by the Company in a merger does not exceed 10% of its net assets, it is not necessary to obtain a resolution at the general meeting, unless it is otherwise provided for in these Articles of Association.

Where a merger is effected pursuant to the preceding paragraph without a resolution of the general meeting, it shall be subject to a resolution of the board of directors.

**Article 180** In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution on merger and shall publish an announcement in the newspapers or the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. The creditors may require the Company to repay debts or provide corresponding guarantees for debt repayment within 30 days after the receipt of the notice, or within 45 days after the announcement for creditors if the creditors have not received the notice.

**Article 181** In the event of a merger, creditors' rights or debts of each of the parties to the merger shall be assumed by the company which survives the merger or the newly established company.

**Article 182** In the event of a division of the Company, its properties shall be divided up accordingly.

In the event of a division, a balance sheet and an inventory of assets shall be prepared. The Company shall notify its creditors within 10 days from the date of the Company's resolution on division and shall publish an announcement in the newspapers or the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution.

**Article 183** The debts of the Company prior to the division shall be undertaken by the companies after the division, save as otherwise specified in the written agreement on debt repayment reached between the Company and its creditors before the division.

**Article 184** The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within 10 days from the date of the Company's resolution on the reduction of its registered capital and shall publish an announcement in the newspapers or the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. The creditors shall be entitled to require the Company to repay debts or provide corresponding guarantees for debt repayment within 30 days after the receipt of the notice, or within 45 days after the announcement for creditors if the creditors have not received the notice.

The Company's registered capital shall not, upon capital reduction, be less than the statutory minimum limit. When reducing its registered capital, the Company shall proportionally decrease shareholders' capital contributions or shares according to their respective shareholding percentages, unless otherwise provided by laws or these Articles of Association.

**Article 185** Where the Company makes up losses in accordance with the second paragraph of Article 157 of these Articles of Association and remains in deficit, it may reduce its registered capital to cover such losses. Where registered capital is reduced to make up losses, the Company shall not distribute dividends to shareholders nor exempt shareholders from their obligations to contribute capital or pay share subscriptions.

Where registered capital is reduced pursuant to the preceding paragraph, the requirements set out in the second paragraph of Article 184 of these Articles of Association shall not apply; however, an announcement shall be published in newspapers or on the national enterprise credit information public disclosure system within 30 days of the shareholders' meeting passing the resolution to reduce registered capital.

Following a reduction in registered capital under the preceding two paragraphs, the Company shall not distribute profits until the aggregate amount of statutory reserves and discretionary reserves reaches 50% of the Company's registered capital.

**Article 186** Where the registered capital is reduced in contravention of the Company Law or other relevant provisions, shareholders shall return the funds received, and any reduction in shareholder contributions shall be restored to its original state; if losses are caused to the Company, shareholders and responsible directors and senior management shall bear liability for compensation.

**Article 187** When the Company issues new shares to increase its registered capital, shareholders shall not have preferential subscription rights, unless it is otherwise provided for in these Articles of Association or a resolution of the shareholders' meeting determines otherwise.

**Article 188** Where mergers or divisions involve changes in registration matters, changes shall be registered with the company registration authority in accordance with law; where the Company is dissolved, deregistration shall be handled in accordance with law; where a new company is established, establishment registration shall be handled in accordance with law.

The Company shall, in accordance with the laws, apply for changes in its registration with the company registration authority where it increases or reduces its registered capital.

## **Section 2   Dissolution and Liquidation**

**Article 189**   The Company shall be dissolved for the following reasons:

- (1)   the expiration of the business period as stipulated in these Articles of Association or the occurrence of other grounds for dissolution as stipulated in these Articles of Association;
- (2)   dissolution resolved by the general meeting;
- (3)   required dissolution due to the merger or division of the Company;
- (4)   the business license being revoked, ordered to close, or revoked in accordance with the law;
- (5)   serious difficulties in its business operation management and serious damages to the interests of its shareholders for its continued existence which cannot be resolved through any other means, shareholders who hold over 10% of the voting rights of the Company may apply to the People's Court to dissolve the Company.

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

**Article 190**   Where the Company falls under any of the circumstances in items (1) and (2) of Article 189 of these Articles of Association and has not distributed any property to its shareholders, the Company may continue to exist by amending these Articles of Association or by resolutions of the general meeting.

Amendments to these Articles of Association or resolutions made at the general meeting pursuant to the preceding paragraph shall be approved by more than two-thirds of the voting rights held by the shareholders present at the general meeting.

**Article 191**   Where the Company is dissolved pursuant to items (1), (2), (4), (5) of Article 189 of these Articles of Association, a liquidation shall be conducted. In the event that directors are the liquidation obligors of the Company, a liquidation team for liquidation shall be established within 15 days from the date of occurrence of the cause for dissolution to carry out liquidation. The liquidation team shall comprise the directors, unless these Articles of Association stipulate otherwise or the general meeting resolves to elect any other person(s). If the liquidation obligors fail to fulfil their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.

**Article 192**   During the liquidation period, the liquidation team shall exercise the following functions and powers:

- (1)   to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2)   to notify the creditors or to publish public announcements;
- (3)   to dispose of and liquidate any unfinished businesses of the Company;



- (4) to pay all outstanding taxes and taxes arising in the course of liquidation;
- (5) to settle claims and debts;
- (6) to distribute the surplus assets remaining after the Company's debts have been repaid;
- (7) to represent the Company in any civil proceedings.

**Article 193** The liquidation team shall notify the creditors within 10 days from the date of its establishment, and make an announcement in newspapers or the National Enterprise Credit Information Publicity System within 60 days from the date of its establishment. The creditors shall declare their claims to the liquidation team within 30 days from the date on which they receive such notice or within 45 days from the date of the announcement if no such notice is received.

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

The liquidation team shall not make repayment to creditors during the claims declaration period.

**Article 194** The liquidation team, having checked the Company's property and having prepared a balance sheet and an inventory of property, shall formulate a liquidation plan and present it to a general meeting or to the people's court for confirmation.

The remaining property of the Company after paying liquidation expenses, employees' salaries, social insurance fees and statutory compensation, paying outstanding taxes and settling the Company's debts, respectively, shall be distributed by the Company in proportion to the shares held by its shareholders.

During the liquidation period, the Company survives, but cannot carry out business activities unrelated to the liquidation. The Company's property will not be distributed to shareholders until it has been liquidated in accordance with the preceding paragraph.

**Article 195** If the liquidation team, having checked the Company's property and having prepared a balance sheet and an inventory of property, discovers that the Company's assets are insufficient to pay off its debts, it shall apply to the People's Court for insolvency liquidation.

After the People's Court accepts the application for insolvency, the liquidation team shall transfer all liquidation affairs to the insolvency administrators appointed by the People's Court.

**Article 196** Following the completion of the liquidation, the liquidation team shall prepare a liquidation report, submit it to the general meeting or a People's Court for confirmation, and then submit the same to the company registration authority for application for cancelling the registration of the Company.

**Article 197** Members of the liquidation team shall perform their liquidation duties with fiduciary duties of loyalty and diligence.

A member of the liquidation team who fails to diligently perform his/her liquidation duties, thereby causing losses to the Company, shall be liable for compensation, and who causes creditors to suffer losses intentionally by gross negligence shall be liable for compensation.

**Article 198** The Company declared insolvency according to law shall have insolvency liquidation carried out according to relevant enterprise insolvency laws.

## **Chapter 10 Amendments to the Articles of Association**

**Article 199** The Company shall amend the Articles of Association under any of the following circumstances:

(1) Subsequent to the amendments to the Company Law or the relevant laws and administrative regulations, the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws and administrative regulations;

(2) Changes in the state of the Company are inconsistent with the matters stipulated in the Articles of Association;

(3) The general meeting has decided to amend the Articles of Association.

**Article 200** Amendments to the Articles of Association passed by resolutions at the general meeting, which require examination and approval by the competent authorities, shall be submitted to the competent authorities for approval. Where any amendment involves the registered particulars of the Company, the procedures for change registration shall be handled in accordance with the law.

**Article 201** The board of directors shall amend these Articles of Association in accordance with the resolution of the general meeting and the approval and opinions of the relevant competent authorities on amending the Articles of Association.

**Article 202** Amendments to the Articles of Association that constitute information required to be disclosed under laws and regulations shall be disclosed in accordance with the regulations.

## **Chapter 11 Supplementary Provisions**

### **Article 203 Definitions**

(1) Controlling shareholder refers to a shareholder whose shareholding accounts for more than 50% of the limited company's total share capital, or, although holding less than 50%, whose voting rights attached to the shares are sufficient to exert a major influence on resolutions of the shareholders' meeting, or the controlling shareholder as defined by the securities regulatory rules of the place(s) where the shares of the Company are listed.

(2) Actual controller refers to a natural person, legal person or other organization who is able to actually control the Company's actions through investment relationships, agreements, or other arrangements.

(3) Related-party relationship refers to the relationship between the Company's controlling shareholders, actual controllers, directors, or senior management and the enterprises they directly or indirectly control, as well as other relationships that may cause the transfer of the Company's interests. However, enterprises controlled by the State shall not be deemed related-parties solely because they are under common State control.

**Article 204** The board of directors may formulate detailed rules of the Articles of Association in accordance with the provisions of the Articles of Association. Such detailed rules shall not conflict with the provisions of the Articles of Association.

**Article 205** These Articles of Association are written in Chinese. In the event of any discrepancy between versions in other languages or different versions of the Articles of Association and the Chinese version, the latest Chinese version approved and registered with the Shanghai Municipal Administration for Market Regulation shall prevail.

**Article 206** The terms “above,” and “within” in these Articles of Association include the stated figure; “over,” “outside,” “below,” “over,” “more than” and “less than” do not include the stated figure.

**Article 207** These Articles of Association shall be interpreted by the Company’s board of directors.

**Article 208** The appendices to these Articles of Association comprise the rules of procedure for shareholders’ general meetings and the rules of procedure for board of directors meetings. In the event of any inconsistency between the provisions of the rules of procedure for shareholders’ general meetings and the rules of procedure for board of directors meetings and these Articles of Association, these Articles of Association shall prevail. Matters not covered by these Articles of Association shall be governed by relevant provisions under the relevant national laws, administrative regulations, the securities regulatory rules of the place(s) where the shares of the Company are listed, departmental rules or normative documents; in the event of any inconsistency with the relevant provisions of the relevant laws, administrative regulations, the securities regulatory rules of the place(s) where the shares of the Company are listed, departmental rules or normative documents, the provisions of the relevant laws, administrative regulations, the securities regulatory rules of the place(s) where the shares of the Company are listed, departmental rules or normative documents shall prevail.

**Article 209** These Articles of Association shall come into force upon their approval by the Company’s shareholders’ meeting and shall take effect from the date of the Company’s initial public offering of H Shares listed on the Hong Kong Stock Exchange.