

**Victory Giant Technology (HuiZhou) Co., Ltd.**

**Articles of Association**

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

**March 2026**

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# Articles of Association of Victory Giant Technology (HuiZhou) Co., Ltd.

## CHAPTER 1 GENERAL PROVISIONS

**Article 1** To safeguard the legitimate rights and interests of the Company, its shareholders, employees and creditors and regulate the organization and conduct of the Company, the Articles of Association are formulated pursuant to 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 Guidelines for Articles of Association of Listed Companies, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Rules Governing the Listing of Stocks on the ChiNext Market of Shenzhen Stock Exchange, 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 regulations and in light of the actual condition of the Company.

**Article 2** Victory Giant Technology (HuiZhou) Co., Ltd. (hereinafter referred to as the "Company") was promoted and established by converting its entirety on the basis of Victory Giant Technology (Huizhou) Co., Ltd. (勝宏科技(惠州)有限公司) (hereinafter referred to as the "Limited Company"). The Company was registered at the Huizhou Administration for Industry and Commerce; and obtained its business license that includes a unified social credit code of 91441300791200462B.

**Article 3** Upon approval by the China Securities Regulatory Commission (hereinafter referred to as the "CSRC") on May 21, 2015, the Company conducted its initial public offering of 36,670,000 RMB-denominated ordinary shares and listed the same on the Shenzhen Stock Exchange (hereinafter referred to as the "SZSE") on June 11, 2015.

Upon filing with the CSRC on [•] [•], [•], the Company conducted its initial public offering of [•] overseas listed foreign shares (hereinafter referred to as "H Shares") in Hong Kong. The aforesaid H Shares were listed on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange") on [•] [•], [•].

**Article 4** Registered name of the Company:

Full name in Chinese: 勝宏科技(惠州)股份有限公司

Full name in English: Victory Giant Technology (HuiZhou) Co., Ltd.

**Article 5** Address of the Company: Hangcheng Technology Park, Xinqiao Village, Danshui Town, Huiyang District, Huizhou City.

**Article 6** The registered capital of the Company is RMB[•].

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

**Article 8** The chairman of the Company is the director who executes the affairs of the Company on behalf of the Company, and is also the legal representative of the Company. If the chairman who serves as the legal representative resigns, he/she shall be deemed as resigning from the legal representative at the same time. In the event that the legal representative resigns, the Company shall determine a new legal representative within 30 days of the resignation.

**Article 9** The legal consequences of civil activities conducted by the legal representative in the name of the Company shall be borne by the Company. Restrictions on the powers of the legal representative under the Articles of Association or by the shareholders' meeting shall not be asserted against a bona fide counterparty. If the legal representative causes damage to others while performing his/her duties, the Company shall bear civil liability. After assuming civil liability, the Company may recover compensation from the legal representative who is at fault in accordance with the law or the Articles of Association.

**Article 10** The shareholders are liable for the Company to the extent of their subscribed shares, while the Company is liable for its debts to the extent of its entire assets.

**Article 11** The Articles of Association shall, from its effective date, constitute a legally binding document regulating the Company's organization and conduct as well as the rights and obligations between the Company and each shareholder and among the shareholders inter se, and shall be legally binding on the Company, its shareholders, directors and senior management members. Pursuant to the Articles of Association, shareholders may institute legal proceedings against shareholders, against directors and senior management members of the Company, and against the Company, while the Company may institute legal proceedings against shareholders, directors and senior management members. The Company shall establish an organization of the Communist Party of China to carry out the activities of the Party in accordance with the provisions of the Constitution of the Communist Party of China, and provide the necessary conditions for the activities of the Party organization.

**Article 12** For the purpose of the Articles of Association, senior management members mean the Company's president (general manager, the same below), vice president (deputy general manager, the same below), secretary to the Board, chief financial officer and other personnel specified in the Articles of Association.

## **CHAPTER 2 OBJECTIVES AND SCOPE OF BUSINESS**

**Article 13** The business objectives of the Company: Through scientific business management, the Company strives to enhance its market competitiveness, deliver superior products and services to its clients, and generate value for society. The Company is dedicated to protecting the legitimate rights and interests of all shareholders, ensuring the preservation and growth of its assets, and ultimately providing shareholders with a strong return on their investment.

**Article 14** The business scope of the Company: "General business activities: Manufacturing of electronic components; wholesale of electronic components; retail of electronic components; research and development of special-purpose electronic materials. (Except for projects that require approval in accordance with the law, the Company may independently conduct business activities in accordance with the law based on its business license)".

## CHAPTER 3 SHARES

### Section 1 Issuance of Shares

**Article 15** The shares of the Company shall take the form of registered share certificates. If the share capital of the Company includes shares without voting rights, the said shares shall be specified as “Without Voting Right”. If the share capital of the Company includes shares carrying different voting rights, any class of shares (except shares with the most privileged voting rights) in the share capital shall bear the wording “restricted voting right” or “limited voting right” in their designation.

**Article 16** The shares of the Company shall be issued in an open, fair and equal manner. Each share of the same class shall rank *pari passu* with each other.

Shares of a class in each issuance shall be issued under the same terms and at the same price. Subscribers shall pay the same price for each share subscribed for.

**Article 17** The shares issued by the Company shall have their par values denominated in RMB, with each share having a par value of RMB1.00. Shares issued by the Company and listed on the SZSE shall hereinafter be referred to as “A Shares”; shares issued by the Company and listed on the Hong Kong Stock Exchange shall hereinafter be referred to as “H Shares”.

The A Shares issued by the Company shall be centrally kept at Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (hereinafter referred to as the “securities registration authority”). The H Shares issued by the Company may, in accordance with the laws and established practices for securities registration and custody of the places where the shares of the Company are listed, primarily be put under custody of the nominee company under Hong Kong Securities Clearing Company Limited and can also be held by shareholders in their own names.

**Article 18** The promoters of the Company at the time of its establishment are Shenzhen Shenghua Xinye Investment Co., Ltd. (深圳市勝華欣業投資有限公司), Victory Giant Technology Holdings (Hong Kong) Limited (勝宏科技集團(香港)有限公司), Huizhou Bodaxing Industrial Co., Ltd. (惠州市博達興實業有限公司), Oriental Fortune (Wuhu) Equity Investment Fund (Limited Partnership) (東方富海(蕪湖)股權投資基金(有限合夥)), Oriental Fortune (Wuhu) No. 2 Equity Investment Fund (Limited Partnership) (東方富海(蕪湖)二號股權投資基金(有限合夥)), Guoke Ruihua Venture Capital Enterprise (國科瑞華創業投資企業), Huizhou Kaichuang Venture Capital Partnership (Limited Partnership) (惠州市愷創創業投資合夥企業(有限合夥)), Jiaxing Shidai Jingxuan Venture Capital Partnership (Limited Partnership) (嘉興時代精選創業投資合夥企業(有限合夥)) and Ningbo Fenghai Information Technology Development Co., Ltd. (寧波市豐海信息科技開發有限公司). The promoters subscribed for the Company’s shares based on the audited net book assets of Victory Giant Technology (Huizhou) Co., Ltd. as of December 31, 2011. The promoters and the number of shares subscribed are as follows:

No.	Name of promoter	Number of shares held ('0,000 shares)	Shareholding percentage at the time of its establishment
1	Shenzhen Shenghua Xinye Investment Co., Ltd. (深圳市勝華欣業投資有限公司)	4,065.105	36.96%
2	Victory Giant Technology Holdings (Hong Kong) Limited (勝宏科技集團(香港)有限公司)	3,267	29.70%
3	Huizhou Bodaxing Industrial Co., Ltd. (惠州市博達興實業有限公司)	838.871	7.63%
4	Oriental Fortune (Wuhu) Equity Investment Fund (Limited Partnership) (東方富海(蕪湖)股權投資基金(有限合夥))	1,122	10.20%
5	Oriental Fortune (Wuhu) No. 2 Equity Investment Fund (Limited Partnership) (東方富海(蕪湖)二號股權投資基金(有限合夥))	528	4.80%
6	Guoke Ruihua Venture Capital Enterprise (國科瑞華創業投資企業)	550	5.00%
7	Huizhou Kaichuang Venture Capital Partnership (Limited Partnership) (惠州市愷創創業投資合夥企業(有限合夥))	275	2.50%
8	Jiaxing Shidai Jingxuan Venture Capital Partnership (Limited Partnership) (嘉興時代精選創業投資合夥企業(有限合夥))	202.301	1.84%
9	Ningbo Fenghai Information Technology Development Co., Ltd. (寧波市豐海信息科技開發有限公司)	151.723	1.38%
<b>Total</b>		<b>11,000</b>	<b>100%</b>

The total number of shares issued at the time of establishment of the Company was 110 million, with a par value of RMB1.00 per share.

**Article 19** Upon completion of the initial public offering of H Shares, the Company's total share capital comprises [•] million shares, all of which are ordinary shares. Of these, ordinary shares (A Shares) comprise [•] million shares, representing [•]% of the Company's total shares, and ordinary shares (H Shares) comprise [•] million shares, representing [•]% of the Company's total shares. Upon completion of the initial public offering of H Shares, the Company shall ensure that the public float of its H Shares remains no less than 25% of the Company's issued share capital (or such other percentage as may be approved by the Hong Kong Stock Exchange). Any arrangements that would result in the public float falling below this prescribed percentage require prior approval from the Hong Kong Stock Exchange and shall be considered and passed at a shareholders' meeting.

**Article 20** The Company or its subsidiaries (including affiliates of the Company) shall not offer gifts, advances, guarantees, loans etc., for others to acquire the shares of the Company or its parent company except for those implemented by employee stock ownership plans by the Company.

For the benefit of the Company, upon the resolution of the shareholders' meeting or the resolution adopted by the Board of Directors as authorized by the Articles of Association or by the shareholders' meeting, the Company may provide financial assistance for other persons to acquire shares in the Company or its parent company, provided that the aggregate amount of such financial assistance shall not exceed ten percent of the total issued share capital of the Company. The resolution of the Board of Directors shall be passed by two-thirds or more of all the directors. If the Company or its subsidiaries (including affiliates of the Company) engage in the behavior set out in this article, they shall comply with laws, administrative regulations, the provisions of the CSRC, the securities regulatory authorities and the stock exchanges at the places where the Company's shares are listed.

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

**Article 21** According to the operation and development needs of the Company, subject to the laws and regulations, the Company may increase the share capital in the following ways upon approval of resolutions at the shareholders' meeting:

- (i) Issuance of shares to unspecified parties;
- (ii) Issuance of shares to specified parties;
- (iii) Distribution of bonus shares to existing shareholders;
- (iv) Converting the reserve funds into share capital;
- (v) Other methods as provided for by laws and administrative regulations and approved by the CSRC and other securities regulatory authorities in the places where the shares of the Company are listed.

The Board of the Company shall have the right to decide on the issuance of shares not exceeding 50% of the issued shares within three years. However, the capital contribution in the form of non-monetary property shall be resolved by the shareholders' meeting. If the Board decides to issue new shares, the resolution of the Board shall be passed by more than two-thirds of all the directors.

If the decision of the Board of Directors to issue shares in accordance with the preceding paragraph results in a change in the registered capital of the Company or the number of issued shares, the amendment of the matters recorded in the Articles of Association shall not be subject to the vote of the shareholders' meeting.

**Article 22** The Company may decrease the registered share capital. When the Company reduces its registered capital, it shall comply with the procedures stipulated in the Company Law, other relevant regulations, and the Articles of Association.

**Article 23** The Company may repurchase its own shares in accordance with laws, administrative regulations, departmental rules, and the provisions of the Articles of Association under the circumstances:

- (i) Reducing the Company's registered share capital;
- (ii) Merging with other companies which hold our shares;
- (iii) Using the shares for an employee stock ownership plan or equity incentive plan;
- (iv) Purchasing its shares from shareholders who have voted against the resolutions on the merger or division of the Company at a shareholders' meeting upon their request;
- (v) Use of shares for conversion of convertible corporate bonds issued by a listed company;
- (vi) Necessary for a listed company to maintain its value and protect the interests of the shareholders.

The Company shall not acquire its shares unless in the aforesaid circumstances.

**Article 24** The repurchase of the Company's shares by the Company may be carried out through public centralized trading, or other methods recognized under laws, administrative regulations or by the CSRC and the securities regulatory authorities and the stock exchanges at the places where the Company's shares are listed, subject to compliance with the applicable laws, regulations and the securities regulatory rules of the places where the shares of the Company are listed.

The repurchase of its shares by the Company under the circumstances set out in items (iii), (v) and (vi) of the first paragraph of Article 23 of the Articles of Association shall be conducted through public centralized trading.

**Article 25** A resolution shall be passed at the shareholders' meeting when the Company is to repurchase its own shares under the circumstances set out in items (i) and (ii) of the first paragraph of Article 23 of the Articles of Association. In case of the circumstances stipulated in items (iii), (v) and (vi) of the first paragraph of Article 23 of the Articles of Association, subject to compliance with the applicable securities regulatory rules of the places where the shares of the Company are listed, a resolution of the Company's Board shall be passed by two-thirds or more of the directors attending the Board meeting in accordance with the provisions of the Articles of Association or the authorization of the shareholders' meeting.

After the Company has repurchased its own shares in accordance with the first paragraph of Article 23 of the Articles of Association, the shares repurchased shall be canceled within ten days from the date of purchase (under the circumstance set out in item (i) above), or shall be transferred or canceled within six months (under the circumstances set out in items (ii) and (iv) above). If the Company repurchases its shares under the circumstances set out in items (iii), (v) and (vi) above, the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or canceled within three years. If the laws and regulations or regulatory rules of the places where the Company's shares are listed provide otherwise for the aforementioned circumstances, such provisions shall apply.

Upon the Company's acquisition of its H Shares in accordance with the first paragraph of Article 24 of the Articles of Association, such H Shares may, at the option of the Company, be canceled immediately or held as treasury shares in accordance with the Hong Kong Listing Rules. In the event that the directors do not specify the relevant shares to be held as treasury shares, such H Shares shall be canceled. The Company shall hold treasury shares in a clearly identifiable separate account for treasury shares within the Hong Kong Securities Clearing Company Limited. The Company shall not exercise any right in respect of the treasury shares, and no dividend may be declared or paid in respect of any treasury share. Treasury shares may be disposed of by the Company on such terms and conditions as determined by the directors subject to the Articles of Association and the Hong Kong Listing Rules.

When the Company repurchases its own shares, it shall perform the obligation of information disclosure in accordance with the Securities Law and the securities regulatory rules of the places where the shares of the Company are listed.

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

**Article 26** The shares of the Company shall be transferred in accordance with the law.

Restriction, reduction and other changes of shares held by shareholders, directors and senior management members of the Company shall comply with the Company Law, the Securities Law, the Securities and Futures Ordinance, the Hong Kong Listing Rules and relevant requirements on share changes of the stock exchanges at the places where the Company's shares are listed. All transfers of H Shares shall be effected by written transfer documents in a general or common format or any other format acceptable to the Board of Directors (including the standard transfer format or transfer form prescribed from time to time by the Hong Kong Stock Exchange); such transfer documents may only be executed by handwritten signature or by affixing the company's valid seal (if the transferor or transferee is a company). If the transferor or the transferee is a recognized clearing house (hereinafter referred to as the "recognized clearing house") as defined by the relevant provisions that come into effect from time to time according to the laws of the Hong Kong Special Administrative Region or its nominee, the transfer documents may be signed by hand or in printed form. All transfer documents shall be kept at the legal address of the Company or other place designated by the Board of Directors from time to time.

**Article 27** The Company does not accept objects pledged with shares of the Company.

Shares issued prior to the public offering of shares of the Company shall not be transferred within one year from the date on which the shares of the Company are listed and traded on the stock exchange. Where laws, administrative regulations, or the securities regulatory authorities of the State Council provide otherwise for the transfer of shares of the Company held by the Company's shareholders or actual controllers, such provisions shall prevail.

The transfer of shares held by a promoter in the Company shall be subject to the provisions of the Articles of Association, as well as the share transfer stipulations contained within the relevant agreements executed with the Company, and shall also be in compliance with all applicable laws, administrative regulations, departmental rules, regulatory documents, and the regulations of the relevant regulatory authorities at the time of the transfer.

The directors and senior management members of the Company shall declare to the Company their shareholdings (including preference shares) in the Company and the changes thereof and shall not transfer in a given year during their terms of office determined at their assumption of duty more than 25% of the total number of shares of the same class of the Company they hold; they shall not transfer the shares they held within one year from the date on which the Company's shares are listed and traded, nor within six months after their resignation from their positions with the Company. If the listing rules of the places where the shares of the Company are listed provide otherwise for the restriction on transferring the Company's shares, such provisions shall apply.

If the shares are pledged within the transfer restriction period stipulated in laws and administrative regulations, the pledgee shall not exercise the pledge right within the transfer restriction period. The act of holding the Company's shares as a nominee in violation of laws and administrative regulations is prohibited.

**Article 28** Any gains from sale of Company's shares by the directors, senior management members or shareholders holding 5% or more of the Company's shares (excluding shareholders who are the recognized clearing houses and their nominees) within six months after their purchase of the same, and any gains from the purchase of the shares by any of the aforesaid parties within six months after sale of the same shall be disgorged and paid to the Company, and the Board of Directors of the Company shall recover such gains from the abovementioned parties. However, there is an exception for securities companies that hold more than 5% of the shares due to the purchase of surplus shares after the package sale, and other circumstances stipulated by the CSRC. If the listing rules of the places where the shares of the Company are listed impose additional requirements on the transfer restrictions of the Company's shares, such provisions shall prevail.

If the Board of Directors of the Company does not observe the provision in the preceding paragraph, the shareholders have the right to require the Board of Directors to execute the provision within 30 days. If the Board of the Company fails to execute the provision within the aforesaid period, the shareholders have the right to directly institute legal proceedings to the people's court in their own names for the interest of the Company.

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

If the Board of Directors fails to implement the provisions set forth in the first paragraph, the responsible directors shall bear joint and several liability in accordance with law.

## CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' MEETING

### Section 1 Shareholders

**Article 29** The Company shall establish a register of shareholders in accordance with evidentiary documents provided by the securities registration authority. The register of shareholders is sufficient evidence to prove that the shareholders hold the Company's shares. The original register of shareholders of H Shares listed in Hong Kong is kept in Hong Kong and is available for inspection by shareholders, but the Company may suspend the registration of shareholders in accordance with applicable laws and regulations and the securities regulatory rules of the places where the shares of the Company are listed. If the Company keeps copies of the register of shareholders of H Shares, the entrusted overseas agency shall always ensure that the original and copies of the register of shareholders of H Shares are consistent. Where the original and copies of such register are inconsistent, the original shall prevail. If any shareholder in the register of shareholders of H Shares or any person requesting to have his/her name (title) recorded in the register of shareholders of H Shares has lost his/her share certificates, the said shareholder or person may apply to the Company to reissue new share certificates for the said shares. Application for reissuance of share certificates lost by shareholders of H Shares may be processed pursuant to the laws of the place where the original of the register of shareholders of H Shares is kept, rules of the stock exchange or other relevant provisions. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations. For the purposes of this article, the Company's A Shares and H Shares shall be treated as the same class of shares.

**Article 30** When the Company convenes a shareholders' meeting, distributes dividends, conducts liquidation or performs other activities that require the confirmation of the identity of the shareholders, the Board or the convener of the shareholders' meeting shall determine the record date of shareholding, and shareholders registered in the register of shareholders after market closing on the record date of shareholding shall be the shareholders entitled to the relevant rights and interests.

**Article 31** The rights of our shareholders are as follows:

- (i) To receive dividends and other forms of interest distribution according to the number of shares held;
- (ii) To legally require, convene, preside over, participate in or authorize proxies of shareholders to attend the shareholders' meeting and exercise corresponding right to speak and voting right;
- (iii) To supervise operations of the Company, provide suggestions or submit queries;
- (iv) To transfer, grant or pledge the Company's shares held according to the provisions of the laws, administrative regulations and the Articles of Association;
- (v) To read and copy the Articles of Association, the register of shareholders, shareholders' meeting minutes, resolutions of meeting of the Board of Directors and accounting reports. The shareholders who comply with the regulations may also consult the Company's accounting books and accounting vouchers;

- (vi) To participate in the distribution of the remaining assets of our Company according to the proportion of shares held upon our termination or liquidation;
- (vii) To require our Company to acquire the shares from shareholders voting against any resolutions adopted at the shareholders' meeting concerning the merger and division of the Company;
- (viii) Other rights conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the places where the shares of the Company are listed, or the Articles of Association.

**Article 32** Shareholders of the Company who inspect or replicate the relevant materials shall also comply with the provisions of the Company Law, the Securities Law and other laws and administrative regulations, and securities regulatory rules of the places where the shares of the Company are listed.

If a shareholder who individually or jointly holds 3% or more of the Company's shares for more than 180 consecutive days requests to inspect the Company's accounting books or accounting vouchers, the provisions of the second, third and fourth paragraphs of Article 57 of the Company Law shall apply.

The provisions of the preceding two paragraphs shall apply to shareholders who request to inspect or replicate the relevant materials of a wholly-owned subsidiary of the Company.

**Article 33** If the content of the resolution of the Company's shareholders' meeting or Board of Directors violates laws, administrative regulations, or securities regulatory rules of the places where the shares of the Company are listed, the shareholders have the right to request the people's court to declare it invalid.

If the convening procedures or voting methods of the shareholders' meeting or the Board of Directors violate laws, administrative regulations, securities regulatory rules of the places where the shares of the Company are listed or the Articles of Association, or the content of the resolution violates the Articles of Association, the shareholders have the right to request the people's court to revoke the resolution within 60 days from the date on which the resolution is made, except where there are only some minor defects in the convening procedures or the voting methods of the shareholders' meeting or the Board of Directors, which do not materially affect the resolution. Where the Board, shareholders and other relevant parties dispute the validity of the resolution of the shareholders' meeting, they shall promptly file a lawsuit with the people's court. Before the people's court makes a revocation of the resolution or other judgment or ruling, the relevant parties shall implement the resolution of the shareholders' meeting. The Company, the directors and senior management members shall effectively perform their duties to ensure the normal operation of the Company.

Where the people's court renders a judgment or ruling on relevant matters, the Company shall fulfill the obligation of information disclosure in accordance with laws, administrative regulations, and the regulations of the securities regulatory authorities and the stock exchanges at the places where the Company's shares are listed, fully explain the impact, and actively cooperate with the execution after the judgment or ruling takes effect. Where rectification of previous executed matters is involved, such rectification shall be promptly processed and the obligation of information disclosure shall be fulfilled accordingly.

**Article 34** Under any of the following circumstances, a resolution of the shareholders' meeting or the Board of Directors of the Company shall not be formed:

- (i) A resolution is adopted without holding a shareholders' meeting or a meeting of the Board of Directors;
- (ii) The matters to be resolved are not voted on at a shareholders' meeting or a meeting of the Board of Directors;
- (iii) The number of persons present at a meeting or the number of voting rights held by them is less than the number of persons or the number of voting rights held as prescribed in the Company Law or the Articles of Association;
- (iv) The number of persons voting for the matters to be resolved or the number of voting rights held by them is less than the number of persons or the number of voting rights held as prescribed in the Company Law or the Articles of Association.

In the event of any loss caused to the Company as a result of violation of any laws, administrative regulations, securities regulatory rules of the places where the shares of the Company are listed or the Articles of Association by the directors or senior management members who are not members of the Audit Committee when performing their duties in the Company, the shareholders individually or jointly holding 1% or more shares of the Company for more than 180 consecutive days may submit a written request to the Audit Committee to file an action with the people's court. Where members of the Audit Committee violate laws, administrative regulations, securities regulatory rules of the places where the shares of the Company are listed or the Articles of Association in their duty performance and cause loss to the Company, the shareholders holding 1% or more shares separately or jointly for 180 or more consecutive days may submit a written request to the Board of Directors to file an action with the people's court.

In the event that the Audit Committee or the Board of Directors refuses to file an action upon receipt of the shareholders' written request specified in the preceding paragraph, or fails to file an action within 30 days upon receipt thereof, or in the event that the failure to immediately file an action in an emergency case will cause irreparable damage to the interests of the Company, the shareholder(s) specified in the preceding paragraph may, in their own name, directly file an action to the people's court for the interest of the Company.

In the event that any other person infringes upon the legitimate rights and interests of the Company and causes losses thereto, the shareholder(s) specified in the first paragraph of this article may file an action with the people's court pursuant to the provisions of the preceding two paragraphs.

Where a director, supervisor, or senior management member of a wholly-owned subsidiary of the Company falls under the circumstances stipulated in the preceding article, or where any other person infringes upon the lawful rights and interests of the wholly-owned subsidiary of the Company, thereby causing losses, the shareholders individually or jointly holding 1% or more shares of the Company for more than 180 consecutive days may, in accordance with the first three paragraphs above, request in writing the board of supervisors or the board of directors of the wholly-owned subsidiary to institute an action in a people's court, or directly institute an action in a people's court in their own names.

**Article 35** If any director or senior management member violates the laws, administrative regulations, securities regulatory rules of the places where the shares of the Company are listed or the Articles of Association, thereby damaging the interests of the shareholders, the shareholders may institute legal proceedings to the people's court.

**Article 36** The obligations of shareholders are as follows:

- (i) To abide by laws, administrative regulations and the Articles of Association;
- (ii) To provide share capital according to the shares subscribed and the subscription methods;
- (iii) Not to withdraw shares unless prescribed otherwise in laws and administrative regulations;
- (iv) Not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the independent legal person status of the Company or the limited liability of shareholders to damage the interests of the Company's creditors;

Shareholders of the Company who abuse their shareholders' rights and cause the Company or other shareholders to suffer damages shall bear compensation liability in accordance with the law.

Shareholders of the Company who abuse the independent legal person status of the Company and the limited liability of shareholders to evade debts and cause serious damage to the interests of the creditors of the Company shall bear joint liability for the Company's debt.

- (v) To perform other duties prescribed in laws, administrative regulations, securities regulatory rules of the places where the shares of the Company are listed and the Articles of Association.

**Article 37** Where 5% or more of the shares in the Company held by the Company's controlling shareholders or actual controllers are pledged, frozen, judicially marked, judicially auctioned, entrusted, placed in trust, or subject to lawful restrictions on voting rights, or where there is a risk of compulsory transfer of ownership, such controlling shareholders or actual controllers shall promptly inform the Company and cooperate with the Company in fulfilling its information disclosure obligations.

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

**Article 38** The controlling shareholders and actual controllers of the Company shall exercise their rights and perform their obligations in accordance with laws, administrative regulations, and the provisions of the CSRC and the securities regulatory rules of the places where the shares of the Company are listed, and safeguard the interests of the listed company.

**Article 39** The controlling shareholders and actual controllers of the Company shall comply with the following provisions:

- (i) Exercise their shareholder rights in accordance with the law, and shall not abuse their controlling power or utilize connected relationships to damage the legitimate rights and interests of the Company or other shareholders;
- (ii) Strictly perform their public statements and various commitments, and shall not arbitrarily modify or grant exemptions therefrom;
- (iii) Strictly fulfill their information disclosure obligations in accordance with relevant provisions, actively cooperate with the Company in information disclosure work, and promptly inform the Company of major events that have occurred or are proposed to occur;
- (iv) Shall not occupy the Company's funds in any manner;
- (v) Shall not coerce, instigate, or require the Company and relevant personnel to provide guarantees in violation of laws or regulations;
- (vi) Shall not use the Company's undisclosed major information to seek benefits, shall not disclose undisclosed major information related to the Company in any manner, and shall not engage in illegal or irregular acts such as insider trading, short-term trading, or market manipulation;
- (vii) Shall not damage the legitimate rights and interests of the Company and other shareholders through any means such as unfair connected transactions, profit distribution, asset restructuring, or external investments;
- (viii) Ensure the Company's asset integrity, personnel independence, financial independence, organizational independence, and business independence, and shall not affect the Company's independence in any manner;
- (ix) Comply with other provisions of laws, administrative regulations, the securities regulatory authorities and the stock exchanges at the places where the Company's shares are listed, and the Articles of Association.

Where the controlling shareholders or actual controllers of the Company do not serve as a director of the Company but actually execute the Company's affairs, the provisions of the Articles of Association regarding the duty of loyalty and diligence of directors shall apply.

Where the controlling shareholders or actual controllers of the Company instruct directors or senior management members to engage in acts that harm the interests of the Company or shareholders, they shall bear joint and several liability with such directors or senior management members.

**Article 40** If the controlling shareholders or actual controllers pledge the Company's shares held by them or under their effective control, they shall maintain the Company's control right and production and operation stability.

**Article 41** If the controlling shareholders or actual controllers transfer the Company's shares held by them, they shall comply with the restrictive provisions on share transfer in laws, administrative regulations and the relevant regulations of the securities regulatory authorities and the stock exchanges at the places where the Company's shares are listed, and the commitments made on restricting share transfer.

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

**Article 42** The shareholders' meeting of the Company shall comprise all the shareholders. The shareholders' meeting is the organ of authority of the Company, which exercises its powers in accordance with the law:

- (i) To elect and replace the directors, and to decide on matters relating to the remuneration of directors;
- (ii) To review and approve reports of the Board of Directors;
- (iii) To review and approve the Company's proposals for profit distribution plans and loss recovery plans;
- (iv) To decide on any increase or decrease of the Company's registered capital;
- (v) To decide on the issue of corporate bonds by the Company;
- (vi) To decide on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;
- (vii) To amend the Articles of Association;
- (viii) To resolve on the appointment or removal of the accounting firm undertaking the Company's auditing business by the Company;
- (ix) To review and approve the guarantees stipulated in Article 44 of the Articles of Association;
- (x) To review matters relating to the purchases and sales of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;
- (xi) To review and approve matters relating to changes in the use of proceeds;
- (xii) To review the equity incentive plans and employee stock ownership plans;

(xiii) To review and approve the transactions entered into by the Company (excluding guarantees and financial assistance) which meet one of the following standards:

1. The total assets involved in the transaction account with the amount more than 50% of the Company's most recent audited total assets. Where the total assets involved in the transaction have both book value and valuation value, it shall be calculated on the basis of whichever is higher;
2. The related operating income of the subject matter of transaction (such as equity) in the most recent fiscal year accounts with the amount more than 50% of the Company's audited operating income in the most recent fiscal year and the absolute amount is more than RMB50 million;
3. The related net profit of the subject matter of transaction (such as equity) in the most recent fiscal year accounts with the amount more than 50% of the Company's audited net profit in the most recent fiscal year and the absolute amount is more than RMB5 million;
4. The transaction amount (including commitment debts and expenses) accounts for more than 50% of audited net assets of the Company of the latest period with the absolute amount of more than RMB50 million;
5. The profit generated by the transaction accounts for more than 50% of the audited net profit of the Company in the most recent fiscal year with the absolute amount of more than RMB5 million.

If the data involved in the above index calculation is negative, the absolute value of the data shall be taken.

(xiv) To review all transactions where the percentage ratios calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules relating to percentage ratios are not less than 25% (including one-off transactions and a series of transactions which require combined percentage ratio calculation) and connected transactions where the percentage ratios are not less than 5% (including one-off transactions and a series of transactions which require combined percentage ratio calculation);

(xv) To review other matters as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the places where the shares of the Company are listed or the Articles of Association, which shall be decided by the shareholders' meeting.

The shareholders' meeting may authorize the Board of Directors to make resolutions on issuance of bonds by the Company.

Except as otherwise provided by laws, administrative regulations, the securities regulatory rules of the places where the shares of the Company are listed and the Articles of Association, the aforesaid powers of the shareholders' meeting shall not be exercised by the Board of Directors or any other institution or individual on its behalf upon authorization.

**Article 43** The following connected transaction of the Company shall be submitted to the shareholders' meeting for review and approval:

- (i) The transactions (except the Company providing guarantee) that are entered into between the Company and a connected person with a transaction amount of more than RMB30,000,000, representing more than 5% of the absolute value of the latest audited net assets of the Company; in addition to timely disclosure, the Company shall engage an intermediary institution qualified to engage in securities and futures-related businesses to evaluate or audit the subject matter of the transaction, and submit the transaction to the shareholders' meeting for consideration;
- (ii) The guarantee to be provided to a connected person thereof, after approval by the Board of Directors, shall be submitted to the shareholders' meeting for review and approval, regardless of the amount.

Where any connected transaction referred to in the first paragraph of this Article falls under any of the following circumstances, no audit or valuation is required:

- (i) Routine connected transactions as provided in Article 7.2.15 of the Rules Governing the Listing of Stocks on the ChiNext Market of Shenzhen Stock Exchange;
- (ii) The Company and the connected persons, together with the other participants, all make cash capital contributions, and the ownership interests in the investee entity are allocated strictly pro rata to their respective capital contributions;
- (iii) Other circumstances as prescribed by the securities regulatory authorities and the stock exchanges at the places where the Company's shares are listed.

**Article 44** The following acts of external guarantee of the Company shall be submitted to the shareholders' meeting for review and approval:

- (i) The single guarantee for an amount more than 10% of the Company's net assets audited in the latest period;
- (ii) Any guarantee to be provided after the total amount of external guarantees provided by the Company and the subsidiaries it controls has exceeded 50% of the Company's net assets as audited in the latest period;
- (iii) Any guarantee to be provided for a party whose ratio of liabilities to assets exceeds 70%;
- (iv) The cumulative and total amount of guarantees within twelve consecutive months provided by the Company has exceeded 50% of the Company's net assets audited in the latest period and the absolute amount is more than RMB50 million;
- (v) The cumulative and total amount of guarantees within twelve consecutive months provided by the Company has exceeded 30% of the Company's total assets audited in the latest period;

- (vi) Any guarantee to be provided after the total amount of external guarantees provided by the Company and the subsidiaries it controls has exceeded 30% of the Company's total assets audited in the latest period;
- (vii) The guarantee to be provided to a connected person thereof, after approval by the Board of Directors, shall be submitted to the shareholders' meeting for review and approval, regardless of the amount;
- (viii) Other guarantees required to be decided by the shareholders' meeting in accordance with the laws, administrative regulations, departmental rules, securities regulatory rules of the places where the shares of the Company are listed or the Articles of Association.

When a guarantee is reviewed by the Board of Directors, it shall be reviewed and approved by more than two-thirds of the directors present at the Board meeting.

When the shareholders' meeting of the Company deliberates on the guarantee as stipulated in item (vi) of the preceding paragraph, it shall be approved by two-thirds or more of the voting rights held by the shareholders present at the meeting.

When the shareholders' meeting deliberates on a proposal for providing guarantees to shareholders, the actual controller and their related parties, the said shareholders or the shareholders who are controlled by the actual controller shall not participate in the voting. Such a proposal shall be approved by more than half of the voting rights held by the other shareholders present at the shareholders' meeting.

Guarantees provided by the Company for its wholly-owned subsidiaries, or for its holding subsidiaries, where other shareholders of the holding subsidiaries provide guarantees in proportion to their respective equity interests, and such guarantees fall under items (i) to (iv) of the preceding paragraph, may be exempted from submission to the shareholders' meeting for deliberation.

**Article 45** If any of the following matters: the Company's external investments (including entrusted wealth management and investments in subsidiaries), purchase or sale of assets, lease-in or lease-out of assets, execution of management-related contracts (including entrusting operation or entrusted operation), gifting or receipt of assets, restructuring of credit or debt, transfer of research-and-development projects, execution of license agreements, and other matters (excluding the guarantee and the provision of financial assistance) reaches any standard set out below, the matter shall first be reviewed and approved by the Board of Directors and then submitted to the shareholders' meeting for consideration:

- (i) The total assets involved in the transaction with the amount more than 50% of the Company's most recent audited total assets. Where the total assets involved in the transaction have both book value and valuation value, it shall be calculated on the basis of whichever is higher;
- (ii) The related operating income of the subject matter of transaction (such as equity) in the most recent fiscal year accounts with the amount more than 50% of the Company's audited operating income in the most recent fiscal year and the absolute amount is more than RMB50 million;

- (iii) The related net profit of the subject matter of transaction (such as equity) in the most recent fiscal year accounts with the amount more than 50% of the Company's audited net profit in the most recent fiscal year and the absolute amount is more than RMB5 million;
- (iv) The transaction amount (including commitment debts and expenses) accounts for more than 50% of audited net assets of the Company of the latest period with the absolute amount of more than RMB50 million;
- (v) The profit generated by the transaction accounts for more than 50% of the audited net profit of the Company in the most recent fiscal year with the absolute amount of more than RMB5 million.

If the data involved in the above index calculation is negative, the absolute value of the data shall be taken.

**Article 46** The shareholders' meeting is divided into annual shareholders' meeting and extraordinary shareholders' meeting. The annual shareholders' meeting shall be convened once a year and held within six months after the end of the previous fiscal year.

**Article 47** The Company shall convene an extraordinary shareholders' meeting within two months from the date of the occurrence of any of the following circumstances:

- (i) The number of directors is less than the number provided for in the Company Law or less than two-thirds of the number prescribed in the Articles of Association;
- (ii) The uncovered losses of our Company reach one-third of its total share capital;
- (iii) It is requested by shareholders who separately or jointly hold 10% or more shares in the Company;
- (iv) The Board of Directors considers it necessary;
- (v) The Audit Committee proposes that such a meeting shall be held;
- (vi) Other circumstances stipulated by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

**Article 48** The Company shall hold its shareholders' meetings at its domicile. The shareholders' meeting shall have a venue and be held in the form of an on-site meeting. After the notice of a shareholders' meeting has been issued, the location of the on-site shareholders' meeting shall not be changed without justifiable reasons. If a change is necessary, the convener shall publish a notice and explain the reasons at least two trading days prior to the date of the on-site meeting. The Company shall also provide shareholders with convenience to attend the shareholders' meeting by offering online participation, speaking and voting, or through other means as required by laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed. Shareholders attending the shareholders' meeting through the aforesaid means shall be deemed to be in attendance. If the Company's shareholders' meeting is held through electronic communication, the detailed participation methods shall be specified in the notice of the shareholders' meeting. Shareholders attending the shareholders' meeting through electronic communication shall be deemed to be in attendance.

When the Company holds shareholders' meetings using online voting, it shall provide shareholders with a secure, cost-effective, and convenient online voting system for shareholders' meetings. Investors whose identities are verified through the online voting system for shareholders' meetings can confirm their legitimate and valid shareholder status and possess legitimate and valid voting rights. When the Company holds shareholders' meetings using other voting methods recognized or required by the securities regulatory authority of the place where the Company's shares are listed, shareholder identity shall be confirmed in accordance with relevant business rules.

**Article 49** When convening a shareholders' meeting, the Company shall engage a lawyer to provide legal opinions on the following matters and make an announcement:

- (i) Whether the procedures for convening and holding the meeting comply with the requirements of laws, administrative regulations and the Articles of Association;
- (ii) Whether the qualifications of the attendees and the convener are legal and valid;
- (iii) Whether the voting procedures and results of the meeting are legal and valid;
- (iv) Legal opinions issued on other relevant matters upon the Company's request.

#### **Section 4 Assembling of Shareholders' Meeting**

**Article 50** The Board of Directors shall convene the shareholders' meeting within the specified time limit. After obtaining the consent of a majority of all independent directors, an independent director has the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting. Upon receiving such a proposal, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene an extraordinary shareholders' meeting.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after making the board resolution. If the Board of Directors disagrees to convene an extraordinary shareholders' meeting, it shall state the reasons and make an announcement.

**Article 51** If the Audit Committee proposes to the Board of Directors to convene an extraordinary shareholders' meeting, it shall submit such proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene an extraordinary shareholders' meeting.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after making the board resolution. Any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee.

If the Board of Directors disagrees to convene an extraordinary shareholders' meeting, or fails to provide feedback within 10 days of receipt, it shall be deemed that the Board of Directors is unable or fails to perform its duty to convene the shareholders' meeting. In such cases, the Audit Committee may convene and preside over the meeting on its own.

**Article 52** If shareholders who individually or collectively hold 10% or more of the Company's shares request the Board of Directors to convene an extraordinary shareholders' meeting, they shall submit such request in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene an extraordinary shareholders' meeting.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after making the board resolution. Any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Board of Directors disagrees to convene an extraordinary shareholders' meeting, or fails to provide feedback within 10 days of receipt, shareholders who individually or collectively hold 10% or more of the Company's shares have the right to propose to the Audit Committee to convene an extraordinary shareholders' meeting and shall submit such request in writing to the Audit Committee.

If the Audit Committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after receiving the request. Any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders.

If the Audit Committee fails to issue a notice of the shareholders' meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the shareholders' meeting. In such cases, shareholders who individually or collectively hold 10% or more of the Company's shares for a continuous period of 90 days or more may convene and preside over the meeting on their own.

**Article 53** Where the Audit Committee or the shareholders proceed to convene a shareholders' meeting, the Board of Directors shall be notified in writing, and the required filings or public announcements shall be made in accordance with the securities regulatory rules and the stock exchange regulations of the place where the Company's shares are listed.

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

The Audit Committee or the convening shareholders shall submit the relevant proof materials and complete the required filings or public announcements in accordance with the securities regulatory rules and the stock exchange regulations of the place where the Company's shares are listed prior to the time of issuance of notice of the shareholders' meeting and announcement of resolutions passed by the shareholders' meeting.

**Article 54** The Board of Directors and the secretary to the Board shall provide support for the shareholders' meetings convened by the Audit Committee or by the shareholders themselves. The Board of Directors shall provide the shareholder register as of the record date.

**Article 55** The expenses necessary for a shareholders' meeting convened by the Audit Committee or by shareholders themselves shall be borne by the Company.

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

**Article 56** The proposals shall relate to matters within the scope of authority of the shareholders' meeting, have a clear agenda and specific resolutions, and comply with the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 57** The Company may convene a shareholders' meeting, and the Board of Directors, the Audit Committee, as well as shareholders who individually or collectively hold more than 1% of the Company's shares, have the right to submit proposals to the Company.

Shareholders who individually or collectively hold more than 1% of the Company's shares may submit a temporary proposal in writing to the convener 10 days prior to the shareholders' meeting. The contents of proposals shall contain clear topics and detailed resolutions. The convener shall issue a supplementary notice of the shareholders' meeting within 2 days after receiving the proposal, announcing the content of the temporary proposal and submit the temporary proposal to the shareholders' meeting for deliberation, but the proposal which violates applicable laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, or falls outside the scope of the shareholders' meeting shall be excluded. The Company shall not increase the shareholding percentage of shareholders who submit temporary proposals. If, according to the securities regulatory rules of the places where the Company's shares are listed, the shareholders' meeting must be postponed due to the issuance of a supplementary notice, the meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the places where the Company's shares are listed.

Except for the circumstances specified in the preceding paragraph, after the convener has issued the notice of the shareholders' meeting, it shall not modify the proposals already listed in the notice or add new proposals.

The shareholders' meeting shall not vote on or make resolutions regarding proposals that are not listed in the notice of the shareholders' meeting or that do not comply with the provisions of the Articles of Association.

**Article 58** The convener shall notify all shareholders by announcement 21 days prior to the convening of the annual shareholders' meeting and 15 days prior to the convening of the extraordinary shareholders' meeting. When calculating the commencement period, the Company shall not include the date when the meeting is convened.

**Article 59** A notice of a shareholders' meeting shall include the following:

- (i) the time, venue and duration of the meeting;

If the Company's shareholders' meeting is held online or through other means, the notice of the shareholders' meeting shall specify the voting time and voting procedures for the meeting held online or through other means. The start time for the voting online or through other means at the shareholders' meeting shall not be earlier than 3:00 pm on the day prior to the commencement of the on-site shareholders' meeting, and not be later than 9:30 am on the day of the commencement of the on-site shareholders' meeting, and the end time for the voting shall not be earlier than 3:00 pm on the day when the on-site shareholders' meeting concludes.

- (ii) matters and proposals submitted to the meeting for consideration;
- (iii) a prominent written statement that all shareholders are entitled to attend shareholders' meeting and are entitled to appoint in writing a proxy to attend and vote at the meeting and that such proxy need not be a shareholder of the Company;
- (iv) the record date of registration of shareholders entitled to attend the shareholders' meeting;

The interval between the record date of registration and the meeting date shall not exceed 7 working days. Once the record date of registration is confirmed, it shall not be changed;

- (v) the name and telephone number of the regular contact person for the meeting;
- (vi) the time and procedure for voting online or through other means.

The notice of the shareholders' meeting and any supplementary notice shall fully and completely disclose all specific contents of all proposals.

**Article 60** If the shareholders' meeting intends to discuss the matter concerning the election of directors, the notice of the shareholders' meeting shall fully disclose the detailed information of the director candidates, including at least the following:

- (i) Educational background, work experience, part-time jobs and other personal information;
- (ii) Whether there is any affiliation with the Company or its controlling shareholder and actual controller;
- (iii) The number of shares held in the Company;
- (iv) Whether the candidates have been penalized by the CSRC and other relevant authorities, and disciplined by stock exchanges;
- (v) Other contents required by the securities regulatory rules of the place where the Company's shares are listed.

Except for directors to be elected through the cumulative voting system, each director candidate shall be proposed as a single item.

**Article 61** After the shareholders' meeting notice has been issued, the meeting should not be postponed or canceled without a valid reason, and the proposals listed in the notice should not be canceled. In the event of a postponement or cancellation, the convener shall notify all shareholders and explain the reasons at least two working days before the originally scheduled date. If the securities regulatory rules of the places where the Company's shares are listed have special provisions regarding the procedures for postponing or canceling a shareholders' meeting, these provisions shall be followed, provided that they do not violate the regulatory requirements of the domestic jurisdiction.

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

**Article 62** The Company's Board of Directors and other conveners shall take necessary measures to ensure the normal order of shareholders' meetings. For actions that disrupt shareholders' meetings, provoke trouble, or infringe upon the legitimate rights and interests of shareholders, measures shall be taken to stop them and a report shall be promptly made to relevant authorities for investigation.

**Article 63** All shareholders on the record date for equity registration or their proxies are entitled to attend the shareholders' meeting and, in accordance with applicable laws and regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, to speak at the meeting and exercise their voting rights. (Unless individual shareholders are required to waive their voting rights on specific matters by the securities regulatory rules of the place where the Company's shares are listed.) Pursuant to applicable laws and regulations and the listing rules of the stock exchange on which the Company's shares are listed, if any shareholder is required to waive their vote on any designated resolution, or if any shareholder is restricted to voting only for or against a designated resolution, any vote cast by such shareholder or his/her proxy in violation of this provision or restriction shall not be counted towards the voting results.

Shareholders may attend the shareholders' meeting in person or appoint a proxy/proxies, who need not be a shareholder/shareholders of the Company, to attend, speak and vote on their behalf.

**Article 64** An individual shareholder who attends the meeting in person shall produce his/her own ID card or other valid documents or proof evidencing his/her identity. If he/she appoints a proxy to attend the meeting on his/her behalf, the proxy shall produce his/her own valid proof of identity and the power of attorney from the shareholder, which shall clearly state the matters, scope of authority, and duration relating to which the proxy is authorized.

A corporate shareholder shall be represented at the meeting by the legal representative or an agent authorized by the legal representative. If the legal representative attends the meeting, he/she shall present his/her ID card and valid proof demonstrating his/her qualification as the legal representative. If an agent attends the meeting, the agent shall present his/her ID card and a written power of attorney duly issued by the legal representative of the corporate shareholder entity (unless the shareholder is a recognized clearing house or agent thereof). If the corporate shareholder has appointed a representative to attend any meeting, it shall be deemed that the shareholder has attended in person.

**Article 65** The power of attorney issued by a shareholder to appoint a proxy to attend a shareholders' meeting shall specify the following information:

- (i) The name or title of the appointer and the class and number of shares held in the Company;
- (ii) The name or title of the proxy;
- (iii) Specific instructions from the shareholder, including instructions to vote in favor of, against or abstain from voting on each proposal to be considered in the agenda of shareholders' meeting;
- (iv) The date of issuance and the period of validity of the power of attorney;
- (v) Signature (or seal) of the appointer. If the appointer is a corporate shareholder, the seal of the corporate entity shall be affixed.

**Article 66** If the power of attorney for proxy voting is signed by a person authorized by the appointer, the authorization letter authorizing the signing or other authorization documents shall be notarized. The notarized authorization letter or other authorization documents, along with the power of attorney for proxy voting, shall be kept at the Company's domicile or such other location as specified in the notice of the meeting.

If the shareholder is a recognized clearing house (or agent thereof), the said shareholder may authorize a representative of its company or one or more persons deemed appropriate by it to act as its proxy or representative at any shareholders' meeting or creditors' meeting; however, where more than one person is authorized, the power of attorney shall clearly state the number and class of the shares represented by each of the persons thus authorized. The power of attorney shall be signed by the persons authorized by the recognized clearing house. The person thus authorized may represent the recognized clearing house (or agent thereof) in exercising rights (without being required to present share certificate, certified power of attorney and/or further evidence of due authorization), and shall enjoy the same statutory rights (including the right to speak and vote) as other shareholders, as if that person is an individual shareholder of the Company. The notarized authorization letter or other authorization documents, along with the power of attorney for proxy voting, shall be kept at the Company's domicile or such other location as specified in the notice of the meeting, at least 24 hours before the meeting for which voting is authorized in the authorization document or at least 24 hours before the time appointed for voting.

**Article 67** An attendance register shall be prepared by the Company. The attendance register shall state the names (or corporate names) and ID card numbers of the attendees, the number of voting shares held or represented by them, names (or corporate names) of the appointers and so on.

**Article 68** The convener and the lawyers engaged by the Company shall jointly verify the validity of the qualifications of shareholders based on the register of shareholders provided by the securities registration institution, and shall register the names (or corporate names) of the shareholders as well as the number of the voting shares held by them. Meeting registration shall terminate before the presider 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 69** If the shareholders' meeting requires directors and senior management members to participate in the meeting, the directors and senior management members shall participate and accept shareholders' inquiries.

**Article 70** The shareholders' meeting shall be presided over by the chairman of the Board. If the chairman is unable or fails to perform his duties, the meeting shall be presided over by the vice chairman (if the Company has two or more vice chairman, the vice chairman nominated by more than half of the directors shall preside over the meeting); if the vice chairman is unable or fails to perform their duties, one director shall be elected by more than half of the directors to preside over the meeting.

The shareholders' meeting convened by the Audit Committee on its own 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/her duties, an Audit Committee member jointly elected by more than half of the Audit Committee members shall preside.

The shareholders' meeting convened by shareholders on their own shall be presided over by the convener or a representative elected by the convener.

If the presider of the meeting violates the rules of procedure during the shareholders' meeting, making it impossible to continue the meeting, the shareholders' meeting may elect a person to act as the presider of the meeting with the consent of more than half of the shareholders with voting rights present at the meeting, and continue the meeting.

**Article 71** The Company shall establish rules of procedure for the shareholders' meeting, which shall detail the procedures for convening, holding and voting at the shareholders' meeting, including notification, registration, review of proposals, voting, counting of votes, announcement of voting results, formation of resolutions, record-keeping and signing, and announcement. The rules shall also specify the principles and specific content of the authorization granted by the shareholders' meeting to the Board of Directors. The rules of procedure for the shareholders' meeting shall be an appendix to the Articles of Association, drafted by the Board of Directors, and approved by the shareholders' meeting.

**Article 72** At the annual shareholders' meeting, the Board of Directors shall report to the shareholders' meeting on its work over the past year. Each independent director shall also submit a performance report.

**Article 73** Directors and senior management members shall provide explanations and clarifications regarding the inquiries and suggestions of shareholders at the shareholders' meeting.

**Article 74** The presider of the meeting shall, before voting, announce the number of shareholders and their proxies present at the meeting and the total number of shares carrying voting rights. The number of shareholders and their proxies present at the meeting and the total number of shares carrying voting rights shall be based on the attendance registration.

**Article 75** The shareholders' meeting shall have minutes, and the secretary to the Board shall be in charge of recording the minutes. The minutes shall contain the following information:

- (i) The time, venue, and agenda of the meeting, as well as the name (or title) of the convener;
- (ii) The names of the presider of the meeting, and the directors and senior management members who participate in the meeting;
- (iii) The number of shareholders and their proxies attending the meeting, the total number of shares carrying voting rights, and the respective percentage in the Company's total shares;
- (iv) The deliberation process, principal points of discussion and voting results for each proposal;
- (v) The inquiries or suggestions from shareholders, and corresponding responses or explanations;
- (vi) The name of the lawyer, vote counter and scrutineer;
- (vii) Any other matters required by the Articles of Association to be recorded in the minutes.

**Article 76** The convener shall ensure that the minutes are truthful, accurate and complete. The directors, the secretary to the Board, the convener or their representatives, and the presider of the meeting who attend or participate in the meeting shall sign on the minutes. The meeting minutes, along with the signed attendance records of shareholders present, power of attorney for those attending by proxy, and the valid records of voting conducted online or through other means, shall be kept for at least 10 years.

**Article 77** The convener shall ensure that the shareholders' meeting is held continuously until a final resolution is reached. If the shareholders' meeting is suspended or it is impossible to make a resolution due to force majeure or other special reasons, necessary measures shall be taken to resume the shareholders' meeting as soon as possible or to terminate the current shareholders' meeting directly, and a timely announcement shall be made. Moreover, the convener shall report to the local branch of the CSRC at the location of the Company and the stock exchanges at the places where the Company's shares are listed.

## **Section 7 Voting and Resolutions at the Shareholders' Meeting**

**Article 78** The resolutions of the shareholders' meeting are divided into ordinary resolutions and special resolutions.

An ordinary resolution at a shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders present at the shareholders' meeting (including proxies).

A special resolution at a shareholders' meeting shall be passed by at least two-thirds of the voting rights held by the shareholders present at the shareholders' meeting (including proxies).

The "shareholder" as referred to in this article shall include a shareholder who appoints a proxy to attend the shareholders' meeting.

**Article 79** The following matters shall be approved by the shareholders' meeting through ordinary resolutions:

- (i) Work reports of the Board of Directors;
- (ii) Profit distribution plans and loss recovery plans drafted by the Board of Directors;
- (iii) Appointment or dismissal of the members of the Board of Directors, their remuneration and the payment method;
- (iv) Engagement and dismissal of accounting firms;
- (v) Other matters other than those approved by special resolution stipulated in the laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.

**Article 80** The following matters shall be approved by special resolution at the shareholders' meeting:

- (i) The increase or reduction of the registered capital of the Company;
- (ii) The division, spin-off, merger, dissolution and liquidation or any change in its corporate form (including a voluntary winding-up) of the Company;
- (iii) Any amendment to the Articles of Association and its appendices (including the Rules of Procedure for the shareholders' meeting and the Rules of Procedure for the Board of Directors);
- (iv) The listing of any subsidiary through spin-off;
- (v) The purchase and sale of material assets or amount of guarantee provided to others within twelve consecutive months valued at more than 30% of the audited total assets of the Company as at the most recent period;
- (vi) The issuance of shares, convertible corporate bonds, preference shares, and other types of securities recognized by the CSRC;
- (vii) The repurchase of shares for the purpose of reducing the registered capital;
- (viii) Any material asset restructuring;
- (ix) Share incentive plan;
- (x) Any resolution of the shareholders' meeting of the Company to voluntarily withdraw the listing or trading of the Company's shares on the Shenzhen Stock Exchange and/or The Stock Exchange of Hong Kong Limited and to cease trading thereon, or to apply for trading or transfer on another trading venue;

- (xi) Other matters as required by the laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed or the Articles of Association, and considered by the shareholders' meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company, shall be passed by a special resolution.

If the Company's share capital includes different classes of shares, unless otherwise stipulated, any change to the rights attached to any class of shares shall be approved through a special resolution by shareholders who hold shares of the class attached with relevant rights and attend the shareholders' meeting of that class. For the purposes of this article, the Company's A shares and H shares shall be deemed to be of the same class of shares.

Proposals specified in items (iv) and (x) of the preceding paragraph shall be approved by more than two-thirds of the voting rights held by shareholders present at the shareholders' meeting. Furthermore, these proposals shall also be approved by more than two-thirds of the voting rights held by other shareholders present at the meeting, excluding the listed company's directors, senior management members and shareholders who individually or collectively hold 5% or more of the listed company's shares.

If the Company's shares are divided into different classes at any time, any alteration or cancellation of the rights of the holders of a class of shares requires approval by the affected class of shareholders through a special resolution at a separate shareholders' meeting before it can be implemented.

**Article 81** The Company shall, under the premise of ensuring the legitimacy and validity of shareholders' meetings, provide convenience for shareholders to attend shareholders' meetings through various methods and channels, including modern information technology means such as online voting platforms.

**Article 82** Shareholders (including proxies) shall exercise voting rights based on the number of shares with voting rights held by them, and each share shall be entitled to one vote, except for class share shareholders. When voting, shareholders who hold two or more voting rights (including their proxies) are not required to cast all their votes for or against a proposal. If the securities regulatory rules of the place where the Company's shares are listed stipulate otherwise, such provisions shall prevail.

Where material issues affecting the interests of minority shareholders are considered at the shareholders' meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The Company's own shares held by the Company do not carry voting rights and such shares shall not count towards the total number of shares with voting rights at shareholders' meeting. In accordance with the requirements of applicable laws and regulations and the Hong Kong Listing Rules, if any shareholder is required to abstain from voting on a certain resolution, or restricts any shareholder from voting only for or against a certain resolution, any vote taken by such shareholder or his/her representative in violation of the aforesaid provisions or restrictions shall not be counted in the total number of shares with voting rights.

If a shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the shareholders' meeting for 36 months after the purchase.

The Board of Directors of the Company, independent directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established in accordance with the laws, administrative regulations and the provisions of the CSRC, may publicly solicit shareholders' voting rights. In solicitation of shareholders' voting right, the specific voting intentions and other information shall be fully disclosed to the solicited parties. It is prohibited to solicit shareholders' voting rights in a paid or disguised paid manner. The Company shall not impose a minimum shareholding restriction on the solicitation of voting rights.

In accordance with the requirements of relevant laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, if any shareholder is required to abstain from voting on the relevant proposal, or restricts any shareholder from voting only for or against the designated proposal, any vote taken by such shareholder or his/her representative in violation of the aforesaid provisions or restrictions shall not be counted in the voting results.

The "shareholder" as referred to in the first paragraph of this article shall include a shareholder who appoints a proxy to attend the shareholders' meeting.

**Article 83** When the shareholders' meeting reviews related party transactions, related shareholders shall not participate in the voting, and the number of voting shares they represent shall not be counted in the total number of valid votes; the announcement of the shareholders' meeting resolution shall fully disclose the voting situation of non-related shareholders.

The Board of Directors shall determine whether the relevant matters to be submitted to the shareholders' meeting for approval constitute related party transactions. In the aforesaid determination, the number of shares held by a shareholder shall be based on the record date of registration.

**Article 84** When related party transactions are considered at a shareholders' meeting, the avoidance and voting procedures for related shareholders are as follows:

- (i) Shareholders who are related to the matters under consideration at the shareholders' gathering shall disclose their related party relationship to the Company's Board of Directors before the meeting and proactively seek to abstain from voting;
- (ii) When related party transactions are considered at the shareholder's meeting, the presider of the meeting shall announce the related shareholders and provide an explanation on the related party relationship between the related shareholders and the related party transactions;
- (iii) The presider of the meeting shall announce the related shareholders' abstention from voting, and the non-related shareholders shall review and cast votes on the related transactions;

- (iv) To adopt a resolution on a related party transaction, it shall be approved by more than half of the voting rights held by the non-related shareholders attending the meeting; if the matter is a special resolution as defined in Article 80 of the Articles of Association, it shall be approved by more than two-thirds of the voting rights held by the non-related shareholders attending the meeting.

If a related shareholder does not proactively request to abstain, other shareholders or shareholder representatives attending the shareholders' meeting shall have the right to request the related shareholder to abstain; if other shareholders or shareholder representatives request for abstention, and the shareholder being asked to abstain believes he/she does not fall under the scope of those who should abstain, the presider of the shareholders' meeting shall, based on the circumstances, consult and discuss with the directors and the relevant shareholders present to make a decision on whether abstention is required.

A related shareholder who is required to abstain may participate in the deliberation of a related party transaction with which he/she is associated, and may provide explanations and clarifications to the shareholders' meeting regarding whether the related party transaction is fair and legal, and the reasons for its occurrence, but such shareholder shall not have the right to vote on the matter. If a related person or his/her close associate participates in voting in violation of the provisions of this article, their votes concerning the related party transaction shall be deemed invalid.

**Article 85** Unless the Company is in crisis or in other special circumstances, the Company shall not enter into a contract with any person other than directors and senior management members that entrusts the management of all or important business of the Company to such person, without the approval of the shareholders' meeting by a special resolution.

**Article 86** The list of director candidates shall be submitted to the shareholders' meeting for voting in the form of a proposal. The authority and procedures for the nomination of director candidates are as follows:

- (i) The Board of Directors shall propose the nominations of non-independent director candidates through consultation;
- (ii) Shareholders who individually or collectively hold 3% or more of the voting shares of the Company shall have the right to nominate non-independent director candidates;
- (iii) The Company's Board of Directors, or shareholders who individually or collectively hold 1% or more of the Company's issued shares, shall have the right to nominate independent director candidates;
- (iv) Directors who are employee representatives shall be directly appointed to the Board after being democratically elected by the Company's employees through the employee representative assembly, the employees' meeting or other means;

- (v) The nominator shall provide to the Board of Directors the resume and basic information of the director candidates he/she proposes, and the intention behind the nomination. The Board of Directors shall disclose the detailed information of the director candidates before the shareholders' meeting to ensure shareholders have sufficient information about the candidates in voting. The director candidates shall provide a written commitment before the shareholders' meeting, agreeing to accept the nomination, promise that the disclosed information about them is true and complete, and guarantee that they will actually fulfill their responsibilities as a director after being elected.

When two or more directors are elected at the shareholders' meeting, the cumulative voting system shall be implemented, except in cases where only one director is elected. Listed companies where a single shareholder and its persons acting in concert hold 30% or more of the equity shall adopt the cumulative voting system. If directors are elected through cumulative voting, the votes for independent directors and non-independent directors shall be cast separately.

**Article 87** Except for cumulative voting, the shareholders' meeting shall vote on all proposals item by item. If there are different proposals on the same matter, they shall be voted upon in the order in which they were submitted. Unless the shareholders' meeting is suspended or it is impossible to make a resolution due to force majeure or other special reasons, the shareholders' meeting shall not lay aside or decline to vote on a proposal.

**Article 88** During the deliberation of proposals, the shareholders' meeting shall not modify any proposal. Any modification shall be deemed a new proposal and shall not be subject to a vote at the current shareholders' meeting.

**Article 89** Each voting right shall only be exercised through on-site voting, online voting or other voting methods. In the event of duplicate votes for the same voting right, the first cast vote shall prevail.

**Article 90** Voting at the shareholders' meeting shall be conducted by open ballot.

**Article 91** Before voting on a proposal at the shareholders' meeting, two shareholder representatives shall be elected to participate in the vote counting and vote monitoring. If any shareholder is interested in the matter under consideration, the relevant shareholder and his/her proxy shall not participate in vote counting or vote monitoring.

When the shareholders' meeting votes on proposals, vote counting and vote monitoring shall be jointly handled by a lawyer and shareholder representatives, and the voting results shall be announced on the spot. The voting results of the resolutions shall be recorded in the meeting minutes.

Shareholders or their proxies who vote online or through other means shall have the right to verify their voting results through the corresponding voting system.

**Article 92** The on-site Shareholders' meeting shall not conclude earlier than the shareholders' meeting held online or through other means. The presider of the meeting shall announce on site the voting status and results of each proposal, and based on these results, declare whether each proposal has been passed.

Prior to the official announcement of voting results, all relevant parties including the Company, the vote counting officer, the vote scrutineer, shareholders and Internet service provider involved in the on-site voting or voting conducted online or through other means at the shareholders' meeting, are obliged to keep the voting results confidential.

**Article 93** Every shareholder present at the shareholders' meeting must indicate on the ballot one of the following positions on each submitted resolution: "For", "Against" or "Abstain". This requirement does not apply to securities depository and clearing organizations acting as the nominee holder for shares traded under the Mainland-Hong Kong Stock Connect, or to recognized clearing houses (or their agents) acting as the nominee holder, which shall cast their votes in accordance with the instructions of the beneficial owners.

Any ballot that is blank, incorrectly completed, illegible, or un-submitted is deemed to represent an abstention by the voter, and the shares represented by that ballot shall be counted as "Abstain".

**Article 94** If the presider has any doubt about the outcome of a resolution put to a vote, the presider may order a recount of the ballots. If the presider does not order a recount, any shareholder or proxy present at the meeting who objects to the result announced by the presider has the right to demand a recount immediately after announcement of the voting results, and the presider must then arrange a recount without delay.

**Article 95** Resolutions of the shareholders' meeting shall be publicly announced promptly. The announcement must state the number of shareholders and proxies attending the meeting, the total number of voting shares they represent and the percentage of the Company's total voting shares, the voting methods used, the voting results for each resolution, and the full text of every resolution adopted.

**Article 96** If a proposal is rejected, or if the current shareholders' meeting alters a resolution previously adopted by an earlier shareholders' meeting, the announcement of the meeting's resolutions must expressly highlight such circumstances.

**Article 97** Where the shareholders' meeting approves a proposal for the election of directors, the newly elected directors shall take office on the date the resolution is adopted and shall serve until the expiration of the current term of the Board of Directors.

**Article 98** If the shareholders' meeting approves a proposal on cash dividends, bonus shares, or capitalization of capital reserves into share capital, the Company shall implement the plan within two months after the conclusion of the meeting. Where applicable laws, regulations, or the securities regulatory rules of the places where the Company's shares are listed do not permit implementation within two months, the implementation date may be adjusted accordingly in accordance with such provisions and the actual circumstances.

## CHAPTER 5 BOARD OF DIRECTORS

### Section 1 Directors

**Article 99** The directors of the Company shall be natural persons. A person is disqualified from serving as a director if he/she falls within any of the following circumstances:

- (i) Lacks full capacity for civil acts or has restricted capacity for civil acts;
- (ii) Has been sentenced to criminal punishment for embezzlement, bribery, misappropriation of property, misapplication of property, or disruption of the socialist market-economic order, or has been deprived of political rights for any crime, and less than five years have elapsed since the completion of the sentence, or, if granted probation, less than two years have elapsed since the probation period ended;
- (iii) Was a director, factory manager or manager of a company or enterprise that entered bankruptcy liquidation and bears personal liability for such bankruptcy, and less than three years have elapsed since the completion of the bankruptcy liquidation;
- (iv) Was the legal representative of a company or enterprise whose business license was revoked or which was ordered to close due to unlawful acts, and bears personal liability therefor, and less than three years have elapsed since the date of revocation or closure;
- (v) Has failed to pay a substantial amount of overdue personal debt and has been listed by a people's court as a person subject to dishonesty enforcement;
- (vi) Is subject to a securities-market entry ban imposed by the CSRC, and the ban period has not expired;
- (vii) Has been publicly deemed unsuitable to serve as a director or senior management member of a listed company by a stock exchange, and the disqualification period has not expired;
- (viii) Is otherwise disqualified under other provisions of laws, administrative regulations, departmental rules, or the securities regulatory rules of the places where the Company's shares are listed.

Any election of a director made in contravention of this Article shall be null and void. If a director falls within any of the above circumstances while in office, the Company shall remove that director and terminate his/her duties.

**Article 100** Directors shall be elected or replaced by the shareholders' meeting and may be removed from office by the shareholders' meeting before the expiration of their term, such removal taking effect on the date the shareholders' resolution is passed; provided, however, that such removal shall not prejudice any claim for damages that the director may have under any contract. If a director is removed by the shareholders' meeting without just cause before the end of his/her term, the director may claim damages against the Company pursuant to any applicable contract. The term of office of a director shall be three years, and upon expiry of such term, the director may be re-elected and serve consecutive terms. A director's term shall commence on the date he/she takes office and shall expire at the end of the current term of the Board of Directors. If an election is not held promptly upon the expiry of a director's term, the outgoing director shall continue to perform his/her duties in accordance with applicable laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association until the newly elected director assumes office. Where the securities regulatory rules of the places where the Company's shares are listed contain additional provisions regarding the re-election of directors, such provisions shall prevail.

Directors may concurrently hold the position of senior management positions, but the total number of directors who concurrently hold the position of senior management positions and directors who is representative of the employees shall not exceed half of the total number of directors of the Company.

**Article 101** Directors shall comply with applicable laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association, owe a duty of loyalty to the Company, take steps to avoid any conflict between their personal interests and the interests of the Company, and must not exploit their powers for improper gain.

Directors owe the following duties of loyalty to the Company:

- (i) Not to misappropriate or embezzle any property or funds of the Company;
- (ii) Not to deposit Company funds in accounts opened in their own name or in the name of any other individual;
- (iii) Not to engage in bribery or accept any other illegal income by taking advantage of their powers;
- (iv) Not to enter into, directly or indirectly, any contract or transaction with the Company unless they have reported the matter to the Board of Directors or the shareholders' meeting and the contract or transaction has been approved by the Board or the shareholders' meeting in accordance with the Articles of Association;
- (v) Not to seize any business opportunity that belong to the Company for themselves or for others by taking advantage of their position, unless they have reported the opportunity to the Board or the shareholders' meeting and it has been approved by the shareholders' meeting, or the Company is unable to utilize the opportunity pursuant to applicable laws, administrative regulations, or the Articles of Association;
- (vi) Not to operate, on their own behalf or on behalf of others, any business that competes with the Company's business unless they have reported such activity to the Board or the shareholders' meeting and it has been approved by the shareholders' meeting;

- (vii) Not to accept for themselves any commission arising from transactions between others and the Company;
- (viii) Not to disclose any confidential information of the Company without authorization;
- (ix) Not to harm the interests of the Company by taking advantage of their connected relationships;
- (x) To observe any other duty of loyalty prescribed by applicable laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Any income obtained by a director in violation of this Article shall be surrendered to the Company, and the director shall be liable for compensation for any loss thereby caused to the Company. If, in the performance of his/her duties, a director causes damage to any third party, the Company shall be liable for compensation; where the director acted intentionally or with gross negligence, the director shall also be liable for compensation.

The provisions of Item (iv) of Paragraph 2 of this Article shall apply if any near relatives of the directors or senior management, or any of the enterprises directly or indirectly controlled by the directors or senior management or any of their near relatives, or any related parties with any other related-party relationship with the directors or senior management, concludes a contract or conducts a transaction with the company.

**Article 102** Directors shall comply with applicable laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed and the Articles of Association, owe a duty of diligence to the Company, and, in discharging their duties, shall exercise the reasonable care ordinarily expected of a prudent manager in the best interests of the Company.

Directors owe the following duties of diligence to the Company:

- (i) They shall exercise the rights granted to them by the Company with prudence, diligence, and care to ensure that the Company's business activities comply with national laws, administrative regulations, and all national economic policies, and that business operations do not exceed the scope of business specified in the business license;
- (ii) They shall treat all shareholders fairly;
- (iii) They shall promptly understand the status of the Company's business operations and management;
- (iv) They shall sign a written confirmation on the Company's regular reports to ensure that the information disclosed by the Company is true, accurate, and complete;
- (v) They shall provide relevant information and materials to the Audit Committee truthfully and shall not obstruct the Audit Committee from exercising their powers;
- (vi) Other duties of diligence as stipulated by laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

**Article 103** If a director fails to attend two consecutive Board meetings in person and also fails to appoint another director as proxy, the director shall be deemed unable to perform his/her duties, and the Board shall recommend to the shareholders' meeting that the director be removed.

**Article 104** Directors may resign before the expiration of their term. Resignation of a director shall be submitted to the Board of Directors in writing. In the resignation report, the director shall state the date of resignation, the reasons for resigning, the position(s) being relinquished, and whether he/she will continue to hold any position in the listed company or its holding subsidiaries after resignation (if so, the details of such continued position must be provided). The resignation shall take effect on the date the Company receives the resignation report, and the Company shall disclose the relevant circumstances within two trading days or within the period required by the securities regulatory rules of the places where the Company's shares are listed.

If the resignation of a director causes the number of directors on the board to fall below the statutory minimum or there are no independent directors who are usually resident in Hong Kong, or the number of independent directors is less than one-third of the board members due to the resignation of independent directors, or there are no accounting professionals or appropriate professional qualifications among independent directors, the resignation report shall take effect only after the vacancy created by the director's resignation has been filled by the next director. The outgoing director shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association, until the newly elected director takes office.

When a director tenders resignation, the Company shall complete the election of a replacement within two months to ensure that the composition of the Board complies with applicable laws, regulations, and the Articles of Association.

**Article 105** The Company establishes a management system for director departures, setting out safeguards for holding a resigning director accountable and seeking compensation for any unfulfilled public commitments or other outstanding obligations. Upon the effective date of resignation or the expiration of his/her term, a director shall complete all hand-over procedures with the Board. For two years after resignation takes effect or the term ends, the director shall continue to owe the Company and its shareholders a duty of loyalty. The director's obligation to maintain the Company's confidential information shall continue after the end of his/her service until such information becomes public. The duration of any other continuing obligations shall be determined under principles of fairness, taking into account the interval between the relevant events and the director's departure, and the circumstances and conditions under which the relationship with the Company is terminated. A director's liabilities arising from acts performed in the course of his/her duties during service shall not be extinguished or terminated by resignation.

**Article 106** The shareholders' meeting may resolve to remove a director, and the removal shall take effect on the date the resolution is adopted.

If a director is removed without just cause before the expiration of his/her term, the director may claim compensation from the Company.

**Article 107** Without the provisions of the Articles of Association or the lawful authorization of the Board of Directors, no director shall act on behalf of the Company or the Board of Directors in their personal capacity. When a director acts in their personal capacity, if a third party would reasonably believe that the director is acting on behalf of the Company or the Board of Directors, the Director shall make a prior declaration of their position and identity.

**Article 108** When a director, in the performance of his/her duties, causes damage to any third party, the Company shall bear the liability for compensation; if the director acted with intent or gross negligence, he/she shall also be liable for compensation.

Where a director, in performing his/her duties, violates any laws, administrative regulations, departmental rules, the securities regulatory rules of the places where the Company's shares are listed, or any provision of the Articles of Association, thereby causing loss to the Company, the director shall compensate the Company for such loss.

If the Company's controlling shareholder or actual controller instructs a director to act in a manner that harms the interests of the Company or its shareholders, the controlling shareholder or actual controller shall be jointly and severally liable with that director.

Where the Company's controlling shareholder or actual controller does not serve as a director but in fact performs the Company's business affairs, the provisions of Articles 101 and 102 of the Articles of Association shall apply.

## **Section 2 Board of Directors**

**Article 109** The Company shall have a Board of Directors, which shall be composed of 9 directors, including one employee representative director and four independent directors. At least one independent director shall possess appropriate professional qualifications as required by the securities regulatory rules of the places where the Company's shares are listed, or have appropriate accounting or related financial management expertise. Additionally, at least one independent director must ordinarily reside in Hong Kong. All independent directors must meet the independence requirements stipulated by the securities regulatory rules of the places where the Company's shares are listed. The directors of the Company may include executive directors, non-executive directors, and independent directors. Non-executive directors refer to directors who do not hold management positions in the Company. The Board of Directors shall have one chairman. Except for the employee representative director, who shall be democratically elected by the employees of the Company through employee representative assemblies, employee meetings, or other forms, all other directors shall be elected by the shareholders' meeting.

**Article 110** The Board shall exercise the following duties and powers:

- (i) To convene shareholders' meeting and report its work to the shareholders' meeting;
- (ii) To implement the resolutions of the shareholders' meeting;
- (iii) To resolve business operation plans and investment plans of the Company;
- (iv) To formulate the profit distribution plans and loss recovery plans of the Company;

- (v) To formulate plans of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;
- (vi) To draft plans for significant acquisitions of the Company, the purchase of Shares of the Company, merger, division, dissolution or change of the form of the Company;
- (vii) To determine, to the extent authorized by the shareholders' meeting, on such matters as the external investments, purchase or sale of assets, asset mortgage, external guarantee, entrusted wealth management, connected transactions and external donations of the Company;
- (viii) To determine the internal management structure of the Company;
- (ix) To determine the appointment or dismissal of the President of the Company and the secretary to the Board; and based on the nomination of the President, to determine the appointment or dismissal of the senior management, including Deputy President and Financial Officer of the Company and determine their remuneration, rewards and penalties;
- (x) To formulate the basic management system of the Company;
- (xi) To formulate proposals for any amendment of the Articles of Association;
- (xii) To manage the information disclosure of the Company;
- (xiii) To propose to the shareholders' meeting for appointment or replacement of the accounting firms which provide audit services to the Company;
- (xiv) To listen to work reports of the President of the Company and review his/her work;
- (xv) Other duties as stipulated in laws, administrative regulations, departmental rules, securities regulatory rules of the places where the shares of the Company are listed, the Articles of Association or the shareholders' meeting.

**Article 111** Where any of the following matters of the Company — external investments (including entrusted wealth management and investments in subsidiaries), purchase or sale of assets, lease-in or lease-out of assets, execution of management-related contracts (including entrusting operation or entrusted operation), gifting or receipt of assets, restructuring of debt or credit, transfer of research-and-development projects, execution of license agreements, and other matters (excluding the provision of guarantee and the financial assistance) — reaches any standard set out below, the matter shall be reviewed and approved by the Board of Directors:

- (i) The total assets involved in the transaction account for more than 10% of the Company's most recent audited total assets. Where the total assets involved in the transaction have both book value and valuation value, it shall be calculated on the basis of whichever is higher;
- (ii) The related operating income of the subject matter of transaction (such as equity) in the most recent fiscal year accounts for more than 10% of the Company's audited operating income in the most recent fiscal year and the absolute amount is more than RMB10 million;

- (iii) The related net profit of the subject matter of transaction (such as equity) in the most recent fiscal year accounts for more than 10% of the Company's audited net profit in the most recent fiscal year and the absolute amount is more than RMB1 million;
- (iv) The transaction amount (including commitment debts and expenses) accounts for more than 10% of audited net assets of the Company of the latest period with the absolute amount of more than RMB10 million;
- (v) The profit generated by the transaction accounts for more than 10% of the audited net profit of the Company in the most recent fiscal year with the absolute amount of more than RMB1 million.
- (vi) Other circumstances as required by the securities regulatory rules of the places where the Company's shares are listed.

If the data involved in the above index calculation is negative, the absolute value of the data shall be taken.

Where the Articles of Association stipulate that the aforementioned matters must be submitted to the shareholders' meeting for deliberation, they shall be reviewed by the Board of Directors before being submitted to the shareholders' meeting for deliberation. Matters that do not meet any of the above criteria may be reviewed by the chairman of the Board as authorized by the Board of Directors.

For matters falling within the decision-making authority of the Board of Directors as stipulated in this Article, if laws, administrative regulations, departmental rules, the securities regulatory rules of the places where the Company's shares are listed, or regulatory authorities require that they be submitted to the shareholders' meeting for approval, such matters shall be handled in accordance with the relevant provisions.

Notwithstanding the above, if a transaction entered into by the Company may constitute a connected transaction and/or a transaction subject to announcement under the securities regulatory rules of the places where the Company's shares are listed, the Company shall comply with the relevant laws, regulations, normative documents, and the securities regulatory rules of the places where the Company's shares are listed.

**Article 112** Any external guarantee given by the Company must be reviewed by the Board of Directors.

Where the Articles of Association require that such an external guarantee be submitted to the shareholders' meeting for consideration, the Board of Directors shall, after its own deliberation, refer the matter to the shareholders' meeting.

**Article 113** A related-party transaction (excluding the provision of guarantees or financial assistance) that meets any of the following thresholds shall, after obtaining the consent of more than half of all independent directors, be submitted to the Board of Directors for approval and be disclosed promptly:

- (i) A transaction between the Company and a related natural person with a transaction amount exceeding RMB300,000;

- (ii) A transaction between the Company and a related legal person with a transaction amount exceeding RMB3 million and representing more than 0.5 % of the absolute value of the Company's latest audited net assets; or
- (iii) Any other related-party transaction that laws, regulations, normative documents, the securities regulatory rules of the places where the Company's shares are listed, or the Articles of Association authorize the Board of Directors to consider.

When the Board of Directors deliberates on a related-party transaction, the meeting may be held if attended by more than half of the non-interested directors, and any resolution must be adopted by more than half of the non-interested directors present. If the number of non-interested directors attending the meeting is fewer than three, the Company shall submit the transaction to the shareholders' meeting for consideration.

Where the Articles of Association require that any of the above transactions be submitted to the shareholders' meeting for consideration, the Board of Directors shall, after its own deliberation, refer the matter to the shareholders' meeting. Related-party transactions that do not meet any of the above thresholds may be approved by the chairman of the Board pursuant to authorization granted by the Board.

For any matter within the decision-making authority of the Board under this Article, if laws, administrative regulations, departmental rules, the securities regulatory rules of the places where the Company's shares are listed, or the relevant regulatory authorities require that such matter be submitted to the shareholders' meeting for approval, the relevant provisions shall prevail.

**Article 114** The Board of Directors shall explain to the shareholders' meeting any non-standard audit opinion issued by the certified public accountants on the Company's financial statements.

**Article 115** The Board of Directors shall adopt rules of procedure for its meetings to ensure the implementation of shareholders' meeting resolutions, enhance work efficiency, and secure scientific decision-making.

**Article 116** Subject to the securities regulatory rules of the places where the Company's shares are listed, the Board of Directors shall determine its authority over external investments, acquisitions and disposals of assets, asset mortgages, external guarantees, entrusted wealth management, related-party transactions, external donations, and similar matters, and shall establish rigorous review and decision-making procedures. Material investment projects shall be evaluated by relevant experts and professionals and then submitted to the shareholders' meeting for approval.

**Article 117** The Board of Directors shall appoint one chairman and may appoint one or more vice chairmen. The chairman and any vice chairman shall be elected by a simple majority of all directors.

**Article 118** The chairman shall exercise the following powers:

- (i) Preside over shareholders' meetings and convene and preside over Board meetings;
- (ii) Supervise and inspect the implementation of board resolutions;
- (iii) Any other powers delegated by the Board of Directors.

**Article 119** The vice chairman shall assist the chairman in his/her work. If the chairman is unable or fails to perform his/her duties, the vice chairman shall act in his/her place (if there are two or more vice chairmen, the one jointly selected by a majority of the directors shall perform the duties). If the vice chairman is unable or fails to perform his/her duties, a director jointly selected by a majority of the directors shall act.

**Article 120** Meetings of the Board of Directors are divided into regular meetings and interim meetings. The Board of Directors shall hold at least two regular meetings each year, which shall be convened by the chairman. All directors shall be given written notice 10 days prior to the convening of the meeting.

**Article 121** Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors, or the Audit Committee may propose the convening of an interim meeting of the Board of Directors. The chairman shall convene and preside over the Board meeting within 10 days from the date of receiving such proposal.

**Article 122** Notice of an interim meeting of the Board shall be given by communication means (telephone, facsimile or e-mail) or in writing, and shall be delivered at least three days before the date of the meeting.

If special circumstances arise requiring an immediate resolution by the Board, an interim meeting may be convened without regard to the foregoing notice methods or time limit, provided it is done in the interests of the Company.

**Article 123** Every notice of a Board meeting shall include the following:

- (i) The date and venue of the meeting;
- (ii) The duration of the meeting;
- (iii) The reasons for and agenda of the meeting;
- (iv) The date on which the notice is given.

**Article 124** A meeting of the Board of Directors shall be held only if more than half of the directors are present. Resolutions of the Board of Directors must be passed by a majority of all directors. When the Board of Directors reviews external guarantee matters, such matters shall also be approved by more than two-thirds of the directors present at the Board meeting, unless otherwise stipulated more strictly by laws, regulations, securities regulatory rules of the places where the Company's shares are listed, or the Articles of Association.

Voting on resolutions of the Board of Directors shall be conducted on a one person, one vote basis.

**Article 125** Where a director is related to an enterprise or individual involved in a board resolution, the director shall promptly submit a written report to the Board of Directors. A related director shall not vote for the said resolution and shall not represent another director in exercise of voting rights. Any director who, or whose close associate(s), has a material interest in any contract, arrangement or other proposal shall not vote on the relevant board resolution for the approval of such contract, arrangement or proposal and shall not be counted in the quorum for that meeting. The Board meeting may be held with more than half of unrelated directors present, and resolutions passed by the Board meeting shall require more than half of votes of unrelated directors. Where the number of unrelated directors present at the Board meeting is less than three, the said matter shall be tabled at a shareholders' meeting for deliberation. Where laws, regulations, or the securities regulatory rules of the places where the Company's shares are listed impose additional restrictions on a director's participation in Board meetings and voting, such provisions shall prevail.

**Article 126** All board resolutions shall be adopted by recorded open-ballot voting.

At interim meetings of the Board, provided every director is afforded a full opportunity to express his/her views, resolutions may be proposed and adopted by means of communication such as facsimile or written circulation, and the resolution shall be signed by all directors taking part.

Every director must sign the board resolution and assume responsibility for it. If a resolution contravenes any law, regulation, the securities regulatory rules of the places where the Company's shares are listed, or the Articles of Association and thereby causes substantial loss to the Company, the directors who voted in favor shall be liable to compensate the Company. A director who can prove that he/she expressly objected to the resolution at the time of voting and whose objection is recorded in the minutes may be exempted from such liability.

**Article 127** Directors shall attend Board meetings in person. If a director is unable to attend for any reason, he/she shall prudently select and shall, in writing, appoint another director as proxy; an independent director must appoint another independent director as proxy. The power of attorney shall state the name of the proxy, the matters to be represented, the scope of authority and the period of validity, and shall be signed or sealed by the appointing director. The proxy director shall exercise rights within the scope of the authorization. A director may not accept more than two proxies for a single board meeting. A director who neither attends nor appoints a proxy to attend a Board meeting shall be deemed to have waived his/her voting rights at that meeting.

**Article 128** The Board shall prepare minutes of the decisions made on each matter discussed at its meetings, and all directors present shall sign the minutes.

The minutes of Board meetings shall be preserved as company archives for a period of not less than 10 years.

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

- (i) The date, venue, and convener's name of the meeting;
- (ii) The names of the directors present and of any directors attending as proxies;
- (iii) The agenda of the meeting;

- (iv) The key points of each director's remarks;
- (v) The voting method and outcome for every resolution (specifying the number of votes for, against, and abstained).

### **Section 3 Independent Directors**

**Article 130** Independent directors shall, in accordance with the requirements of laws, administrative regulations, the CSRC, the stock exchange on which the Company's shares are listed, and the Articles of Association, faithfully perform their duties. They shall, within the Board of Directors, play the roles of participating in decision-making, providing supervisory checks and balances, and offering professional advice, safeguarding the overall interests of the Company and protecting the lawful rights and interests of minority shareholders.

**Article 131** Independent directors must maintain independence. The following persons may not serve as independent directors:

- (i) Persons who hold any position in the Company or its subsidiaries, and their spouses, parents, children, or primary social relations;
- (ii) Natural-person shareholders who directly or indirectly hold 1 % or more of the Company's issued shares or who rank among the Company's top ten shareholders, and their spouses, parents, or children;
- (iii) Persons who hold any position in a shareholder that directly or indirectly holds 5% or more of the Company's issued shares or among the Company's top five shareholders, and their spouses, parents, or children;
- (iv) Persons who hold any position in an affiliate of the Company's controlling shareholders or actual controllers, and their spouses, parents, or children;
- (v) Persons who have significant business dealings with the Company and its controlling shareholders, actual controllers, or their respective affiliated enterprises, or who hold positions in entities with which the Company has significant business dealings and their controlling shareholders or actual controllers;
- (vi) Persons who provide financial, legal, consulting, sponsorship, or similar services to the Company and its controlling shareholders, actual controllers, or their respective affiliated enterprises, including without limitation all members of the project team, reviewers at all levels, signatories of reports, partners, directors, senior officers, and principal persons in charge of the intermediary firms providing such services;
- (vii) Persons who fell within any of Items (i) to (vi) during the preceding twelve months;
- (viii) Any other persons deemed lacking independence under laws, administrative regulations, the CSRC rules, the listing rules of the stock exchange on which the Company's shares are listed, or the Articles of Association.

For purposes of items (iv) to (vi) above, “affiliated enterprises of the Company’s controlling shareholders, actual controllers” do not include enterprises that are under the control of the same state-owned asset administration authority as the Company and that, in accordance with relevant rules, do not constitute related parties of the Company.

Independent directors shall conduct an annual self-assessment of their independence and submit the results to the Board of Directors. The Board shall, each year, evaluate the independence of all serving independent directors and issue a specific opinion, which shall be disclosed together with the annual report.

**Article 132** A person shall meet the following conditions to serve as an independent director of the Company:

- (i) Possess the qualifications to serve as a director of a listed company in accordance with laws, administrative regulations, securities regulatory rules of the places where the Company’s shares are listed, and other relevant provisions;
- (ii) Meet the independence requirements specified in the Articles of Association;
- (iii) Have basic knowledge of the operation of listed companies and be familiar with relevant laws, regulations, and rules;
- (iv) Have at least five years of work experience in fields such as law, accounting, or economics, which is necessary for performing the duties of an independent director;
- (v) Have good personal ethics and no major dishonest or other adverse records;
- (vi) Meet other conditions stipulated by laws, administrative regulations, the CSRC, securities regulatory rules of the places where the Company’s shares are listed, and the Articles of Association.

**Article 133** As members of the Board of Directors, independent directors owe fiduciary duties and duties of diligence to the Company and all shareholders, and shall prudently perform the following responsibilities:

- (i) Participate in the decision-making of the Board of Directors and express clear opinions on the matters under discussion;
- (ii) Supervise potential major conflicts of interest between the Company and its controlling shareholders, actual controllers, directors, or senior management, and protect the legitimate rights and interests of minority shareholders;
- (iii) Provide professional and objective suggestions on the Company’s business development to help improve the decision-making level of the Board of Directors;
- (iv) Perform other responsibilities stipulated by laws, administrative regulations, the CSRC, rules of the stock exchange on which the Company’s shares are listed, and the Articles of Association.

**Article 134** Independent directors shall exercise the following special powers:

- (i) Independently engage intermediary institutions to audit, consult on, or verify specific matters of the Company;
- (ii) Propose to the Board of Directors to convene an extraordinary shareholders' meeting;
- (iii) Propose to convene a meeting of the Board of Directors;
- (iv) Publicly solicit shareholder rights from shareholders in accordance with the law;
- (v) Express independent opinions on matters that may damage the interests of the Company or minority shareholders;
- (vi) Exercise other powers stipulated by laws, administrative regulations, the CSRC, the stock exchange on which the Company's shares are listed, and the Articles of Association.

The exercise of the powers listed in Items (i) to (iii) of the preceding paragraph by independent directors shall be subject to the approval of more than half of all independent directors.

Where an independent director exercises the authority listed in the first paragraph, the Company shall promptly disclose such exercise. If the aforementioned authority cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

**Article 135** The following matters shall be submitted to the Board of Directors for deliberation only after obtaining the approval of more than half of all independent directors of the Company:

- (i) Related party transactions that are required to be disclosed;
- (ii) Plans for the Company and related parties to alter or exempt commitments;
- (iii) Decisions and measures taken by the Board of Directors of the acquired listed company in response to the acquisition;
- (iv) Other matters stipulated by laws, administrative regulations, the CSRC, the stock exchange on which the Company's shares are listed, and the Articles of Association.

**Article 136** The Company shall establish a special meeting mechanism exclusively for independent directors. Matters such as related party transactions to be deliberated by the Board of Directors shall be pre-approved by the special meeting of independent directors.

The Company shall convene special meetings of independent directors on a regular or ad hoc basis. Matters listed in Items (i) to (iii) of the first paragraph of Article 134 and Article 135 of the Articles of Association shall be deliberated at the special meeting of independent directors.

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

The special meeting of independent directors shall be convened and chaired by one independent director jointly recommended by more than half of the independent directors. If the convener fails to perform or is unable to perform their duties, two or more independent directors may convene the meeting on their own and recommend one representative to chair it.

The special meeting of independent directors shall prepare meeting minutes in accordance with relevant regulations, and the opinions of the independent directors shall be recorded in the minutes. The independent directors shall sign to confirm the meeting minutes.

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

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

**Article 137** The Company shall establish an Audit Committee under the Board, which shall exercise the powers and functions of the board of supervisors as prescribed by the Company Law.

**Article 138** The Audit Committee consists of three members, who are directors not serving as senior management personnel of the Company. Among them, at least two are independent directors, and all members are non-executive directors. The committee includes an accounting professional, and the convener is an accounting professional among the independent directors. At least one independent director in the Audit Committee must possess the appropriate professional qualifications as stipulated in the Hong Kong Listing Rules or have appropriate accounting or related financial management expertise.

**Article 139** The Audit Committee is responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audits and internal controls. The following matters must be approved by more than half of all members of the Audit Committee before being submitted to the Board of Directors for deliberation:

- (i) Disclosure of financial accounting reports and financial information in periodic reports, as well as internal control evaluation reports;
- (ii) Appointment or dismissal of accounting firms engaged for the audit business of the listed company;
- (iii) Appointment or dismissal of the financial responsible person of the listed company;
- (iv) Changes in accounting policies, accounting estimates, or corrections of major accounting errors due to reasons other than changes in accounting standards;
- (v) Other matters stipulated by laws, administrative regulations, the CSRC, the stock exchange on which the Company's shares are listed, and the Articles of Association.

**Article 140** The Audit Committee shall hold meetings at least once per quarter. Interim meetings 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 at least two-thirds of its members to proceed.

Resolutions of the Audit Committee must be approved by a majority vote of its members.

Voting on resolutions of the Audit Committee shall be conducted on a one-member, one-vote basis.

Meeting minutes shall be prepared for resolutions of the Audit Committee in accordance with relevant regulations, and the members of the Audit Committee present at the meeting shall sign the minutes.

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

**Article 141** The Company's Board of Directors has established other special committees, such as the Strategy and Investment Committee, the Nomination Committee, the Compensation and Evaluation Committee, etc. These committees shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Proposals from the special committees shall be submitted to the Board of Directors for deliberation and decision. The working procedures of the special committees shall be formulated by the Board of Directors.

**Article 142** The Nomination Committee is responsible for formulating the selection standards and procedures for directors and senior management personnel, screening and reviewing candidates for directors and senior management personnel and their qualifications, and making recommendations to the Board of Directors on the following matters:

- (i) Nominating or appointing and removing directors;
- (ii) Employing or dismissing senior management personnel;
- (iii) Other matters stipulated by laws, administrative regulations, the CSRC, the stock exchange on which the Company's shares are listed, and the Articles of Association.

If the Board of Directors does not adopt or only partially adopts the recommendations of the Nomination Committee, the Board resolution shall record the opinions of the Nomination Committee and the specific reasons for not adopting them, and such information shall be disclosed.

**Article 143** The Remuneration and Appraisal Committee shall be responsible for formulating appraisal criteria for directors and senior management members, conducting performance appraisals, formulating and reviewing remuneration decision-making mechanisms, decision-making procedures, payment and claw-back arrangements, and other remuneration policies and plans, and making recommendations to the Board of Directors regarding the following matters:

- (i) The remuneration of directors and senior management members;
- (ii) The formulation or amendment of equity incentive plans, employee stock ownership plans, the granting of entitlements to incentive recipients, and the fulfillment of conditions for exercising rights;

- (iii) The participation of directors and senior management members in equity ownership plans in connection with a proposed spin-off of subsidiaries;
- (iv) Other matters as stipulated by laws, administrative regulations, the CSRC, the stock exchanges at the places where the Company's shares are listed, and the Articles of Association.

Where the Board of Directors does not adopt, or does not fully adopt, the recommendations of the Remuneration and Appraisal Committee, the Board shall record the Remuneration and Appraisal Committee's opinions and the specific reasons for not adopting them in its resolution and make disclosure accordingly.

## **Chapter 6 President and Other Senior Management Members**

**Article 144** The Company shall have one President, who shall be appointed or dismissed by the Board of Directors.

The Company shall have several Deputy Presidents, who shall be appointed or dismissed by the Board of Directors.

**Article 145** The provisions of the Articles of Association regarding 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 the Articles of Association regarding the fiduciary duties and diligence duties of directors shall also apply to senior management members. Senior management members of the Company shall only receive salaries from the Company and shall not be paid by the controlling shareholder.

**Article 146** Any person who holds an administrative position (other than director or supervisor) in the controlling shareholder of the Company shall not serve as a senior management member of the Company.

**Article 147** The term of office of the President shall be three years, and he/she may be reappointed upon re-engagement.

**Article 148** The President is responsible to the Board of Directors and exercises the following powers:

- (i) To be in charge of the production, operation and management of the Company, organize and implement the resolutions of the Board of Directors, and report the work to the Board of Directors;
- (ii) To implement the Company's annual business plan and investment programs;
- (iii) To draft proposals for the establishment of internal management institutions of the Company;
- (iv) To draft the Company's basic management systems;
- (v) To formulate specific regulations of the Company;

- (vi) To propose to the Board of Directors the appointment or dismissal of Deputy Presidents and other senior management members;
- (vii) To decide on the appointment or dismissal of management personnel other than those who should be appointed or dismissed by the Board of Directors;
- (viii) Other powers granted by the Articles of Association or the Board of Directors.

The President shall attend meetings of the Board of Directors.

**Article 149** The President shall decide on transaction matters that are not expressly required by the Articles of Association of Victory Giant Technology (HuiZhou) Co., Ltd., the Related Party Transactions Management Rules of Victory Giant Technology (HuiZhou) Co., Ltd., or other internal regulations of the Company to be considered and resolved by the shareholders' meeting, the Board of Directors, or the chairman of the Board of Directors under authorization of the Board.

**Article 150** The President shall formulate the rules of procedure for the President, which shall be implemented upon approval by the Board of Directors.

**Article 151** The rules of procedure for the President shall include the following contents:

- (i) Conditions, procedures, and participants for convening the President's meetings;
- (ii) The specific responsibilities and division of duties among the President and other senior management members;
- (iii) The authority regarding the use of the Company's funds and assets, the signing of material contracts, and the reporting system to the Board of Directors;
- (iv) Other matters deemed necessary by the Board of Directors.

**Article 152** The President may tender his/her resignation prior to the expiration of his/her term of office. The specific procedures and methods relating to the resignation of the President shall be governed by the employment contract between the President and the Company.

**Article 153** The Vice Presidents shall assist the President in his/her work.

**Article 154** The Company shall have a secretary to the Board, who shall be responsible for the preparation of shareholders' meetings and Board meetings, safekeeping of documents, and the management of shareholders' information of the Company.

The secretary to the Board shall comply with laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, and the relevant provisions of the Articles of Association.

**Article 155** If a senior management member, in the performance of his/her duties, causes damage to others, the Company shall bear the liability for compensation; if such senior management member is found to have committed willful misconduct or gross negligence, he/she shall also bear liability for compensation. If a senior management member, in the performance of his/her duties, violates laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the provisions of the Articles of Association, thereby causing losses to the Company, he/she shall bear liability for compensation.

**Article 156** Senior management members of the Company shall faithfully perform their duties and safeguard the maximum interests of the Company and all shareholders. If senior management members fail to faithfully perform their duties or violate their fiduciary duties, causing damage to the interests of the Company and the public shareholders, they shall be liable for compensation in accordance with the law.

## **CHAPTER 7 FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT**

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

**Article 157** The Company shall formulate its financial and accounting systems in accordance with laws, administrative regulations and regulations of relevant departments.

**Article 158** The Company shall, within four months from the end of each fiscal year, submit its annual financial accounting report to the local office of the CSRC and the stock exchanges at the places where its shares are listed; within two months from the end of the first six months of each fiscal year, submit its semi-annual financial accounting report to the local office of the CSRC and the stock exchanges at the places where its shares are listed; and within one month from the end of the first three months and the first nine months of each fiscal year, submit its quarterly financial accounting report to the local office of the CSRC and the stock exchanges at the places where its shares are listed.

The above financial accounting reports shall be prepared in accordance with relevant laws, administrative regulations, departmental rules, and the requirements of the CSRC and the stock exchanges at the places where the Company's shares are listed.

**Article 159** The Company shall not establish accounts books other than those provided by law. Any assets of the Company shall not be kept under any account opened in the name of any individual.

**Article 160** When distributing after-tax profits of the year, the Company shall allocate 10% of its after-tax profits for the Company's statutory reserve fund. When the aggregate balance in the statutory reserve fund has reached 50% or more of the Company's registered capital, the Company does not need to make any further allocations to that fund.

Where the Company's statutory reserve fund is not enough to make up losses of the Company for the preceding year, the current year's profits shall be applied firstly to make up the losses before being allocated to the statutory reserve in accordance with the preceding provision.

After allocating the statutory reserve fund from the after-tax profits, the Company may also allocate a discretionary reserve fund from the after-tax profits upon a resolution of the shareholders' meeting.

The remaining after-tax profit after the Company has made up for losses and extracted surplus reserves shall be distributed in proportion to the shares held by the shareholders, unless the Articles of Association provide that the distribution is not made as per the proportion of shareholding.

Where the shareholders' meeting distributes profits to shareholders in violation of the Company Law, such shareholders shall return the unlawfully distributed profits to the Company; if losses are caused to the Company, the shareholders, as well as the directors and senior management members who are held liable, shall bear liability for compensation.

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

The Company shall, in Hong Kong, appoint one or more receiving agents for holders of H Shares. Such receiving agent(s) shall, on behalf of the relevant H Shareholders, collect and keep the dividends and other payments payable by the Company in respect of the H Shares, pending payment to such H Shareholders. The receiving agent(s) appointed by the Company shall comply with the requirements of laws, regulations, and the securities regulatory rules of the place where the Company's shares are listed.

**Article 161** The reserve fund of the Company shall be used to make up losses of the Company, expand the production and operation of the Company or increase the registered capital of the Company. Where the reserve fund of the Company is used for making up losses, the discretionary reserve and statutory reserve shall be used firstly. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions.

Where, after using reserve funds in accordance with the preceding paragraph, the Company still has losses, the registered capital may be reduced to make up the losses. When reducing registered capital to make up losses, the Company shall not distribute profits to shareholders, nor exempt shareholders from their obligation to contribute capital or pay subscription monies.

Where registered capital is reduced in accordance with the preceding paragraph, the provisions of paragraph 2 of Article 187 of the Articles of Association shall not apply; however, an announcement shall be published in a newspaper or through the National Enterprise Credit Information Publicity System within 30 days from the date of the resolution of the shareholders' meeting to reduce registered capital.

After reducing registered capital in accordance with the preceding two paragraphs, the Company shall not distribute profits until the statutory reserve fund and discretionary reserve fund together have reached 50% of the Company's registered capital.

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

**Article 162** After the shareholders' meeting has made a resolution on a profit distribution plan, the Board of Directors of the Company shall complete the distribution of dividends (or shares) within two months after the shareholders' meeting is convened. If, due to requirements of laws, regulations, or securities regulatory rules of the place where the Company's shares are listed, the specific plan cannot be implemented within two months, the implementation date of such plan may be adjusted accordingly in compliance with such requirements and in light of the actual circumstances.

### **Article 163**

#### **(I) Profit Distribution Policy of the Company**

1. **Principles of Profit Distribution:** The Company shall implement a continuous and stable profit distribution policy. The Company's profit distribution shall place emphasis on providing reasonable investment returns to investors while also taking into account the Company's actual operating conditions for the current year and its sustainable development.
2. **Forms of Profit Distribution:** The Company may distribute profits in the form of cash, shares, a combination of cash and shares, or other methods permitted by laws and regulations. Profit distribution shall not exceed the cumulative distributable profits and shall not impair the Company's ability to continue as a going concern.
3. **Specific Conditions and Interval for Cash Dividends:** Where the distributable profits of the Company for the year (i.e., the after-tax profits remaining after making up losses and appropriating reserve funds) are positive, the Company shall make cash dividend distributions. Subject to the conditions for cash dividends being met, in principle, the Company shall make at least one cash dividend distribution per year. The Board of Directors may, in light of the Company's profitability and capital needs, propose an interim cash dividend or share distribution.
4. **Sequence and Proportion of Profit Distribution**
  - (1) Where conditions for cash dividends are satisfied, the Company shall give priority to distributing profits in cash. When the Company distributes dividends in cash, the cumulative amount distributed in cash each year shall not be less than 10% of the distributable profits realized in that year.
  - (2) Where the Company is in good operating condition and, having fully considered genuine and reasonable factors such as the Company's growth prospects and the dilution of net assets per share, the Board of Directors considers that issuing share dividends is in the overall interests of all shareholders, the Company may, subject to satisfying the above cash-dividend requirement, distribute profits by way of share dividends.

If the Company distributes profits through both cash dividends and share dividends, and the capital requirements for normal production and operation are met, the Company shall implement a differentiated cash dividend policy as follows:

- A. Where the Company is in a mature stage of development and has no significant capital expenditure plans, the proportion of cash dividends in the profit distribution shall be not less than 80%;
- B. Where the Company is in a mature stage of development and has significant capital expenditure plans, the proportion of cash dividends in the profit distribution shall be not less than 40%;
- C. Where the Company is in a growth stage of development and has significant capital expenditure plans, the proportion of cash dividends in the profit distribution shall be not less than 20%.

Where it is difficult to distinguish the Company's stage of development but it has significant capital expenditure plans, the provisions of the preceding item shall apply.

Each year, the Board of Directors shall, after taking into comprehensive consideration the characteristics of the industry in which the Company operates, its stage of development, its business model, its profitability, and whether it has significant capital expenditure plans, propose an annual profit distribution plan in accordance with the foregoing principles.

## (II) Decision-Making Procedures and Mechanism for Profit Distribution

1. The profit distribution plan of the Company shall be formulated by the Board of Directors. When formulating a specific cash dividend plan, the Board shall carefully study and demonstrate matters such as the timing, conditions, minimum proportion, adjustment conditions, and decision-making procedures of cash dividends. Independent directors shall express a clear opinion when a cash dividend plan is formulated. Independent directors may solicit opinions from minority shareholders, put forward dividend proposals, and directly submit them to the Board of Directors for deliberation.
2. A profit distribution plan shall be submitted to the shareholders' meeting for consideration only after it has been reviewed and approved by the Board of Directors. The deliberation of the profit distribution plan by the Board shall require the approval of more than half of all directors, including the approval of more than half of the independent directors.

3. After the Board of Directors has approved the profit distribution plan, it shall, in accordance with the procedures prescribed by the Articles of Association, submit the plan to the shareholders' meeting for consideration. Before the shareholders' meeting deliberates on a specific cash dividend plan, the Company's independent directors shall express a clear opinion on such proposal. The Company shall actively communicate and interact with shareholders, especially minority shareholders, through various channels (including but not limited to telephone and email communications, providing online voting, or inviting minority shareholders to attend the meeting), fully listen to their opinions and demands, and respond promptly to issues of concern to minority shareholders. A profit distribution plan submitted to the shareholders' meeting shall be approved by more than half of the voting rights held by shareholders (including shareholder proxies) present at the shareholders' meeting.
4. After the shareholders' meeting has made a resolution on a profit distribution plan, the Board of Directors of the Company shall complete the distribution of dividends (or shares) within two months after the shareholders' meeting is convened. If, due to requirements of laws, regulations, or securities regulatory rules of the place where the Company's shares are listed, the specific plan cannot be implemented within two months, the implementation date of such plan may be adjusted accordingly in compliance with such requirements and in light of the actual circumstances.
5. Where the Board of Directors does not formulate a profit distribution plan in the form of cash, it shall solicit the opinions of the independent directors and disclose in its periodic reports the reasons for not making a distribution, the intended use of funds retained by the Company instead of distribution, and the independent directors shall express their independent opinions thereon.

### (III) Adjustment or Amendment of the Profit Distribution Policy

1. Where the Company needs to adjust or amend its profit distribution policy due to external operating environment or its own production and operating conditions, the Company shall extensively solicit the opinions of independent directors and public investors.
2. Where it is indeed necessary to adjust or amend the profit distribution policy set out in the Articles of Association, the new profit distribution policy shall comply with laws, regulations, regulatory documents, and the relevant provisions of the CSRC and the stock exchanges at the places where the Company's shares are listed, meet the conditions set out in the Articles of Association, be reviewed by the Board of Directors, and be submitted to the shareholders' meeting for approval.
3. When deliberating on matters relating to the adjustment or amendment of the profit distribution policy, the Board of Directors shall obtain the approval of more than half of all directors and the approval of more than half of the independent directors.

4. When the shareholders' meeting deliberates on matters relating to the adjustment or amendment of the profit distribution policy, it shall facilitate the participation of minority investors through the trading system, internet system, or other means provided by the stock exchanges at the places where the Company's shares are listed, and the resolution shall be approved by shareholders holding not less than two-thirds of the voting rights present at the shareholders' meeting.

## **Section 2 Internal Audit**

**Article 164** The Company implements an internal audit system which is equipped with dedicated audit personnel to conduct internal audits for supervision of financial income and expenditure and economic activities of the Company.

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

**Article 165** The Company's internal audit department shall supervise and inspect the Company's business activities, risk management, internal controls, financial information, and other relevant matters.

**Article 166** The internal audit department shall be accountable to the Board of Directors.

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

**Article 167** The specific organization and implementation of the Company's internal control evaluation shall be the responsibility of the internal audit department. Based on the evaluation report and related materials issued by the internal audit department and reviewed by the Audit Committee, the Company shall issue its annual internal control evaluation report.

**Article 168** When the Audit Committee communicates with external audit institutions such as accounting firms and national audit authorities, the internal audit department shall actively cooperate and provide the necessary support and assistance.

**Article 169** The Audit Committee shall participate in the performance evaluation of the head of the internal audit department.

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

**Article 170** The Company shall appoint such accounting firm which has complied with the Securities Law, and the securities regulatory rules of the places where the shares of the Company are listed for carrying out the audit for the accounting statements, net asset verification, and other relevant consultancy services. The term of appointment shall be 1 year and can be re-appointed.

**Article 171** The appointment, dismissal, or non-renewal of an accounting firm by the Company shall be subject to the consent of more than half of all members of the Audit Committee, and thereafter submitted to the Board of Directors for deliberation, and decided by the shareholders' meeting. The Board of Directors shall not appoint an accounting firm before a resolution is adopted at the shareholders' meeting.

**Article 172** The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting proofs, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding, and misrepresentation.

**Article 173** The remuneration of the accounting firm or the method of determining remuneration shall be approved by the shareholders' meeting.

**Article 174** Where the Company dismisses or decides not to renew the engagement of the accounting firm, the Company shall notify the accounting firm in advance 30 days prior to such decision. When the shareholders' meeting votes on the dismissal of the accounting firm, the accounting firm shall be allowed to state its opinion.

Where the accounting firm resigns, it shall state to the shareholders' meeting whether there are any improprieties in the Company.

## **CHAPTER 8 NOTICES AND ANNOUNCEMENTS**

**Article 175** Notices of the Company shall be delivered in the following forms:

- (i) By personal delivery;
- (ii) By mail (including email);
- (iii) By public announcement;
- (iv) Other forms as prescribed in the Articles of Association.

With respect to the methods by which the Company provides and/or distributes corporate communications to holders of H Shares pursuant to the securities regulatory rules of the place where the Company's shares are listed, and subject to compliance with such rules, the Company may send or provide corporate communications to holders of H Shares by electronic means or by publishing information on the Company's website or on the websites of the stock exchanges at the places where the Company's shares are listed.

**Article 176** Where a notice issued by the Company is made in the form of a public announcement, such notice shall be deemed to have been received by all relevant parties once it is announced.

Unless the context otherwise requires, “announcement” as referred to in the Articles of Association, in relation to announcements to holders of A Shares or announcements required to be published within the PRC under relevant regulations and the Articles of Association, shall mean the publication of information on the website of the Shenzhen Stock Exchange and in media that satisfy the requirements of the CSRC. In relation to announcements to holders of H Shares or announcements required to be published in Hong Kong under relevant regulations and the Articles of Association, such announcement must be published in accordance with the requirements of the Hong Kong Listing Rules on the Company’s website, the Hong Kong Stock Exchange’s website (including the Hong Kong Stock Exchange’s HKEXnews website at [www.hkexnews.hk](http://www.hkexnews.hk)), and such other websites as may be prescribed from time to time under the Hong Kong Listing Rules.

With respect to the methods by which the Company provides and/or distributes corporate communications to holders of H Shares pursuant to the listing rules of the stock exchanges at the places where the Company’s shares are listed, and subject to compliance with such rules, the Company may also send or provide corporate communications to holders of H Shares by electronic means or by publishing information on the Company’s website or the websites of the stock exchanges at the places where the Company’s shares are listed, in lieu of delivering corporate communications to holders of H Shares by hand or prepaid mail.

**Article 177** Notices of shareholders’ meetings convened by the Company shall be issued by way of announcement. Notices of meetings of the Board of Directors shall be delivered by hand, fax, or mail (including email).

**Article 178** Where a notice of the Company is delivered by hand, the date of service shall be the date on which the recipient signs (or affixes his/her seal) on the delivery receipt. Where a notice is delivered by mail, the date of service shall be the third working day after it is delivered to the post office. Where a notice is delivered by email or fax, the date of service shall be the date of transmission. Where a notice is delivered by way of announcement, the date of service shall be the date of the first publication of the announcement. Where a notice is delivered by other means as prescribed in the Articles of Association, the date of service shall be determined in accordance with applicable laws, regulations, the securities regulatory rules of the place where the Company’s shares are listed, and the provisions of the Articles of Association.

**Article 179** Where, due to accidental omission, a meeting notice has not been delivered to a person entitled to receive such notice, or such person has not received the notice, the validity of the meeting and of any resolutions adopted at the meeting shall not thereby be affected, provided that the number of attendees and the voting results are otherwise lawful and valid.

**Article 180** The Company shall publish announcements and other information required to be disclosed in the newspapers, websites, and other media designated by the securities regulatory authorities and stock exchanges of the place where the Company’s shares are listed.

Unless the context otherwise requires, “announcement” as referred to in the Articles of Association, in relation to announcements to holders of A Shares or announcements required to be published within the PRC under relevant regulations and the Articles of Association, shall mean publication of information on the website of the Shenzhen Stock Exchange and in media that satisfy the requirements of the CSRC. In relation to announcements to holders of H Shares or announcements required to be published in Hong Kong under relevant regulations and the Articles of Association, such announcement must be published in accordance with the relevant requirements of the Hong Kong Listing Rules on the Company’s website, the Hong Kong Stock Exchange’s website, and such other websites as may be prescribed from time to time under the Hong Kong Listing Rules.

## **CHAPTER 9 MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION**

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

**Article 181** Merger of the Company may take the form of absorption or establishment of a new company.

In case of merger by absorption, a company absorbs any other company and the absorbed company is dissolved. In case of merger by new establishment, two or more companies merge into a new one and the parties to the merger are dissolved.

**Article 182** Where the consideration paid in a merger by the Company does not exceed 10% of the net assets of the Company, such merger may be effected without a resolution of the shareholders' meeting, unless otherwise provided in the Articles of Association.

Where the Company merges in accordance with the preceding paragraph without a resolution of the shareholders' meeting, a resolution of the Board of Directors shall be required.

**Article 183** If the Company is involved in 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 as of the date of the resolution for the merger and shall publish an announcement on the information disclosure media designated by the Company, or the National Enterprise Credit Information Publicity System and website (including the Hong Kong Stock Exchange's HKEXnews website at [www.hkexnews.hk](http://www.hkexnews.hk)) within 30 days as of the date of such resolution. A creditor may, within 30 days as of the receipt of the notice or, in case he/she fails to receive such notice within 45 days of the date of the announcement, demand that the Company repay its debts or provide guarantees for such debts.

**Article 184** When the Company is merged, the claims and debts of each party to the merger shall be succeeded to by the company surviving the merger or the new company established subsequent to the merger.

**Article 185** Where the Company is divided, its assets shall be correspondingly apportioned.

Where there is a division of the Company, a balance sheet and an inventory of assets shall be prepared. The Company shall notify its creditors within 10 days as of the date of the resolution for the division and shall publish an announcement on the newspaper or the National Enterprise Credit Information Publicity System within 30 days as of the date of such resolution.

**Article 186** Unless a written agreement has been entered into, before the division, by the Company and its creditors in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

**Article 187** Where the Company reduces its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days from the date of the resolution of the shareholders' meeting to reduce registered capital, and shall publish an announcement on the newspaper, or the National Enterprise Credit Information Publicity System and website (including the Hong Kong Stock Exchange's HKEXnews website at [www.hkexnews.hk](http://www.hkexnews.hk)) within 30 days as of the date of such resolution. A creditor may, within 30 days as of the receipt of the notice or, in case he/she fails to receive such notice within 45 days of the date of the announcement, demand that the Company repay its debts or provide guarantees for such debts.

**Article 188** When reducing registered capital, the Company shall reduce the contributions or shares held by shareholders in proportion to their shareholding, unless otherwise provided by laws or the Articles of Association.

**Article 189** Where registered capital is reduced in violation of the Company Law and other relevant provisions, shareholders shall return the funds they have received, and any reduction or exemption of shareholders' contributions shall be restored. Where losses are caused to the Company, the shareholders and the responsible directors and senior management members shall bear liability for compensation.

**Article 190** When the Company issues new shares to increase its registered capital, the shareholders shall not have any pre-emptive subscription rights, unless otherwise provided in the Articles of Association or resolved by the shareholders' meeting that the shareholders shall enjoy such pre-emptive subscription rights.

**Article 191** In the event of a merger or division of a company, if there is a change in the registration items, the Company shall go through the change registration with the company registration authority in accordance with the law; If the Company is dissolved, it shall go through the deregistration procedures in accordance with the law; If a new company is established, the company establishment registration shall be completed in accordance with the law.

If the Company increases or decreases its registered capital, it shall go through the change registration with the company registration authority in accordance with the law.

## **Section 2 Dissolution and Liquidation**

**Article 192** The Company shall be dissolved upon the occurrence of the following events:

- (i) expiry of the term of business as specified by the Articles of Association or the occurrence of other matters for dissolution as specified by the Articles of Association;
- (ii) a resolution on dissolution is passed by a shareholders' meeting;
- (iii) dissolution is required due to the merger or division of the Company;
- (iv) the business license of the Company is revoked or the Company is ordered to close down or dissolved in accordance with the laws;

- (v) the Company suffers significant hardships in operation and management, and its continued existence would cause significant losses to shareholders' interests, and such issues cannot be resolved through other means, shareholders representing 10% or above of the voting rights of the Company may plead the people's court to dissolve the Company.

Where any of the dissolution circumstances as provided in the preceding paragraph arises, the Company shall, within 10 days, disclose the cause of dissolution through the National Enterprise Credit Information Publicity System.

**Article 193** Where the circumstances in item (i) or item (ii) of Article 192 of the Articles of Association occur, and the Company has not yet distributed its assets to shareholders, the Company may continue its existence by amending the Articles of Association or by a resolution of the shareholders' meeting.

The amendment of the Articles of Association or the resolution of the shareholders' meeting as per the preceding paragraph must be passed by two-thirds or more of the voting rights held by the shareholders attending the shareholders' meeting.

**Article 194** Where the Company is dissolved in accordance with item (i), item (ii), item (iv), or item (v) of Article 192 of the Articles of Association, liquidation shall be carried out. The directors, as liquidation obligors of the Company, shall, within 15 days from the occurrence of the dissolution cause, establish a liquidation group to conduct liquidation. The liquidation group shall be composed of directors, unless otherwise provided in the Articles of Association or otherwise resolved by the shareholders' meeting to appoint other persons.

The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the Company or the creditors.

**Article 195** The liquidation group shall exercise the following functions and powers during the liquidation period:

- (i) to liquidate the Company's property and respectively prepare a balance sheet and an inventory of assets;
- (ii) to notify creditors by notice or public announcement;
- (iii) to deal with the outstanding business of the Company involved in the liquidation;
- (iv) to pay all outstanding taxes and taxes arising in the course of liquidation;
- (v) to liquidate claims and debts;
- (vi) to distribute the remaining property of the Company after paying off debts;
- (vii) to participate in civil litigations on behalf of the Company.

**Article 196** The liquidation group shall notify the Company's creditors within ten days as of its formation and shall make a public announcement in the designated press or on the National Enterprise Credit Information Publicity System or website (including the Hong Kong Stock Exchange's HKEXnews website at [www.hkexnews.hk](http://www.hkexnews.hk)) within 60 days. The creditors shall file their proofs of claim with the liquidation group within 30 days as of the receipt of the notice or within 45 days as of the issuance of the public announcement in the case of failing to receive such notice.

When declaring claims, creditors shall specify the relevant matters of the claims and provide supporting documents. The liquidation group shall register the claims.

During the period for declaring claims, the liquidation group shall not make repayments to the creditors.

**Article 197** After the liquidation group has sorted out the Company's assets, prepared the balance sheet and inventory of assets, it shall formulate a liquidation plan and submit it to the shareholders' meeting or the court for confirmation.

The Company's assets shall be used to pay the liquidation expenses, employees' wages, social insurance fees, and statutory compensation, to pay the taxes owed, and to repay the Company's debts. The remaining assets shall be distributed among the shareholders in proportion to their shareholdings.

During the liquidation period, the Company shall continue to exist but shall not engage in any business activities unrelated to the liquidation. The Company's assets shall not be distributed to the shareholders before the liquidation in accordance with the preceding paragraph.

**Article 198** After sorting out the Company's assets and preparing the balance sheet and inventory of assets, the liquidation group finds that the Company's assets are insufficient to repay the debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law.

After the people's court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator designated by the people's court.

**Article 199** After the completion of the Company's liquidation, the liquidation group shall prepare a liquidation report, submit it to the shareholders' meeting or the people's court for confirmation, and submit it to the company registration authority to apply for cancellation of the Company's registration.

**Article 200** The members of the liquidation group performing their duties of liquidation are obliged to loyalty and diligence.

Any member of the liquidation group who neglects to fulfill his/her liquidation duties, thus causing any loss to the Company shall be liable for compensation, and any member of the liquidation group who causes any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

**Article 201** If the Company is declared bankrupt in accordance with the law, the bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

## CHAPTER 10 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

**Article 202** The Company shall amend the Articles of Association in any of the following circumstances:

- (i) after amendments are made to the Company Law or other relevant laws, administrative regulations and regulatory rules of the places where the shares of the Company are listed, the matters stipulated in the Articles of Association are in conflict with the provisions of the revised laws, administrative regulations and regulatory rules of the places where the shares of the Company are listed;
- (ii) if certain changes of the Company occur resulting in the inconsistency with certain terms specified in the Articles of Association;
- (iii) the shareholders' meeting has resolved to amend the Articles of Association.

**Article 203** Where the amendments to the Articles of Association passed by resolutions of the shareholders' meeting require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the involved changes shall be registered in accordance with the laws.

**Article 204** The Board shall amend the Articles of Association in accordance with the resolution of the shareholders' meeting on amendment to the Articles of Association and the examination and approval opinions from relevant authorities.

Any amendment to the Articles of Association that is required to be disclosed in accordance with laws and regulations shall be announced in accordance with the provisions thereof.

## CHAPTER 11 SUPPLEMENTARY PROVISIONS

**Article 205** Definitions

- (i) Controlling shareholder refers to a shareholder who holds more than 50% of the total share capital of the Company; or, although holding less than 50% of the total share capital, such shareholder's voting rights attached to the shares held by him/her are sufficient to exert a significant influence on the resolutions of the shareholders' meeting; or any shareholder deemed as a controlling shareholder under the laws, regulations, regulatory documents, and the securities regulatory rules of the place where the Company's shares are listed.
- (ii) Actual controller refers to a natural person, legal person, or other organization that, through investment relationships, agreements, or other arrangements, is able to actually control the conduct of the Company.

- (iii) Connected relationship refers to the relationship between the Company's controlling shareholder, actual controller, directors, or senior management members and enterprises directly or indirectly controlled by them, as well as other relationships that may result in the transfer of the Company's interests. However, enterprises under state control shall not be deemed to have a connected relationship solely by virtue of being under state control. For the purpose of the Articles of Association: the term "related party (connected) transaction" shall include the meaning of "connected transaction" as defined under the Hong Kong Listing Rules; the term "related (connected) party" shall include the meaning of "connected person" as defined under the Hong Kong Listing Rules; the term "related party (connected) relationship" shall include the meaning of "connected relationship" as defined under the Hong Kong Listing Rules.
- (iv) In the Articles of Association, the term "accounting firm" shall have the same meaning as "auditor" under the Hong Kong Listing Rules; the term "independent director" shall have the same meaning as "independent non-executive director" under the Hong Kong Listing Rules. Independent directors shall also meet the other independence requirements as stipulated under the Hong Kong Listing Rules and the securities regulatory rules of the place where the Company's shares are listed.
- (v) Treasury shares refer to the shares of the Company repurchased by the Company in accordance with the Company Law, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, but which have not yet been transferred or cancelled. For the purpose of the Hong Kong Listing Rules, this includes the shares repurchased by the Company and held by the Company itself or deposited into the Central Clearing and Settlement System for sale on the Hong Kong Stock Exchange. Unless otherwise provided by the Company Law, the securities regulatory rules of the place where the Company's shares are listed, or other applicable laws and regulations, the Company shall not, either directly or indirectly, exercise voting rights attached to treasury shares at any meeting of the Company, and such shares shall not be included in the calculation of the total issued shares at any given time.

**Article 206** The Board of Directors may, in accordance with the provisions of the Articles of Association, formulate bylaws. Such bylaws shall not conflict with the provisions of the Articles of Association.

**Article 207** The Articles of Association shall be written in Chinese. In the event of any discrepancy between different language versions or versions with different expressions, the Chinese version of the Articles of Association shall prevail.

**Article 208** In the Articles of Association, the terms "above" and "within" shall be inclusive of the stated number; the terms "over," "beyond," "less than," and "more than" shall be exclusive of the stated number.

The term "RMB" as used herein, unless otherwise specified, refers to Renminbi.

**Article 209** The Articles of Association shall be interpreted by the Board of Directors of the Company.

**Article 210** The appendices to the Articles of Association include, among others, the Rules of Procedure for Shareholders' Meetings and the Rules of Procedure for Board Meetings.

**Article 211** The Articles of Association, after being reviewed and approved at the shareholders' meeting, shall come into effect and be implemented from the date on which the H Shares issued by the Company are listed and traded on the Hong Kong Stock Exchange.

(The remainder is intentionally left blank)

Victory Giant Technology (HuiZhou) Co., Ltd.

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