



**国民技术**

**NSING TECHNOLOGIES INC.**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

## **Articles of Association**

March 2026

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## Chapter 1 General Provisions

**Article 1** To safeguard the legitimate rights and interests of NSING TECHNOLOGIES INC. (hereinafter referred to as the “Company”), its shareholders, employees, and creditors, and to regulate the Company’s organization and behavior, we have formulated the Guidelines for Articles of Listed Companies in accordance with the Company Law of the PRC (hereinafter referred to as the “Company Law”), the Securities Law of the PRC (hereinafter referred to as the “Securities Law”), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Guidelines for Articles of Association of Listed Companies, the Rules Governing the Listing of Shares on ChiNext, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “the Hong Kong Listing Rules”), and other relevant regulations.

**Article 2** The Company is a joint stock limited liability company established in accordance with the Company Law and other relevant provisions of the People’s Republic of China (hereinafter referred to as the “PRC”, for the purpose of this Articles, excluding Hong Kong Special Administrative Region Special Administrative Region, Macau Special Administrative Region and Taiwan Region).

The Company was established by overall alteration of Shenzhen ZTE Integrated Circuit Design Co., Ltd. The Company was registered with the Shenzhen Municipal Administration for Market Regulation and its unified social credit code is 914403007152844811.

**Article 3** On April 12, 2010, the Company was approved by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) to issue 27.2 million RMB ordinary shares to the public for the first time, and the shares were listed on the Shenzhen Stock Exchange (hereinafter referred to as the “SZSE”) on April 30, 2010. The shares issued by the Company and listed on the SZSE are referred to as “A shares”.

The Company completed the filing procedures with the China Securities Regulatory Commission on December 2, 2025 and was approved by the Stock Exchange of Hong Kong Limited (hereinafter referred to as “Hong Kong Stock Exchange”) on March 20, 2026 for its initial public offering of 95,000,000 overseas listed foreign shares, which are listed on the Main Board of the Hong Kong Stock Exchange on March 23, 2026. The shares issued by the Company and listed on the Hong Kong Stock Exchange are hereinafter referred to as “H Shares”.

**Article 4** Company registered name: Chinese: 國民技術股份有限公司

English: NSING TECHNOLOGIES INC.

**Article 5** Company address: 1/F, Nsing Tower, No. 109 Baoshen Road, Songpingshan Community, Xili Street, Nanshan District, Shenzhen

Postal Code: 518057

**Article 6** The registered capital of the Company is RMB678,126,700.

**Article 7** The Company is a company limited by shares with perpetual subsistence.

**Article 8** The chairman of the board is the company's legal representative.

If a director serving as the legal representative resigns, that director is deemed to have resigned from their position as legal representative.

In the event of the legal representative's resignation, the company will appoint a new legal representative within thirty days of the resignation date.

**Article 9** The legal consequences of any civil activities undertaken by the legal representative in the name of the company shall be borne by the company.

Restrictions on the powers of the legal representative as stipulated in these Articles of Association or by the shareholders' meeting shall not be used against bona fide third parties.

If the legal representative causes harm to others in the performance of his/her duties, the company shall bear civil liability. After assuming civil liability, the company may seek recourse from the legal representative at fault in accordance with the law or the provisions of these Articles of Association.

**Article 10** Shareholders are liable to the company only to the extent of their subscribed shares, while the company is liable for its debts with all of its assets.

**Article 11** This Articles of Association, from the date of its effectiveness, shall become a legally binding document governing the organization and conduct of the company, the rights and obligations between the company and its shareholders, and among the shareholders themselves. It is legally binding on the company, its shareholders, directors, and senior management. Based on this Articles of Association, shareholders may sue other shareholders, shareholders may sue the company's directors and senior management, shareholders may sue the company, and the company may sue its shareholders, directors, and senior management.

**Article 12** Other senior management personnel referred to in these Articles of Association are the company's general manager, deputy general manager, board secretary, and chief financial officer.

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

**Article 13** The Company's mission is to revitalize our country's information industry and integrated circuit design industry, aiming to establish a modern, internationalized high-tech industry in accordance with modern enterprise systems. It will fully utilize its talent, technology, and equipment resources to design, develop, produce, and operate various integrated circuits and related electronic application products, continuously improving its technological level and optimizing its product structure to ensure strong market competitiveness in terms of quality, performance, and price. The company will actively engage in international and domestic cooperation, explore domestic and international markets, participate in international competition, and achieve optimal economic and social benefits.

**Article 14** The Company's business scope, as legally registered, includes: integrated circuit design and development; development, production, and sales of mobile phone chips, data communication chips, image processing chips, voice processing chips, and encryption chips (excluding restricted items); development, purchase, and sale of electronic components, microelectronic devices, and other electronic products; technology development, consulting, services, and purchase and sale of encryption systems, information security, information processing, computer software and hardware, and computer application systems; development and purchase and sale of electronic equipment and electronic systems (excluding restricted items and monopolized, controlled, and exclusively sold commodities); domestic commerce and materials supply and sales (excluding monopolized, controlled, and exclusively sold commodities); import and export business (subject to the qualification certificate issued by the Trade Development Council); product development, production, and sales of mobile communication terminals, mobile phones, and communication equipment; leasing of self-owned properties; motor vehicle parking services; property management; and equipment leasing (excluding financial leasing business).

## **Chapter 3 Shares**

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

**Article 15** The Company's shares are in the form of registered shares.

**Article 16** The issuance of company shares shall adhere to the principles of openness, fairness, and impartiality, and each share of the same class shall have equal rights.

For shares of the same class issued in the same offering, the issuance conditions and price per share shall be identical; subscribers shall pay the same price per share for their subscriptions.

**Article 17** The Company issues shares with par value denominated in RMB, with each share having a par value of RMB1.00.

**Article 18** The Company's A-shares are centrally deposited with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The company's H-shares may be deposited primarily with a trustee company under Hong Kong Securities Clearing Company Limited, in accordance with the laws of the listing location and securities registration and deposit practices, or may be held by shareholders in their individual names.

**Article 19** The Company issued a total of 81,600,000 shares at the time of its establishment, with a par value of RMB1 per share.

**Article 20** The names of the Company's founders, the number of shares subscribed, the method of investment, the time of investment, and the shareholding ratio are as follows:

Serial Number	Shareholder/ Company Name	Number of Shares Subscribed (10,000 shares)	Method of Investment	Date of Investment	Percentage of Shares Held (%)
1	China HuaDa Integrated Circuit Design Co., Ltd.	3,264.0000	By conversion of net assets into shares	2009.6.3	40.0000
2	ZTE Corporation	2,176.0000	By conversion of net assets into shares	2009.6.3	26.6667
3	Shenzhen-Hong Kong Industry-University- Research Venture Capital Co., Ltd.	760.0000	By conversion of net assets into shares	2009.6.3	9.3137
4	Sun Yingtong	393.6880	By conversion of net assets into shares	2009.6.3	4.8246
5	Yu Yunbo	270.0000	By conversion of net assets into shares	2009.6.3	3.3088
6	Liu Xiaoyu	266.2720	By conversion of net assets into shares	2009.6.3	3.2632
7	Zhang Bin	200.0000	By conversion of net assets into shares	2009.6.3	2.4510
8	Li Meiyun	130.0000	By conversion of net assets into shares	2009.6.3	1.5932
9	Peng Bo	100.0000	By conversion of net assets into shares	2009.6.3	1.2255
10	Sun Yuan	62.0000	By conversion of net assets into shares	2009.6.3	0.7599
11	Huangfu Red Army	52.0000	By conversion of net assets into shares	2009.6.3	0.6373
12	Shen Aimin	52.0000	By conversion of net assets into shares	2009.6.3	0.6373
13	Xu Jianfeng	40.0000	By conversion of net assets into shares	2009.6.3	0.4902

Serial Number	Shareholder/ Company Name	Number of Shares Subscribed (10,000 shares)	Method of Investment	Date of Investment	Percentage of Shares Held (%)
14	Lulin	40.0000	By conversion of net assets into shares	2009.6.3	0.4902
15	Li Qin	40.0000	By conversion of net assets into shares	2009.6.3	0.4902
16	Zhao Bo	40.0000	By conversion of net assets into shares	2009.6.3	0.4902
17	Yin Cangbai	40.0000	By conversion of net assets into shares	2009.6.3	0.4902
18	Guan Shiyuan	15.0000	By conversion of net assets into shares	2009.6.3	0.1838
19	Zhu Shan	12.4800	By conversion of net assets into shares	2009.6.3	0.1529
20	Xie Xiangming	12.4800	By conversion of net assets into shares	2009.6.3	0.1529
21	Zhou Jianbo	12.4800	By conversion of net assets into shares	2009.6.3	0.1529
22	Liu Jun	11.5200	By conversion of net assets into shares	2009.6.3	0.1412
23	Xie Hua	11.5200	By conversion of net assets into shares	2009.6.3	0.1412
24	Liu Difu	11.5200	By conversion of net assets into shares	2009.6.3	0.1412
25	Li Yongqiang	10.0000	By conversion of net assets into shares	2009.6.3	0.1225
26	Cheng Nong	10.0000	By conversion of net assets into shares	2009.6.3	0.1225
27	Liu Xin	10.0000	By conversion of net assets into shares	2009.6.3	0.1225
28	Li Hongyan	10.0000	By conversion of net assets into shares	2009.6.3	0.1225
29	Zhang Li	10.0000	By conversion of net assets into shares	2009.6.3	0.1225
30	Zhao Lisheng	10.0000	By conversion of net assets into shares	2009.6.3	0.1225
31	Yang Zhihong	9.4080	By conversion of net assets into shares	2009.6.3	0.1153
32	Wu Qian	9.4080	By conversion of net assets into shares	2009.6.3	0.1153

Serial Number	Shareholder/ Company Name	Number of Shares Subscribed (10,000 shares)	Method of Investment	Date of Investment	Percentage of Shares Held (%)
33	Wu Bin	8.3840	By conversion of net assets into shares	2009.6.3	0.1027
34	Hao Zou	8.3840	By conversion of net assets into shares	2009.6.3	0.1027
35	Zhang Mingjuan	8.3840	By conversion of net assets into shares	2009.6.3	0.1027
36	Deng Zhao	8.3840	By conversion of net assets into shares	2009.6.3	0.1027
37	Cui Dongfang	6.2720	By conversion of net assets into shares	2009.6.3	0.0769
38	Zhang Bicheng	6.2720	By conversion of net assets into shares	2009.6.3	0.0769
39	Xu Jialiang	6.2720	By conversion of net assets into shares	2009.6.3	0.0769
40	Jia Zhimin	6.2720	By conversion of net assets into shares	2009.6.3	0.0769
41	Tao Baohai	5.3760	By conversion of net assets into shares	2009.6.3	0.0659
42	Chen Xindong	2.1120	By conversion of net assets into shares	2009.6.3	0.0259
43	Zhu Zhizhong	2.1120	By conversion of net assets into shares	2009.6.3	0.0259
Total		8,160.0000	By conversion of net assets into shares	2009.6.3	100.0000

**Article 21** The Company has a total of 678,126,700 shares, all of which are common shares, including 583,126,700 A-shares and 95,000,000 H-shares.

**Article 22** The Company or its subsidiaries (including affiliated enterprises) shall not provide financial assistance to others in the form of gifts, advances, guarantees, loans, etc., for acquiring shares of the Company or its parent company, except where the Company implements an employee stock ownership plan.

For the benefit of the Company, the Company may provide financial assistance to others for acquiring shares of the Company or its parent company upon resolution of the shareholders' meeting or resolution of the board of directors pursuant to this Articles of Association or the authorization of the shareholders' meeting, but the total amount of financial assistance shall not exceed 10% of the total issued share capital.

## Section 2 Increase, Decrease and Repurchase of Shares

**Article 23** The Company may increase its capital in the following ways, in accordance with the provisions of laws and regulations and upon resolutions passed by the shareholders' meeting, based on its operational and developmental needs:

- (i) Issuing shares to unspecified individuals;
- (ii) Issuance of shares to specific targets;
- (iii) Distribute bonus shares to existing shareholders;
- (iv) Transferring capital reserves to share capital;
- (v) Other methods stipulated by laws, administrative regulations and securities regulatory authorities of the China Securities Regulatory Commission and other places where the company's shares are listed.

**Article 24** The Company may reduce its registered capital. The reduction of registered capital shall be carried out in accordance with the procedures stipulated in the Company Law and other relevant regulations and these Articles of Association.

**Article 25** The Company may, in accordance with laws, administrative regulations, departmental rules and these Articles of Association, acquire the Company's shares under the following circumstances:

- (i) Reduce the company's registered capital;
- (ii) Merger with other companies holding shares in the company;
- (iii) Using shares for employee stock ownership plans or equity incentives;
- (iv) Shareholders who object to the resolutions passed at the shareholders' meeting regarding the merger or division of the company and request the company to acquire their shares;
- (v) To use the shares for conversion of the company's convertible bonds;
- (vi) Necessary for the Company to maintain its value and the interests of its shareholders.

Except as described above, the Company shall not engage in any activities involving the buying or selling of its own shares.

**Article 26** The Company may acquire its own shares through one of the following methods:

- (i) open centralized trading;
- (ii) tender offer;
- (iii) other methods recognized by laws, administrative regulations, the China Securities Regulatory Commission, and other securities regulatory authorities in the company's listing location.

When the Company acquires its own shares for the reasons specified in Article 25, Paragraph 1, Subparagraphs (iii), (v), and (vi) of these Articles of Association, it shall do so through open centralized trading.

**Article 27** When the Company acquires its own shares for the reasons specified in Article 25, Paragraph 1, Subparagraphs (i) and (ii) of these Articles of Association, it shall be subject to a resolution of the shareholders' meeting. When the Company acquires its own shares for the reasons specified in Subparagraphs (iii), (v), and (vi), it may, subject to compliance with the securities regulatory rules of the Company's listing location, acquire its own shares through a resolution of the board of directors with at least two-thirds of the directors present, in accordance with the provisions of these Articles of Association or the authorization of the shareholders' meeting. After acquiring its own shares in accordance with Article 25, if the acquisition falls under Item (i), the shares shall be cancelled within 10 days from the date of acquisition; if it falls under Items (ii) or (iv), the shares shall be transferred or cancelled within 6 months; if it falls under Items (iii), (v), or (vi), the total number of shares held by the company shall not exceed 10% of the total number of issued shares of the company, and the shares shall be transferred or cancelled within three years. Where laws, regulations, and securities regulatory rules of the company's listing location provide otherwise regarding matters related to share repurchases, those provisions shall prevail.

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

**Article 28** Shares of the Company shall be transferred in accordance with the law. All transfers of H Shares shall be made in writing using a general or ordinary form or any other form acceptable to the Board of Directors (including the standard transfer form or transfer form prescribed by the Hong Kong Stock Exchange from time to time); and such transfer document may only be signed by hand or affixed with the valid seal of the Company (if the transferor or transferee is the Company). If the transferor or transferee is an authorized clearinghouse (hereinafter referred to as the "Authorized Clearinghouse") or its agent as defined in the relevant ordinances in force from time to time under the laws of Hong Kong, the transfer document may be signed by hand or by machine. All transfer documents shall be kept at the Company's registered address or at an address designated by the Board of Directors from time to time.

**Article 29** The Company does not accept its own shares as the object of a pledge.

**Article 30** Shares issued prior to the company's public offering may not be transferred within one year from the date the company's shares are listed and traded on a stock exchange.

Directors and senior management personnel of the company shall report to the company their holdings of the company's shares (including preferred shares) and any changes thereto. During their term of office, they may not transfer more than 25% of the total number of shares of the same class they hold annually. Their shares may not be transferred within one year from the date the company's shares are listed and traded. Within six months of leaving office, the aforementioned personnel may not transfer any of their shares in the company. If changes in the direct shareholdings of directors and senior management personnel occur due to company profit distributions or other reasons, the above provisions shall apply. If the securities regulatory rules of the company's listing location stipulate otherwise regarding restrictions on the transfer of company shares, those rules shall prevail.

**Article 31** If a director, senior manager, or shareholder holding 5% or more of the company's shares sells company stock or other equity securities within six months of purchase, or purchases them again within six months of sale, any profits derived therefrom shall belong to the Company, and the Company's board of directors shall recover such profits. However, this does not apply to cases where a securities company holds 5% or more of the shares due to the purchase of unsold shares after underwriting, or other circumstances stipulated by the securities regulatory authority under the State Council. If the securities regulatory rules of the Company's listing location stipulate otherwise regarding restrictions on the transfer of company shares, those rules shall prevail.

The stock or other equity securities held by directors, senior managers, and individual shareholders mentioned in the preceding paragraph include those held by their spouses, parents, children, and those held through other people's accounts.

If the Company's board of directors fails to comply with the provisions of paragraph 1 of this article, shareholders have the right to demand that the board of directors comply within 30 days. If the Company's board of directors fails to comply within the aforementioned period, shareholders have the right to directly file a lawsuit in their own name with the People's Court for the benefit of the company.

If the Company's board of directors fails to comply with the provisions of paragraph 1, the responsible directors shall bear joint and several liability according to law.

## Chapter 4 Shareholders and Shareholders' Meetings

### Section 1 General Provisions for Shareholders

**Article 32** The Company establishes a register of shareholders based on the certificates provided by the securities registration and settlement institution. The register of shareholders is sufficient evidence to prove that a shareholder holds shares in the Company. Shareholders enjoy rights and bear obligations according to the class of shares they hold; shareholders holding the same class of shares enjoy equal rights and bear the same obligations.

The original register of shareholders for H shares listed in Hong Kong is kept in Hong Kong and is available for shareholders to inspect. However, the Company may suspend shareholder registration procedures in accordance with applicable laws and regulations and the securities regulatory rules of the place where the Company's shares are listed. Any shareholder registered in the H share register, or any person requesting to have their name (company name) registered in the H share register, may apply to the Company for a replacement share if their shares are lost. For overseas listed foreign shareholders who lose their shares and apply for a replacement, the matter may be handled in accordance with the laws, securities exchange rules, or other relevant regulations of the place where the original register of overseas listed foreign shareholders is kept.

**Article 33** When the Company convenes a shareholders' meeting, distributes dividends, undergoes liquidation, or engages in other activities requiring confirmation of shareholder identity, the board of directors or the convener of the shareholders' meeting shall determine the record date. Shareholders registered on the record date after the market closes are the shareholders entitled to the relevant rights.

**Article 34** Shareholders of the Company shall have the following rights:

- (i) To receive dividends and other forms of profit distribution in accordance with their shareholding;
- (ii) To request, convene, preside over, attend, or appoint a proxy to attend shareholders' meetings and exercise corresponding voting rights in accordance with the law;
- (iii) To supervise the Company's operations and make suggestions or inquiries;
- (iv) To transfer, donate, or pledge their shares in accordance with the provisions of laws, administrative regulations, and these Articles of Association;

- (v) To inspect and copy the Company's Articles of Association, shareholder register, minutes of shareholders' meetings, resolutions of board meetings, and financial accounting reports. Shareholders meeting the requirements may inspect the Company's accounting books and accounting vouchers;
- (vi) To participate in the distribution of the Company's remaining assets in accordance with their shareholding when the Company is terminated or liquidated;
- (vii) Shareholders who object to resolutions passed at the shareholders' meeting regarding the merger or division of the Company may request the Company to acquire their shares;
- (viii) Other rights stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the Company's stock listing location, or these Articles of Association.

**Article 35** If a shareholder requests to inspect or copy the information mentioned in the preceding article or to obtain materials, they shall comply with the provisions of the Company Law, the Securities Law and other laws and administrative regulations, and shall provide the company with written documents proving the type and number of shares they hold in the company. After verifying the shareholder's identity, the company shall provide such documents as requested by the shareholder.

**Article 36** If the content of a resolution of the company's shareholders' meeting or board of directors violates laws or administrative regulations, shareholders have the right to request the People's Court to declare it invalid.

If the convening procedure or voting method of the shareholders' meeting or board of directors violates laws, administrative regulations, or these Articles of Association, or if the content of the resolution violates these Articles of Association, shareholders have the right to request the People's Court to revoke the resolution within 60 days from the date the resolution was made. However, this does not apply if the convening procedure or voting method of the shareholders' meeting or board of directors has only minor flaws and does not have a substantial impact on the resolution.

If the board of directors, shareholders, or other relevant parties have a dispute regarding the validity of a shareholders' meeting resolution, they should promptly file a lawsuit with the People's Court. Before the People's Court issues a judgment or ruling revoking the resolution, the relevant parties should implement the shareholders' meeting resolution. The company, directors, and senior management should earnestly perform their duties to ensure the normal operation of the company.

If the People's Court issues a judgment or ruling on relevant matters, the company should fulfill its information disclosure obligations in accordance with laws, administrative regulations, the regulations of the China Securities Regulatory Commission, and the stock exchange, fully explain the impact, and actively cooperate in the implementation after the judgment or ruling takes effect. If the matter involves correction of prior matters, the company will promptly handle the matter and fulfill the corresponding information disclosure obligations.

**Article 37** The resolutions of the company's shareholders' meeting and board of directors shall not be valid under any of the following circumstances:

- (i) Resolutions were not passed at a shareholders' meeting or board meeting;
- (ii) The shareholders' meeting and board meeting did not vote on the resolutions;
- (iii) The number of attendees or the number of voting rights they hold did not reach the number of attendees or the number of voting rights stipulated in the Company Law or these Articles of Association;
- (iv) The number of people who agree to the resolution or the number of voting rights they hold does not reach the number of people or the number of voting rights stipulated in the Company Law or these Articles of Association.

**Article 38** If a director or senior manager other than a member of the Audit Committee violates laws, administrative regulations, or the provisions of these Articles of Association while performing their duties, causing losses to the company, shareholders who individually or jointly hold more than 1% of the company's shares for more than 180 consecutive days have the right to request the Audit Committee in writing to file a lawsuit with the People's Court. If a member of the Audit Committee violates laws, administrative regulations, or the provisions of these Articles of Association while performing their duties, causing losses to the company, the aforementioned shareholders may request the Board of Directors in writing to file a lawsuit with the People's Court.

If the Audit Committee or the Board of Directors refuses to file a lawsuit after receiving the written request from a shareholder as stipulated in the preceding paragraph, or fails to file a lawsuit within 30 days from the date of receiving the request, or if the situation is urgent and failure to file a lawsuit immediately would cause irreparable damage to the company's interests, the shareholders stipulated in the preceding paragraph have the right to directly file a lawsuit with the People's Court in their own name for the benefit of the company.

If others infringe upon the company's legitimate rights and interests, causing losses to the company, the shareholders stipulated in the first paragraph of this Article may file a lawsuit with the People's Court in accordance with the provisions of the preceding two paragraphs.

**Article 39** If a director, supervisor, or senior manager of a wholly-owned subsidiary violates laws, administrative regulations, or the provisions of these Articles of Association in the performance of their duties, causing losses to the company, or if others infringe upon the legitimate rights and interests of the wholly-owned subsidiary, causing losses, shareholders who individually or collectively hold more than 1% of the company's shares for more than 180 consecutive days may, in accordance with the preceding three paragraphs of Article 189 the Company Law, request in writing the supervisory board or board of directors of the wholly-owned subsidiary to file a lawsuit with the People's Court, or file a lawsuit directly with the People's Court in their own name. If a director or senior manager violates laws, administrative regulations, or the provisions of these Articles of Association, thereby harming the interests of shareholders, the shareholders may file a lawsuit with the People's Court.

**Article 40** Shareholders of the Company shall bear the following obligations:

- (i) To comply with laws, administrative regulations, and these Articles of Association;
- (ii) To pay their share capital in accordance with the shares they have subscribed for and the method of investment;
- (iii) Except as provided by laws and regulations, they shall not withdraw their share capital;
- (iv) They shall not abuse their shareholder rights to the detriment of the interests of the Company or other shareholders; they shall not abuse the Company's independent legal status and the limited liability of its shareholders to the detriment of the interests of the Company's creditors;
- (v) Other obligations that shall be borne as stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and these Articles of Association.

**Article 41** If a shareholder abuses their shareholder rights and causes losses to the company or other shareholders, they shall bear liability for compensation in accordance with the law.

If a shareholder abuses the company's independent legal status and limited liability to evade debts, seriously harming the interests of the company's creditors, they shall bear joint and several liability for the company's debts.

## Section 2 Controlling Shareholders and Actual Controllers

**Article 42** The controlling shareholder and actual controller of the company shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, the regulations of the China Securities Regulatory Commission, and the stock exchange, and safeguard the interests of the listed company.

**Article 43** The controlling shareholder and actual controller of the company shall comply with the following provisions:

- (i) Exercise shareholder rights in accordance with the law, and shall not abuse control or use related-party relationships to harm the legitimate rights and interests of the company or other shareholders;
- (ii) Strictly fulfill all public statements and commitments made, and shall not arbitrarily change or waive them;
- (iii) Strictly fulfill information disclosure obligations in accordance with relevant regulations, actively cooperate with the company in information disclosure, and promptly inform the company of any major events that have occurred or are about to occur;
- (iv) Not to misappropriate company funds in any way;
- (v) Not to coerce, instruct, or require the company and related personnel to provide guarantees in violation of laws and regulations;
- (vi) The company shall not use undisclosed material information to seek personal gain, nor disclose undisclosed material information related to the company in any way, nor engage in insider trading, short-swing trading, market manipulation, or other illegal or irregular activities;
- (vii) The company shall not harm the legitimate rights and interests of the company and other shareholders through unfair related-party transactions, profit distribution, asset restructuring, external investment, or any other means;
- (viii) The company shall ensure the integrity of its assets, the independence of its personnel, its finances, its organization, and its business, and shall not affect the company's independence in any way;
- (ix) Other provisions of laws, administrative regulations, the regulations of the China Securities Regulatory Commission, the business rules of the stock exchange, and these Articles of Association.

If the company's controlling shareholder or actual controller does not serve as a director but actually performs company affairs, the provisions of these Articles of Association regarding the fiduciary duty and duty of diligence of directors shall apply.

If the company's controlling shareholder or actual controller instructs directors or senior management to engage in conduct that harms the interests of the company or its shareholders, they shall bear joint and several liability with such directors or senior management.

**Article 44** When a controlling shareholder or actual controller pledges shares of the company they hold or actually control, they shall maintain control of the company and ensure stable production and operations.

**Article 45** When a controlling shareholder or actual controller transfers shares of the company they hold, they shall comply with the restrictive provisions on share transfers stipulated by laws, administrative regulations, the China Securities Regulatory Commission, and the stock exchange, as well as their commitments regarding restrictions on share transfers.

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

**Article 46** The shareholders' meeting of the company shall be composed of all shareholders. The shareholders' meeting is the company's highest authority and shall exercise the following powers in accordance with the law:

- (i) Electing and replacing directors, and deciding on matters concerning directors' remuneration;
- (ii) Reviewing and approving the board of directors' report;
- (iii) Reviewing and approving the company's profit distribution plan and loss compensation plan;
- (iv) Making resolutions on increasing or decreasing the company's registered capital;
- (v) Making resolutions on issuing company securities or bonds;
- (vi) Making resolutions on the company's merger, division, dissolution, liquidation, or change of company form;
- (vii) Amending these Articles of Association;

- (viii) Making resolutions on the appointment and dismissal of the accounting firm undertaking the company's audit business and determining its remuneration;
- (ix) Reviewing and approving Article 47 of these Articles of Association;
- (x) To review matters concerning the company's purchase or sale of significant assets exceeding 30% of the company's most recent audited total assets within one year;
- (xi) To review and approve matters concerning changes in the use of raised funds;
- (xii) To review equity incentive plans and employee stock ownership plans;
- (xiii) The annual shareholders' meeting may authorize the board of directors to decide on the issuance of shares to specific targets with a total financing amount not exceeding RMB300 million and not exceeding 20% of the net assets at the end of the most recent year. This authorization shall expire on the date of the next annual shareholders' meeting;
- (xiv) To review other matters that should be decided by the shareholders' meeting as stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the company's stock listing location, or these Articles of Association.

The shareholders' meeting may authorize the board of directors to make resolutions on the issuance of corporate bonds. Except as otherwise provided by laws, administrative regulations, the China Securities Regulatory Commission's regulations, or stock exchange rules, the aforementioned powers of the shareholders' meeting shall not be exercised by the board of directors or other institutions or individuals through authorization.

**Article 47** The following external guarantees provided by the Company shall be subject to approval by the shareholders' meeting:

- (i) Any guarantee provided after the total amount of external guarantees provided by the Company and its controlling subsidiaries (if any) exceeds 50% of the most recent audited net assets;
- (ii) Any guarantee provided after the total amount of external guarantees provided by the Company and its controlling subsidiaries (if any) exceeds 30% of the most recent audited net assets;
- (iii) Guarantees provided to entities with a debt-to-asset ratio exceeding 70%;
- (iv) Guarantees with a single guarantee amount exceeding 10% of the Company's most recent audited net assets;

- (v) Guarantees with a guarantee amount exceeding 30% of the Company's most recent audited total assets within 12 consecutive months;
- (vi) Guarantees provided to shareholders, actual controllers, and their related parties;
- (vii) Other guarantee circumstances stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the Company's stock listing location, or the Company's articles of association.

If the Company provides a guarantee for its wholly-owned subsidiary, or provides a guarantee for its holding subsidiary and other shareholders of the holding subsidiary provide guarantees in proportion to their respective interests, and such circumstances fall under items (i), (iii), or (iv) of this Article, the matter may be exempted from submission to the shareholders' meeting for review. When the shareholders' meeting reviews the guarantee matter under item (ii) of this Article, it must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

**Article 48** Shareholders' meetings are divided into annual shareholders' meetings and extraordinary shareholders' meetings. Annual shareholders' meetings shall be held once a year, within six months after the end of the previous fiscal year.

**Article 49** In any of the following circumstances, the company shall convene an extraordinary shareholders' meeting within two months from the date of occurrence of the event:

- (i) When the number of directors is less than the number stipulated in the Company Law or two-thirds (i.e., five) of the number stipulated in these Articles of Association;
- (ii) When the company's uncompensated losses reach one-third of the total paid-in capital;
- (iii) When a shareholder holding individually or collectively more than 10% of the company's shares requests it;
- (iv) When the Board of Directors deems it necessary;
- (v) When the audit committee proposes to convene it;
- (vi) Other circumstances as stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the company's shares are listed, or these Articles of Association.

If an extraordinary shareholders' meeting is convened in accordance with the securities regulatory rules of the place where the company's shares are listed, the actual date of the extraordinary shareholders' meeting may be adjusted according to the approval progress of the stock exchange where the company's shares are listed.

**Article 50** The venue for the Company's shareholders' meetings shall be the Company's registered address and other specified locations to be selected in the notice of the shareholders' meeting as needed. The shareholders' meetings will be held in person at a designated venue. The Company will also provide modern information technology means, such as an online voting platform, to facilitate shareholder participation. Shareholders participating in the shareholders' meeting through the above methods shall be deemed to have attended.

**Article 51** When convening a shareholders' meeting, the Company shall engage a lawyer to issue legal opinions on the following issues and make a public announcement:

- (i) Whether the convening and holding procedures of the meeting comply with the provisions of laws, administrative regulations, and these Articles of Association;
- (ii) Whether the qualifications of the attendees and the convener are legal and valid;
- (iii) Whether the voting procedures and voting results of the meeting are legal and valid;
- (iv) Legal opinions on other relevant issues as required by the Company.

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

**Article 52** The board of directors shall convene a shareholders' meeting on time within the prescribed period.

With the consent of more than half of all independent directors, an independent director has the right to propose to the board of directors that an extraordinary shareholders' meeting be convened. Upon receiving a proposal from an independent director to convene an extraordinary shareholders' meeting, the board of directors shall, in accordance with the provisions of laws, administrative regulations, and these Articles of Association, provide written feedback within 10 days of receiving the proposal, indicating whether it agrees or disagrees to convene the extraordinary shareholders' meeting.

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

**Article 53** The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting, and shall submit such a proposal to the Board in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and these Articles of Association, provide written feedback within 10 days of receiving the proposal, indicating whether it agrees or disagrees with convening the extraordinary shareholders' meeting.

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

If the Board of Directors disagrees with convening an extraordinary shareholders' meeting, or fails to provide feedback within 10 days of receiving the proposal, it shall be deemed that the Board of Directors is unable or has failed to fulfill its duty to convene a shareholders' meeting, and the Audit Committee may convene and preside over the meeting itself.

**Article 54** Shareholders holding 10% or more of the company's shares individually or collectively have the right to request the board of directors to convene an extraordinary shareholders' meeting, and shall submit such a request to the board in writing. The board of directors shall, in accordance with the provisions of laws, administrative regulations, and these Articles of Association, provide written feedback within 10 days of receiving the request, indicating whether it agrees or disagrees to convene the extraordinary shareholders' meeting.

If the board of directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the meeting within 5 days of making the board resolution. Any changes to the original request in the notice shall require 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 receiving the request, shareholders holding 10% or more of the company's shares individually or collectively have the right to propose to the audit committee that an extraordinary shareholders' meeting be convened, and shall submit such a request to the audit committee in writing.

If the audit committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the meeting within 5 days of receiving the request. Any changes to the original proposal in the notice shall require 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 has failed to convene and preside over the shareholders' meeting, and shareholders who individually or collectively hold more than 10% of the company's shares for more than 90 consecutive days may convene and preside over the meeting themselves.

**Article 55** If the audit committee or shareholders decide to convene a shareholders' meeting on their own, they must notify the board of directors in writing and file a record with the Shenzhen Stock Exchange.

Before the announcement of the shareholders' meeting resolution, the shareholding ratio of the convening shareholder shall not be less than 10%.

The audit committee or the convening shareholder shall submit relevant supporting documents to the Shenzhen Stock Exchange when issuing the notice of the shareholders' meeting and the announcement of the shareholders' meeting resolution.

**Article 56** The board of directors and the board secretary shall cooperate with any shareholders' meeting convened by the audit committee or the shareholders themselves. The board of directors shall provide a shareholder register as of the record date.

**Article 57** The Company shall bear all necessary expenses for any shareholders' meeting convened by the audit committee or the shareholders themselves.

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

**Article 58** The content of a proposal shall fall within the scope of the shareholders' meeting's authority, have a clear topic and specific resolutions, and comply with the relevant provisions of laws, administrative regulations and this Articles of Association.

**Article 59** When the Company convenes a shareholders' meeting, the board of directors, the audit committee, and shareholders holding individually or jointly 1% or more of the Company's shares have the right to submit proposals to the Company.

Shareholders holding individually or jointly 1% or more of the company's shares may submit temporary proposals in writing to the convener 10 days before the shareholders' meeting. The convener shall, within 2 days of receiving the proposal, issue a supplementary notice of the shareholders' meeting to the other shareholders, announcing the content of the temporary proposal, and submit the temporary proposal to the shareholders' meeting for deliberation. However, this does not apply to temporary proposals that violate laws, administrative regulations, or the company's articles of association, or that are not within the scope of the shareholders' meeting's authority.

Except as provided in the preceding paragraph, the convener may not amend the proposals already listed in the shareholders' meeting notice or add new proposals after issuing the notice of the shareholders' meeting.

The shareholders' meeting shall not vote on or make resolutions on proposals not listed in the shareholders' meeting notice or that do not comply with the provisions of these articles of association.

**Article 60** The convener shall notify all shareholders by public announcement 21 days prior to the annual shareholders' meeting, and 15 days prior to the extraordinary shareholders' meeting.

The company shall not include the day of the meeting when calculating the commencement period.

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

- (i) the time, place, and duration of the meeting;
- (ii) the matters and proposals to be submitted for consideration at the meeting;
- (iii) a clear statement that all ordinary shareholders are entitled to attend the shareholders' meeting and may appoint a proxy in writing to attend and vote on their behalf, and the proxy need not be a shareholder of the company;
- (iv) the record date for shareholders entitled to attend the shareholders' meeting;
- (v) the name and telephone number of the permanent contact person for meeting affairs;
- (vi) the time and procedure for voting via online or other means.

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

If the shareholders' meeting is conducted online or via other means, the notice of the shareholders' meeting shall clearly state the time and procedure for voting via online or other means. The start time for online or other voting at the shareholders' meeting shall not be earlier than 3:00 p.m. on the day before the on-site shareholders' meeting and shall not be later than 9:30 a.m. on the day of the on-site shareholders' meeting, and its end time shall not be earlier than 3:00 p.m. on the day the on-site shareholders' meeting ends.

The interval between the record date and the meeting date should not exceed seven business days. Once the record date is confirmed, it cannot be changed.

**Article 62** When the shareholders' meeting intends to discuss 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, concurrent positions, 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 candidate has been subject to penalties from the China Securities Regulatory Commission or other relevant departments, or disciplinary action from the stock exchange.

Except for elections using cumulative voting, each director candidate shall be nominated as a separate proposal.

**Article 63** After the notice of a shareholders' meeting has been issued, the meeting shall not be postponed or cancelled without justifiable reason, and the proposals listed in the notice shall not be cancelled. In the event of postponement or cancellation, the convener shall issue a public announcement at least two business days prior to the originally scheduled date, explaining the reasons. If the securities regulatory rules of the company's listing location have special provisions regarding the procedures for postponing or cancelling a shareholders' meeting, those provisions shall prevail, provided they do not violate domestic regulatory requirements.

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

**Article 64** The Company's board of directors and other conveners will take necessary measures to ensure the normal order of the shareholders' meeting. Any acts that disrupt the shareholders' meeting, cause disturbances, or infringe upon the legitimate rights and interests of shareholders will be stopped and promptly reported to the relevant departments for investigation and handling.

**Article 65** All ordinary shareholders registered on the record date, or their proxies, are entitled to attend and speak at the shareholders' meeting and exercise their voting rights in accordance with relevant laws, regulations, and these Articles of Association.

Shareholders may attend the shareholders' meeting in person or appoint a proxy to attend and vote on their behalf. Any shareholder entitled to attend and vote at a shareholders' meeting shall have the right to appoint one or more persons (who need not be shareholders) as their proxy to attend and vote on their behalf.

**Article 66** Individual shareholders attending the meeting in person shall present their ID card or other valid identification document or certificate, and stock account card; if they appoint an agent to attend the meeting on their behalf, the agent shall present their valid ID card and a power of attorney.

Corporate shareholders shall be represented by their legal representative or an agent authorized by the legal representative, and shall be deemed to have attended the meeting in person. If the legal representative attends the meeting, they shall present their ID card and valid proof of their legal representative status; if an agent attends the meeting on their behalf, the agent shall present their ID card and a written power of attorney duly issued by the legal representative of the corporate shareholder.

The authorization arrangements for H-share shareholders may be governed by the regulations of the securities regulatory authority where the H-shares are listed.

If the shareholder is an authorized clearinghouse or its agent as defined in the relevant ordinance in force from time to time under the laws of Hong Kong, such shareholder may authorize more than one person it deems fit to act as its proxy or representative at any shareholders' meeting or any class shareholders' meeting or creditors' meeting; provided that, if more than two persons are so authorized, the power of attorney or authorization letter shall specify the number and class of shares in respect of which each such person is so authorized. A person so authorized may exercise rights (including the rights to speak and vote) on behalf of the authorized clearinghouse (or its agent) without the need to produce the shareholding certificates, notarized authorization letter and/or further evidence of the duly authorization, as if such person were an individual shareholder of the Company.

**Article 67** A power of attorney issued by a shareholder authorizing another person to attend a shareholders' meeting shall include the following:

- (i) The name of the principal, and the class and number of shares held in the company;
- (ii) The name of the proxy;
- (iii) Whether the proxy has voting rights;
- (iv) The shareholder's specific instructions, including instructions on voting for, against, or abstaining on each matter included in the shareholders' meeting agenda;
- (v) The date of issuance and validity period of the power of attorney;
- (vi) The signature (or seal) of the principal. If the principal is a legal person shareholder, the seal of the legal person entity shall be affixed.

The proxy voting form shall specify whether the proxy may vote at their own discretion if the shareholder does not provide specific instructions.

**Article 68** If the proxy voting authorization form is signed by a person authorized by the principal, the authorization letter or other authorization document shall be notarized. The notarized authorization letter or other authorization document, along with the proxy voting authorization form, shall be kept at the company's registered address or another place specified in the notice of the meeting.

If the principal is a legal person, its legal representative or a person authorized by resolution of its board of directors or other decision-making body shall attend the company's shareholders' meeting as its representative.

**Article 69** The Company shall be responsible for preparing the meeting registration book for attendees. The registration book shall include the attendees' names (or company names), ID numbers, residential addresses, the number of shares held or represented with voting rights, and the name (or company name) of their proxies.

**Article 70** The convener and the company's appointed lawyer shall jointly verify the legality of the shareholders' qualifications based on the shareholder register provided by the securities registration and settlement institution, and register the shareholders' names (or company names) and the number of shares with voting rights they hold. Meeting registration shall cease before the meeting chairperson announces the number of shareholders and proxies present at the meeting and the total number of shares with voting rights they hold.

**Article 71** If the shareholders' meeting requires directors and senior management to attend the meeting, the directors and senior management shall attend and answer questions from the shareholders (including cross-border written or online inquiries). The Company shall respond to such inquiries and have the responses recorded in the meeting minutes.

**Article 72** The shareholders' meeting shall be chaired by the chairman of the board. If the chairman is unable to perform his/her duties or fails to perform his/her duties, a director jointly nominated by more than half of the directors shall chair the meeting.

A shareholders' meeting convened by the audit committee shall be chaired by the convener of the audit committee. If the convener of the audit committee is unable to perform his/her duties or fails to perform his/her duties, a member of the audit committee jointly nominated by more than half of the audit committee members shall chair the meeting.

A shareholders' meeting convened by shareholders themselves shall be chaired by the convener or their nominated representative.

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

**Article 73** The Company shall formulate rules of procedure for shareholders' meetings, detailing the procedures for convening and voting at shareholders' meetings, including notification, registration, deliberation of proposals, voting, vote counting, announcement of voting results, formation of meeting resolutions, meeting minutes and their signing, and public announcements, as well as the principles of authorization granted by the shareholders' meeting to the board of directors, the content of which shall be clear and specific. The rules of procedure for shareholders' meetings shall be an appendix to the articles of association, drafted by the board of directors and approved by the shareholders' meeting.

**Article 74** At the annual shareholders' meeting, the board of directors shall report to the shareholders on its work over the past year. Each independent director shall also submit a report on their performance.

**Article 75** Directors and senior management shall provide explanations and clarifications regarding shareholders' inquiries and suggestions at the shareholders' meeting.

**Article 76** The chairperson of the meeting shall announce the number of shareholders and proxies present at the meeting and the total number of shares with voting rights held therein before the vote. The number of shareholders and proxies present at the meeting and the total number of shares with voting rights held therein shall be based on the meeting registration.

**Article 77** Minutes shall be kept for the shareholders' meeting, and the board secretary shall be responsible for maintaining them. The minutes shall record the following:

- (i) the time, place, agenda, and name of the convener;
- (ii) the name of the chairperson and the directors and senior management personnel present or attending the meeting;
- (iii) the number of shareholders and proxies present, the total number of shares with voting rights held, and the percentage of the company's total shares;
- (iv) the deliberation process, key points of the speeches, and voting results for each proposal;
- (v) shareholders' inquiries or suggestions, and corresponding replies or explanations;
- (vi) the names of the lawyers, vote counters, and scrutineers;
- (vii) other contents that should be included in the minutes as required by these Articles of Association and the securities regulatory rules of the company's listing location.

**Article 78** The convener shall ensure that the contents of the meeting minutes are true, accurate, and complete. Directors, the board secretary, the convener or their representative, and the meeting chairperson who attend or are present at the meeting shall sign the meeting minutes. The meeting minutes, together with the register of shareholders present in person, proxy forms, and valid materials regarding voting via the internet and other means, shall be kept for a period of 10 years.

**Article 79** The convener shall ensure that shareholders' meetings are held continuously until a final resolution is reached. If a shareholders' meeting is suspended or unable to reach 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 meeting directly, and a timely announcement shall be made. Simultaneously, the convener shall report to the local branch of the China Securities Regulatory Commission (CSRC) and the Shenzhen Stock Exchange.

## **Section 7 Voting and Resolutions of Shareholders' Meeting**

**Article 80** Shareholders' meeting resolutions are divided into ordinary resolutions and special resolutions.

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

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

**Article 81** The following matters shall be adopted by ordinary resolution of the shareholders' meeting:

- (i) The work report of the board of directors;
- (ii) The profit distribution plan and loss compensation plan proposed by the board of directors;
- (iii) The appointment and removal of members of the board of directors and their remuneration and payment methods;
- (iv) Other matters that should be adopted by special resolution as required by laws, administrative regulations, securities regulatory rules of the place where the company's shares are listed, or these Articles of Association.

**Article 82** The following matters shall be approved by a special resolution of the shareholders' meeting:

- (i) Increase or decrease of the company's registered capital;
- (ii) Division, split, merger, dissolution, liquidation, or change of company form of the company;
- (iii) Amendment to these Articles of Association;

- (iv) Purchase or sale of significant assets or provision of guarantees to others by the company within one year exceeding 30% of the company's most recent audited total assets;
- (v) Equity incentive plan;
- (vi) Other matters stipulated by laws, administrative regulations, securities regulatory rules of the company's stock listing location, or these Articles of Association, as well as matters that the shareholders' meeting determines by ordinary resolution will have a significant impact on the company and require approval by a special resolution.

If at any time the share capital of the company is divided into different classes of shares, and the company intends to vary or abrogate the rights of a particular class of shareholders, such variation or abrogation shall be approved by way of special resolution at a class shareholders' meeting convened by the affected class of shareholders.

**Article 83** Shareholders (including their proxies) exercise their voting rights based on the number of shares they represent with voting rights; each share carries one vote. During voting by ballot, the shareholders (including their proxies) with two or more votes are not required to cast all votes for, against, or abstention.

When a shareholders' meeting deliberates on significant matters affecting the interests of minority shareholders, their votes shall be counted separately. The results of this separate vote count shall be disclosed promptly.

Shares held by the company itself have no voting rights, and such shares are not included in the total number of shares with voting rights present at the shareholders' meeting.

If a shareholder purchases voting shares of the company in violation of Article 63, Paragraphs 1 and 2 of the Securities Law, the portion of such shares exceeding the prescribed proportion shall not be eligible to exercise voting rights for thirty-six months after the purchase, and shall not be included in the total number of shares with voting rights present at the shareholders' meeting.

According to relevant laws and regulations and the securities regulatory rules of the company's listing location, if any shareholder is required to abstain from voting on a relevant proposal, or if any shareholder is restricted to voting only for or against a designated proposal, any vote cast by such shareholder or their representative in violation of the aforementioned provisions or restrictions shall not be counted in the voting results.

The company's board of directors, independent directors, shareholders holding 1% or more of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations, or the China Securities Regulatory Commission (CSRC) may act as solicitors, either directly or through securities companies or securities service institutions, to publicly request shareholders to entrust them to attend shareholders' meetings and exercise shareholder rights such as the right to propose resolutions and vote on their behalf. When soliciting shareholder rights in accordance with the aforementioned provisions, the solicitor shall disclose the solicitation documents, and the company shall cooperate. Publicly soliciting shareholder rights through paid or disguised paid means is prohibited. Except as required by law, the company may not impose a minimum shareholding ratio restriction on the solicitation of voting rights.

**Article 84** When a shareholders' meeting deliberates on related-party transactions, related shareholders should not participate in the voting, and the number of shares they represent with voting rights will not be included in the total number of valid votes; the announcement of the shareholders' meeting resolution should fully disclose the voting situation of non-related shareholders.

The procedures for related shareholders' abstention and voting are as follows:

- (i) Before the shareholders' meeting deliberates on related-party transactions, the board of directors or other conveners should determine the scope of related shareholders in accordance with relevant laws, regulations, and stock listing rules of the stock exchange, and inform the relevant shareholders of matters constituting a related relationship;
- (ii) If a shareholder objects to the convener's determination of the scope of a related relationship, they have the right to submit a written statement of their objection to the convener, requesting the convener to re-determine the matter, or may request a people's court to adjudicate whether a related relationship exists. Shareholders deemed to have a related party relationship shall not participate in voting until the convener or the People's Court makes a reassessment or ruling;
- (iii) Related shareholders or their proxies may participate in discussions of relevant related-party transactions and may explain to the shareholders' meeting the reasons for the related-party transactions, the basic details of the transactions, and whether the transactions are fair and legal;

- (iv) When the shareholders' meeting votes on relevant related-party transactions, after deducting the number of shares with voting rights represented by related shareholders, the non-related shareholders present at the shareholders' meeting or their proxies shall vote in accordance with the provisions of these Articles of Association.

The Company shall, on the premise of ensuring the legality and validity of the shareholders' meeting, provide convenient access to shareholders' meetings by giving priority to providing modern information technology means such as online voting platforms through various means and channels.

**Article 85** Except in special circumstances such as when the company is in crisis, the company will not enter into any contract with any person other than the directors, general manager, and other senior management personnel, entrusting the management of all or a significant part of the company's business to that person without the approval of a special resolution of the shareholders' meeting.

**Article 86** The list of director candidates shall be submitted to the shareholders' meeting for voting by way of a proposal. The method and procedure for nominating directors are as follows:

- (i) The board of directors may submit a proposal to the shareholders' meeting to nominate director candidates. Shareholders holding 1% or more of the shares individually or jointly may nominate director candidates in writing to the board of directors, which shall review their qualifications and submit them to the shareholders' meeting for election;
- (ii) Independent directors shall be nominated by the company's board of directors or shareholders holding 1% or more of the company's issued shares individually or jointly;
- (iii) When nominating directors or independent directors, shareholders shall submit the nomination proposal, detailed information of the nominated candidates, and the candidates' statements or commitment letters to the board of directors 10 days before the shareholders' meeting.

When the shareholders' meeting votes on the election of two or more directors, cumulative voting shall be implemented in accordance with the provisions of this Articles of Association or the resolution of the shareholders' meeting.

The cumulative voting system mentioned in the preceding paragraph means that when the shareholders' meeting elects directors, each share has the same number of votes as the number of directors to be elected, and the voting rights held by shareholders may be used collectively. The board of directors shall announce the resumes and basic information of the candidate directors to the shareholders.

**Article 87** Except for cumulative voting, the shareholders' meeting will vote on all proposals item by item. If there are different proposals on the same matter, they will be voted on in the order they were submitted. Except for special reasons such as force majeure that cause the shareholders' meeting to be suspended or unable to reach a resolution, the shareholders' meeting will not shelve or refuse to vote on proposals.

**Article 88** When the shareholders' meeting deliberates on a proposal, it should not modify the proposal; otherwise, the modification shall be considered a new proposal and cannot be voted on at this shareholders' meeting.

**Article 89** Each voting right can only be exercised through one of the following methods: in person, online, or other voting methods. In the event of duplicate voting for the same voting right, the first vote cast shall prevail.

**Article 90** The shareholders' meeting shall adopt a registered voting method.

**Article 91** Before a shareholders' meeting votes on a proposal, two shareholder representatives shall be nominated to participate in the vote counting and supervision. If a matter under consideration has a conflict of interest with a shareholder, the relevant shareholder and their proxy shall not participate in the vote counting or supervision.

When a shareholders' meeting votes on a proposal, a lawyer and shareholder representatives shall jointly be responsible for vote counting and supervision, and the voting results shall be announced on the spot. The voting results of the resolution shall be recorded in the meeting minutes.

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

**Article 92** The on-site shareholders' meeting shall not end earlier than the online or other voting methods. The meeting chairperson shall announce the voting results and status of each proposal, and, based on the voting results, announce whether the proposal has been passed.

Before the official announcement of the voting results, all relevant parties involved in the on-site, online, and other voting methods, including the company, vote counters, vote supervisors, major shareholders, and the network service provider, are obligated to maintain confidentiality regarding the voting information.

**Article 93** Shareholders attending a shareholders' meeting shall express one of the following opinions on the proposals submitted for voting: agree, disagree, or abstain.

Unfilled, incorrectly filled, illegible ballots, and ballots not cast shall be deemed as the voter having waived their voting rights, and the voting result for the shares held by such voter shall be counted as "abstention".

**Article 94** If the chairperson of the meeting has any doubt about the results of the resolutions submitted for voting, they may organize a vote count; if the chairperson fails to conduct a vote count, and a shareholder or their proxy present at the meeting objects to the results announced by the chairperson, they have the right to request a vote count immediately after the announcement of the voting results, and the chairperson shall immediately organize a vote count.

**Article 95** Shareholders' meeting resolutions shall be promptly announced. The announcement shall specify the number of shareholders and proxies present at the meeting, the total number of shares with voting rights held and the percentage of such shares representing the total number of shares with voting rights in the company, the voting method, the voting results for each proposal, and the detailed content of each resolution passed.

**Article 96** If a proposal is not passed, or if this shareholders' meeting changes a resolution of the previous shareholders' meeting, a special notice shall be given in the announcement of the shareholders' meeting resolution.

**Article 97** If the shareholders' meeting passes a proposal regarding the election of directors, the term of office of the newly elected directors shall be calculated from the date of the shareholders' meeting resolution.

**Article 98** If the shareholders' meeting approves a proposal regarding cash dividends, bonus share issuance, or capitalization of capital reserves, the company shall implement the specific plan within two months after the shareholders' meeting. If, due to legal regulations and the securities regulatory rules of the company's stock listing location, the specific plan cannot be implemented within two months, the implementation date may be adjusted accordingly based on such regulations and the actual circumstances.

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

### **Section 1 General Provisions for Directors**

**Article 99** A natural person who is a director of a company shall not serve as a director of the company if he/she falls under any of the following circumstances:

- (i) He/she has no capacity for civil conduct or has limited capacity for civil conduct;
- (ii) He/she has been sentenced to criminal punishment for embezzlement, bribery, misappropriation of property, or disrupting the socialist market economic order, or has been deprived of political rights for a crime, and the period of deprivation has expired for no more than 5 years, or if he/she has been granted probation, no more than 2 years have passed since the expiration of the probation period;

- (iii) He/she served as a director, factory director, or manager of a company or enterprise undergoing bankruptcy liquidation, and bears personal responsibility for the bankruptcy of the company or enterprise, no more than 3 years have passed since the completion of the bankruptcy liquidation of the company or enterprise;
- (iv) Serving as the legal representative of a company or enterprise whose business license has been revoked or which has been ordered to close down due to illegal activities, and bearing personal responsibility, provided that no more than 3 years have passed since the company or enterprise's business license was revoked or it was ordered to close down;
- (v) Having substantial outstanding debts that are overdue and have been listed as a dishonest person subject to enforcement by the People's Court;
- (vi) Being subject to a securities market entry ban imposed by the China Securities Regulatory Commission (CSRC), the ban period of which has not yet expired;
- (vii) Being publicly identified by a securities exchange as unsuitable to serve as a director or senior manager of a listed company, the ban period of which has not yet expired;
- (viii) Other contents stipulated by laws, administrative regulations, departmental rules, or securities regulatory rules of the company's stock listing location.

Any election, appointment, or employment of a director that violates this provision shall be invalid. If a director falls under any of the circumstances described in this provision during their term of office, the company will remove them from their position and suspend their duties.

**Article 100** Directors are elected or replaced by the shareholders' meeting, and may be removed from office by the shareholders' meeting before the expiration of their term. The term of office for directors is three years, and they may be re-elected upon expiration of their term.

The term of office for directors is calculated from the date of their appointment and ends when the term of the current board of directors expires.

If a director's term expires and a new election is not held in a timely manner, the original director shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules, and these Articles of Association until the newly elected director assumes office.

Directors may concurrently serve as senior management personnel, but the total number of directors concurrently serving as senior management personnel and directors who are employee representatives shall not exceed one-half of the total number of directors of the company.

The company shall enter into contracts with the directors, specifying the rights and obligations between the company and the directors, the term of office of the directors, the liability of the directors for violation of laws and regulations and the Articles of Association and the compensation for early termination of the contract by the company for any reason, obligations and liability of directors after the resignation, etc.

**Article 101** Directors shall abide by the provisions of laws, administrative regulations, and these Articles of Association, owe a duty of loyalty to the company, take measures to avoid conflicts of interest between their own interests and the company's interests, and shall not use their authority to seek improper benefits.

Directors have the following fiduciary duties to the company:

- (i) They shall not use their position to accept bribes or other illegal income;
- (ii) They shall not embezzle company assets or misappropriate company funds;
- (iii) They shall not deposit company funds in accounts opened in their own name or in the name of other individuals;
- (iv) Without reporting to the board of directors or shareholders' meeting and obtaining a resolution from the shareholders' meeting or board of directors in accordance with the provisions of these Articles of Association, they shall not directly or indirectly enter into contracts or transactions with the company;
- (v) They shall not use their position to seek business opportunities belonging to the company for themselves or others, except where they report to the board of directors or shareholders' meeting and obtain a resolution from the shareholders' meeting, or where the company is prohibited from using such business opportunities according to laws, administrative regulations, or these Articles of Association;
- (vi) Without reporting to the board of directors or shareholders' meeting and obtaining a resolution from the shareholders' meeting, they shall not operate or manage businesses similar to the company's;
- (vii) They shall not accept commissions from others for transactions with the company;
- (viii) They shall not disclose company secrets without authorization;
- (ix) They shall not use their related party relationships to harm the company's interests;

- (x) Other fiduciary duties as stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the company's stock listing location, and these Articles of Association.

A director's income obtained in violation of this Article shall belong to the company; if it causes losses to the company, the director shall be liable for compensation.

The provisions of paragraph 2, subparagraph (iv) of this Article shall apply to contracts or transactions entered into by the close relatives of directors and senior management, enterprises directly or indirectly controlled by directors, senior management, or their close relatives, and related persons with other related relationships with directors and senior management.

**Article 102** Directors shall abide by laws, administrative regulations, and these Articles of Association, and owe the following duties of diligence to the company, exercising reasonable care that is usually expected of managers in the performance of their duties for 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 prudently, diligently, and attentively to ensure that the company's business activities comply with the requirements of national laws, administrative regulations, and various national economic policies, and that their business activities do not exceed the scope of business stipulated in their business licenses;
- (ii) They shall treat all shareholders fairly;
- (iii) They shall keep abreast of the company's business operations and management;
- (iv) They shall sign written confirmations of the company's periodic reports. Directors shall ensure that the information disclosed by the company is true, accurate, and complete. If a director cannot guarantee the truthfulness, accuracy, or completeness of the securities issuance documents and periodic reports, or has any objections, they shall express their opinions and state their reasons in a written confirmation, and the company shall disclose this information. If the company fails to disclose information, the directors may directly apply for disclosure;
- (v) Directors shall truthfully provide relevant information and materials to the audit committee and shall not obstruct the audit committee from exercising its powers;
- (vi) Other due diligence obligations stipulated by laws, administrative regulations, departmental rules and these Articles of Association.

**Article 103** If a director fails to attend two consecutive board meetings in person or appoint another director to attend on their behalf, they shall be deemed unable to perform their duties, and the board of directors shall recommend that the shareholders' meeting remove them.

**Article 104** A director may resign before the expiration of their term. A director's resignation shall be submitted in writing to the board of directors. The resignation shall take effect on the date the company receives the resignation report, and the company shall disclose the relevant information within two trading days.

If the resignation of a director results in the number of board members falling below the statutory minimum, the original director shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules, and these Articles of Association until a newly elected director assumes office.

**Article 105** At the time of departure, a director shall complete all handover procedures with the board of directors. Their fiduciary duty to the company and shareholders is not automatically discharged upon the end of their term, but remains valid for six months after the resignation or expiration of their term. The liabilities incurred by a director during their term of office in the performance of their duties are not exempted or terminated upon leaving office. The company shall review whether a departing director has any outstanding obligations or unfulfilled commitments, and whether the departing director is suspected of any violations of laws or regulations.

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

If a director is removed before the expiration of their term without justifiable reason, the director may claim compensation from the company.

**Article 107** Without the provisions of these Articles of Association or the legal authorization of the board of directors, no director may act on behalf of the company or the board of directors in their personal capacity. When a director acts in their personal capacity, and a third party would reasonably believe that the director is acting on behalf of the company or the board of directors, the director shall declare their position and identity in advance.

**Article 108** If a director causes damage to others while performing their duties for the company, the company shall be liable for compensation; if the director acted intentionally or with gross negligence, they shall also be liable for compensation. A director who violates laws, administrative regulations, departmental rules, or these Articles of Association while performing their duties, causing losses to the company, shall be liable for compensation.

When a company retrospectively restates its financial reports due to financial fraud or other misstatements, it should promptly re-assess the performance-based compensation and medium- and long-term incentive income of directors and senior management personnel and recover the excess portion accordingly.

Where directors or senior management personnel of a listed company violate their obligations and cause losses to the listed company, or are at fault for illegal and irregular acts such as financial fraud, fund occupation and illegal guarantee, the listed company shall, depending on the severity of the circumstances, reduce or stop the payment of unpaid performance-based compensation and medium- and long-term incentive income, and fully or partially recover the performance-based compensation and medium- and long-term incentive income that have been paid during the period when the relevant behavior occurred.

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

**Article 109** The Company shall establish a Board of Directors, which shall consist of 7 directors, with independent directors constituting no less than one-third of the total and at least three in number. The Board of Directors shall appoint one Chairperson. The Chairperson shall be elected by the Board of Directors with the approval of the majority of all directors. The Board of Directors may have one vice Chairperson, who shall be nominated by the Chairperson and elected by the Board of Directors with the approval of the majority of all directors.

**Article 110** The Board of Directors shall exercise the following functions and powers:

- (1) To convene shareholders' meetings and reporting its work to the shareholders' meeting;
- (2) To implement resolutions of the shareholders' meetings;
- (3) To decide on the business plans and investment proposals of the Company
- (4) To formulate the profit distribution plans and loss make-up plans of the Company;
- (5) To formulate plans on the increase or decrease of registered capital, issuance of bonds or other securities, and listing plans;
- (6) To formulate plans for material acquisitions, purchase of the Company's shares, merger, division, dissolution and change of corporate form;

- (7) To make decisions on the Company's external investments, acquisition and disposal of assets, asset mortgages, external guarantees, entrusted financial management, related transactions, etc. within the scope authorized by the shareholders' meeting;
- (8) To decide on the establishment of the internal management institutions of the Company;
- (9) To appoint or dismissal of the Company's general manager, the secretary to the Board of Directors and other senior management, and to determine their remunerations, rewards and punishments; and to, with the recommendation from the general manager, decide to appoint or remove the vice general manager, chief financial officer and other senior management of the Company, and to determine their remunerations, awards and punishments;
- (10) To formulate the basic management system of the Company;
- (11) To formulate the proposal for amendment to the Articles of Association;
- (12) To manage information disclosure by the Company;
- (13) To propose at the shareholders' meeting the engagement or replacement of an accounting firm for the audit of the Company's accounts;
- (14) To hear work report of the general manager of the Company and inspect the work of the general manager;
- (15) To perform other functions and powers conferred by laws, administrative regulations, departmental rules, the Articles of Association and shareholders' meeting.

Matters exceeding the scope of the authority of the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

**Article 111** If the certified public accountant appointed by the Company issues a modified audit opinion on any financial report of the Company, the Board of Directors shall explain the reasons for the shareholders' meeting.

**Article 112** The Board of Directors shall establish its rules of procedure to ensure the implementation of the resolutions of the shareholders' meeting, improve its efficiency and make scientific decisions.

The rules of procedure for Board meetings provide for the convening and voting procedures of Board meetings. The rules of procedure for Board meetings shall be included in the Articles of Association or attached as an appendix to the Articles of Association and shall be prepared by the Board and subject to approval of the shareholders' meeting.

**Article 113** The Company's decision-making authority for transaction matters is as follows:

- (1) Unless otherwise stipulated in the Articles of Association, transactions that meet any of the following criteria (excluding transactions where the Company unilaterally receives benefits, such as providing guarantees, offering financial assistance, establishing or increasing capital in wholly-owned subsidiaries, receiving cash assets as gifts, or obtaining debt relief) shall be submitted to the shareholders' meeting for deliberation after approval by the Board of Directors:
  1. Where the total value of assets involved in the transaction exceeds 50% of the listed company's latest audited total assets, and both book value and appraised value exist for such assets, the higher value shall be used as the basis for calculation;
  2. The transaction subject (e.g., equity interests) generated revenue in the most recent fiscal year that accounted for more than 50% of the listed company's audited revenue for that fiscal year, with the absolute amount exceeding RMB50 million;
  3. The transaction subject (e.g., equity interests) generated net profit in the most recent fiscal year that accounted for more than 50% of the listed company's audited net profit for that fiscal year, with the absolute amount exceeding RMB50 million;
  4. The transaction amount (including assumed liabilities and expenses) exceeds 50% of the listed company's most recent audited net assets, with the absolute amount exceeding RMB50 million;
  5. The profit generated from the transaction accounts for more than 50% of the listed company's audited net profit for the most recent fiscal year, and the absolute amount exceeds RMB5 million.
- (2) When a company engages in transactions involving the "purchase or sale of assets," the higher of the total asset value and the transaction amount shall serve as the calculation basis. Such transactions shall be cumulatively calculated over a consecutive twelve-month period according to their respective transaction categories. Should the cumulative amount reach 30% of the most recent audited total assets, the transaction shall be submitted to the shareholders' meeting for deliberation and approved by a vote of more than two-thirds of the voting rights held by the shareholders present at the meeting.

- (3) The shareholders' meeting authorizes the Board of Directors to decide on the following major transaction matters (excluding providing guarantees, offering financial assistance, establishing wholly-owned subsidiaries, or increasing capital in such subsidiaries):
1. The total value of assets involved in the transaction exceeds 10% of the listed company's latest audited total assets. Where both book value and appraised value exist for the assets involved in the transaction, the higher value shall be used as the basis for calculation;
  2. The transaction subject (e.g., equity) generated revenue in the most recent fiscal year that accounts for more than 10% of the listed company's latest audited revenue for that fiscal year, and the absolute amount exceeds RMB10 million;
  3. The net profit attributable to the transaction subject (e.g., equity) in the most recent fiscal year accounts for more than 10% of the listed company's audited net profit for the most recent fiscal year, and the absolute amount exceeds RMB1 million;
  4. The transaction amount (including assumed liabilities and expenses) exceeds 10% of the listed company's latest audited net assets and exceeds RMB10 million in absolute value;
  5. The profit generated from the transaction exceeds 10% of the listed company's latest audited net profit for the fiscal year and exceeds RMB1 million in absolute value.
- (4) Except as otherwise provided in these Articles of Association, the Company's decision-making authority for related transactions shall be as follows:
1. Related transactions involving natural people where the transaction amount is less than RMB0.3 million, or related transactions involving legal entities where the transaction amount is less than RMB3 million or represents less than 0.5% of the Company's most recent audited net asset value (excluding guarantees and financial assistance), shall be approved by the general manager. However, if the general manager or his/her close relatives are the counterparty to the related party transaction, such transaction shall be reviewed and approved by the Board of Directors.
  2. Transactions between the Company and related natural persons exceeding RMB0.3 million, or related-party transactions between the Company and related legal entities exceeding RMB3 million and representing more than 0.5% of the absolute value of the Company's most recently audited net assets (excluding guarantees and financial assistance), shall be submitted to the Board of Directors for approval after obtaining the consent of a majority of independent directors.

3. For related transactions (excluding guarantees) between the Company and its connected persons, where the transaction amount exceeds RMB30 million and represents more than 5% of the Company's latest audited net asset value, the Company's Board of Directors shall issue an opinion on whether the transaction is beneficial to the Company. The Board of Directors shall also engage securities service institutions compliant with the Securities Law to evaluate or audit the transaction subject matter (excluding transaction subjects related to daily operations). Related transactions related to daily operations may be exempted from audit or appraisal.
4. Where the cumulative amount of transactions conducted by the Company with the same related party or with different related parties over a consecutive 12-month period, relating to the same subject matter of the transaction, reaches the threshold specified in this Article, such related party transactions shall be approved in accordance with the provisions of this Article. The aforementioned same related party includes other related parties that are under the control of the same entity or have mutual equity control relationships with such related party.
5. Guarantees provided by the Company to related parties shall be submitted to the shareholders' meeting for deliberation after approval by the Board of Directors.
6. Guarantees provided by the Company to its shareholders (regardless of shareholding percentage) or its actual controllers and their related parties shall be submitted to the shareholders' meeting for deliberation after approval by the Board of Directors.

If any data involved in the calculation of the above indicators is negative, its absolute value shall be used for calculation.

The scope of "transactions," "related-party transactions," "related natural persons," and "related legal entities" shall be determined in accordance with the relevant provisions of the Shenzhen Stock Exchange Growth Enterprise Market Listing Rules and other applicable regulations.

Where laws, administrative regulations, normative documents, Shenzhen Stock Exchange rules, the Hong Kong Listing Rules, or securities regulatory rules of the Company's listing places contain mandatory provisions regarding the authority to deliberate on the aforementioned matters, such provisions shall prevail.

**Article 114** The Chairman of the Board of Directors shall exercise the following powers:

- (1) To preside over the shareholders' meetings and to convene and preside over meetings of the Board of Directors;
- (2) To supervise and inspect the implementation of the resolutions of the Board of Directors;
- (3) To exercise any other functions and powers conferred by the Board of Directors;
- (4) Other functions and powers prescribed in the Articles of Association.

**Article 115** Where the Chairman of the Board is unable or fails to perform his/her duties, a director jointly elected by more than half of the directors shall perform such duties.

**Article 116** The Board meetings can be classified into regular meetings and extraordinary meetings. The Board of Directors shall hold at least four regular meetings per year and shall be convened by the Chairman of the Board. All directors and the general manager shall be served with a notice in writing 14 days before the meeting

**Article 117** Shareholders representing more than one-tenth of the voting rights, more than one-third of the members of the Board of Directors or the Audit Committee may propose to convene an extraordinary meeting of the Board of Directors. The Chairman of the Board of Directors shall convene and preside over the meeting of the Board of Directors within 10 days after receiving the proposal.

**Article 118** Notice of an extraordinary meeting of the Board of Directors shall be given to all directors at least two days prior to the meeting. Notice may be delivered by hand, mail, express delivery, email, or fax. However, with the unanimous consent of all directors, notice of an extraordinary meeting may be given at any time using the telephone, fax, or other communication methods on file with the Company.

**Article 119** Notices of Board meetings shall include but are not limited to the following:

- (1) Date and place of the meeting;
- (2) Duration of the meeting;
- (3) Matters and topics to be discussed;
- (4) Date of issuance of the notice.

**Article 120** Meetings of the Board of Directors should be held only with the presence of more than one-half of the directors. Resolutions of the Board of Directors must be passed by more than one-half of all the directors.

Voting on resolutions in the Board of Directors shall be conducted by one person, one vote.

External guarantees approved by the Board of Directors must not only be passed by more than one-half of all the directors but also be reviewed and approved by at least two-thirds of the directors present at the board meeting, with a resolution adopted accordingly.

**Article 121** Where a director has a related-party relationship with an enterprise or individual involved in a matter to be resolved at a board meeting, such director shall promptly report in writing to the board of directors. A director with a related-party relationship shall not exercise voting rights on such resolution nor act as proxy for other directors to exercise voting rights. The board meeting may be held with the attendance of a majority of directors without related-party relationships, and resolutions adopted at the meeting shall require approval by a majority of directors without related-party relationships. If fewer than three unrelated directors attend the board meeting, the matter shall be submitted to the shareholders' meeting for deliberation.

**Article 122** The method of voting on resolutions of the Board of Directors shall be in-person voting.

Extraordinary meetings of the Board may be held by means of communication including telephone conference, video conference or written circulation for signature provided that directors can fully express their views, and directors attending the meetings shall sign.

Board meetings conducted via telephone conference or video conference shall ensure that participating directors can clearly hear other directors' remarks and engage in mutual communication. Board meetings held in this manner shall be audio or video recorded. Where directors are unable to sign the meeting minutes immediately during such meetings, oral voting shall be adopted, with written signatures to be provided promptly thereafter. Verbal votes cast by directors shall have the same legal effect as written signatures. However, subsequent written signatures must align with the verbal votes cast during the meeting. If such written signatures differ from the verbal votes, the verbal votes shall prevail.

If a board meeting is conducted by written circulation for signature, i.e., resolutions on proposals are made through separate delivery for deliberation or circulation for review, directors or other directors entrusted by them shall indicate their approval or disapproval on the resolution. Once the number of directors signing in approval reaches the quorum required by these Articles of Association for passing a resolution, the matter under discussion shall become a board resolution.

**Article 123** Board meetings shall be attended by directors in person. If a director is unable to attend for any reason, he/she may appoint another director in writing to attend on his/her behalf, and the proxy shall specify the name of the proxy, matters entrusted, scope of authorization and validity period, and be signed or sealed by the principal. The director attending on behalf of another shall exercise the rights of a director within the scope of authorization. A director who fails to attend a Board meeting and does not appoint a representative to attend shall be deemed to have waived his/her voting rights at that meeting.

**Article 124** The Board of Directors shall prepare minutes of the decisions made on matters discussed at the meeting, and directors present at the meeting shall sign the minutes.

Board meeting minutes shall be retained as company records for a period of 10 years.

**Article 125** Minutes of Board meetings shall include but are not limited to the following:

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

### **Section 3 Independent Directors**

**Article 126** The independent directors shall diligently perform their duties in accordance with the laws, administrative regulations, requirements of the CSRC, the Stock Exchanges and the Articles of Association, play a role in participating in decision-making, supervision, check and balance, and providing professional advice in the Board of Directors, safeguard the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders.

**Article 127** Independent directors shall remain independent. The following individuals may not serve as independent directors:

- (1) Persons holding office in the Company or its affiliates and their spouses, parents, children or major social relatives;

- (2) Natural person shareholders directly or indirectly holding more than 1% of issued shares of the Company or among top ten shareholders of the Company and their spouses, parents and children;
- (3) Persons holding office in any shareholder directly or indirectly holding more than 5% of issued shares of the Company or in the top five shareholders of the Company and their spouses, parents and children;
- (4) Persons holding office in any affiliate of the controlling shareholders or de facto controllers of the Company and their spouses, parents and children;
- (5) Persons who have material business dealings with the Company or its controlling shareholders or de facto controllers or their respective affiliates or who hold office in any entity having material business dealings or its controlling shareholders or de facto controllers;
- (6) Persons providing financial, legal, consulting, sponsoring or other services to the Company, its controlling shareholders, de facto controllers or their respective affiliates, including but not limited to all members of the project team of an intermediary providing services, reviewers at all levels, persons signing reports, partners, directors, senior management and principals;
- (7) Persons who have been in the situations listed in the items I to VI hereof within the last twelve months;
- (8) Other persons who are not independent as stipulated by the laws, administrative regulations, requirements of the CSRC, the business rules of the stock exchange and the Articles of Association.

Affiliates of the Company's controlling shareholders and de facto controllers as set out in preceding paragraphs (4) to (6), exclude enterprises that are controlled by the same state-owned asset management entity as the Company and do not constitute a related party relationship with the Company under the relevant provisions.

Independent directors shall conduct self-examination of their independence each year and submit the results of self-examination to the Board of Directors. The Board of Directors shall assess the independence of incumbent independent directors, issue special opinions thereon each year and disclose simultaneously with annual report.

**Article 128** A person to serve as an independent director of the Company shall meet the following conditions:

- (1) Being qualified to serve as a director of a listed company according to the laws, administrative regulations and other relevant provisions;
- (2) Meeting the independence requirements of the Articles of Association;

- (3) Having basic knowledge of the operation of listed companies and being familiar with relevant laws, regulations and rules;
- (4) Having more than five years of legal, accounting or economic work experience necessary to perform the duties of an independent director;
- (5) Having good personal morality, with no bad records such as major dishonesty, etc.;
- (6) Other conditions stipulated by the laws, administrative regulations, requirements of the CSRC, business rules of the Stock Exchanges and the Articles of Association.

**Article 129** As members of the Board of Directors, the independent directors owe fiduciary duties and diligence to the Company and all shareholders and shall prudently perform the following duties:

- (1) To participate in the decision making of the Board of Directors and provide explicit opinions on the matters discussed;
- (2) To supervise matters that indicate potential material conflict of interest between the Company and its controlling shareholders, de facto controllers, directors and senior management so as to protect legitimate rights and interests of minority shareholders;
- (3) To provide professional and objective advice on the Company's operations and development, thereby facilitating improvement in the standard of the decision-making of the Board of Directors;
- (4) Other duties stipulated by the laws, administrative regulations, requirements of the CSRC, the places where the shares of the Company are listed and the Articles of Association.

**Article 130** Independent directors shall exercise the following special functions and powers:

- (1) Independently engage intermediaries to audit, provide consultation on or verify specific matters of the Company;
- (2) Propose the convening of extraordinary Shareholders' Meeting to the Board of Directors;
- (3) Propose the convening of Board meetings;

- (4) Openly solicit shareholders' rights from shareholders in accordance with the laws;
- (5) Express independent opinions on matters potentially detrimental to interests of the Company or its minority shareholders;
- (6) Other duties stipulated by the laws, administrative regulations, requirements of the CSRC, the places where the shares of the Company are listed and the Articles of Association.

Any exercise of the functions and powers as referred to in items I to III of the preceding paragraph by the independent directors shall be approved by more than half of all independent directors.

The Company shall disclose in a timely manner any exercise of the functions and powers set out in item I by the independent directors. If any of the aforesaid functions and powers could not be exercised properly, the Company shall disclose the specific circumstances and reasons thereof.

**Article 131** The following matters shall be approved by more than half of all the independent directors of the Company before submitting to the Board of Directors for consideration:

- (1) Discloseable related transactions;
- (2) Proposed changes or waivers of undertakings by the Company and the relevant parties;
- (3) Decisions made and measures taken by the board of directors of an acquired listing company in relation to an acquisition;
- (4) Other duties stipulated by the laws, administrative regulations, requirements of the CSRC, the places where the shares of the Company are listed and the Articles of Association.

**Article 132** The Company shall establish a mechanism for special meetings which will be attended by independent directors only. Matters such as related transactions to be considered by the Board of Directors shall be approved in advance by a special meeting of the independent directors.

The Company shall convene special meetings of the independent directors on a regular or ad hoc basis. Matters listed in items (1) to (3) of paragraph 1 of Article 130 and in Article 131 of the Articles of Association shall be considered by a special meeting of the independent directors.

The special meetings of the independent directors may consider and discuss other matters of the Company when necessary.

The special meetings of the independent directors shall be convened and chaired by one independent director elected by more than half of the independent directors; in the event that the convener fails to or is unable to perform his/her duties, 2 and more independent directors may convene a meeting on their own and elect 1 representative to preside over the meeting.

Minutes of special meetings of independent directors should be prepared in accordance with the regulations and the views of independent directors should be set out in the minutes. The independent directors should sign to confirm the minutes of the meeting.

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

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

**Article 133** The Board of Directors of the Company shall establish an audit committee to exercise functions and powers of the board of supervisors stipulated under the Company Law.

**Article 134** The Audit Committee shall be composed of not less than 3 non-executive directors, of whom a majority shall be independent directors and at least one independent director should be an accounting professional with professional qualifications in line with the requirements of securities regulatory rules of the place where the Company's shares are listed. An accounting professional among the independent directors shall serve as the convener.

**Article 135** The Audit Committee is responsible for reviewing the Company's financial information and its disclosures, supervising and evaluating the internal and external audits and internal controls. The following matters shall be submitted to the Board of Directors for consideration after the approval by a majority of all members of the Audit Committee:

- (1) Disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;
- (2) Appointment or dismissal of the accounting firm that undertakes the Company's auditing business;
- (3) Appointment or dismissal of the Company's chief financial officer;
- (4) Changes in accounting policies, accounting estimates or correction of material accounting errors for reasons other than changes in accounting standards;
- (5) Other duties stipulated by the laws, administrative regulations, requirements of the CSRC, the places where the shares of the Company are listed and the Articles of Association.

**Article 136** The Audit Committee shall hold at least one meeting every quarter, and may hold an extraordinary meeting when two or more members propose, or when the convener deems it necessary. A meeting of the Audit Committee shall only be held with the attendance of more than two-thirds of the members.

Resolutions made by the Audit Committee shall be approved by more than half of the members of the Audit Committee.

The voting on the resolution of the Audit Committee shall be one person one vote.

The Audit Committee shall prepare meeting minutes for its resolutions in accordance with the regulations, and the members of the Audit Committee attending the meeting shall sign on the meeting minutes.

The Board of Directors is responsible for formulating the working procedures of the Audit Committee.

**Article 137** The Board of Directors of the Company shall establish other special committees such as the Strategy and ESG Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. These special committees shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors, and the proposals of the special committees shall be submitted to the Board of Directors for deliberation and decision. The Board of Directors shall be responsible for formulating the working procedures of the special committees.

**Article 138** Independent directors shall constitute a majority of the Nomination Committee and the Remuneration and Appraisal Committee. The convener of the Nomination Committee shall be either the Chairman of the Board or an independent director serving on the Nomination Committee, and the convener of the Remuneration and Appraisal Committee shall be an independent director.

**Article 139** The Strategy and ESG Committee is mainly responsible for conducting research and making recommendations on the Company's long-term development strategies, major investment decisions and ESG-related work.

The Nomination Committee is responsible for formulating the selection criteria and procedures for directors and senior management, evaluating, selecting and reviewing the candidates for directors and senior management and their qualifications for appointment, and making recommendations to the Board of Directors on, including but not limited to, the following matters:

- (1) nomination or appointment and removal of directors;
- (2) appointment or dismissal of senior management;

- (3) other matters prescribed by laws, administrative regulations, provisions of the CSRC, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

If the Board of Directors does not adopt or does not fully adopt the recommendations of the Nomination Committee, it shall record the opinions of the Nomination Committee and the specific reasons for non-adoption in the resolution of the Board of Directors and disclose the same.

The Remuneration and Appraisal Committee is responsible for formulating the appraisal standards for directors and senior management and conducting appraisals; formulating and reviewing the remuneration policies and plans for directors and senior management, such as the remuneration determination mechanism, decision-making process, and arrangements for payment, stoppage of payment, and clawback, and making recommendations to the Board of Directors on, including but not limited to, the following matters:

- (1) remuneration of directors and senior management;
- (2) formulation or modification of equity incentive plans and employee stock ownership plans, and the fulfillment of conditions for the incentive participants to be granted with or to exercise their rights and interests;
- (3) arrangements of share ownership plans by directors and senior management in subsidiaries proposed to be spun off;
- (4) other matters prescribed by laws, administrative regulations, provisions of the CSRC, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

If the Board of Directors does not adopt or does not fully adopt the recommendations of the Remuneration and Appraisal Committee, it shall record the opinions of the Remuneration and Appraisal Committee and the specific reasons for non-adoption in the resolution of the Board of Directors and disclose the same.

## **Chapter 6 Senior Management Officers**

**Article 140** The Company has one general manager, to be appointed or dismissed by the Board of Directors.

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

The general manager, deputy general managers, person in charge of finance, and secretary to the Board of Directors are the senior management officers of the Company.

The Company shall enter into employment contracts with the general manager, deputy general managers and other senior management officers, specifying the rights and obligations between the Company and such persons, their term of office, their liability for violation of laws and regulations and the Articles of Association and the compensation for early termination of the contract by the Company for any reason, etc.

**Article 141** The circumstances under the Articles of Association in which a person may not serve as a director shall also apply to senior management officers. If a senior management officer becomes subject to any circumstance that disqualifies him or her from holding such position during the term of office, he/she shall immediately cease performing his/her duties and resign from the position. Where no resignation has been rendered, the Board of Directors shall forthwith remove him/her from his/her duties after the occurrence of such event has, or should have, come to its attention.

The provisions of the Articles of Association regarding the fiduciary duties and diligence duties of directors shall also apply to the senior management officers of the Company.

**Article 142** Persons who hold administrative positions other than directors and supervisors in the controlling shareholder of the Company shall not serve as senior management officers of the Company. Senior management officers of the Company shall receive remuneration only from the Company and shall not have their salaries paid by the controlling shareholder on behalf of the Company.

**Article 143** Each term of office for the general manager is 3 years, and the general manager may be reappointed for consecutive appointments.

**Article 144** The general manager shall be accountable to the Board of Directors and exercises the following functions and powers:

- (1) To be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board of Directors, and to report to the Board of Directors;
- (2) To organize the implementation of the annual business plan and investment plan of the Company;
- (3) To formulate the plan for the establishment of the internal management structure of the Company;
- (4) To formulate the basic management system of the Company;
- (5) To formulate the specific rules of the Company;
- (6) To make a proposal to the Board of Directors on the appointment or dismissal of the deputy general managers and the person in charge of finance of the Company;

- (7) To decide on the appointment or dismissal of management personnel other than those whose appointment or dismissal shall be decided by the Board of Directors;
- (8) Other functions and powers conferred by the Articles of Association or the Board of Directors.

The general manager shall attend meetings of the Board of Directors as a non-voting attendee.

**Article 145** The general manager shall formulate detailed working rules for the general manager, which shall be implemented after approval by the Board of Directors.

**Article 146** The detailed working rules for the general manager shall include the following:

- (1) Conditions, procedures and participants for convening general manager meetings;
- (2) Specific duties and division of work of the general manager and other senior management officers;
- (3) Authority for use of Company funds and assets, signing of major contracts, and reporting system to the Board of Directors;
- (4) Other matters deemed necessary by the Board of Directors.

**Article 147** The general manager may resign before the expiry of his/her term of office. The specific procedures and methods concerning the resignation of the general manager shall be specified in the employment (or labor service) contract between the general manager and the Company.

**Article 148** Deputy general managers shall be nominated by the general manager and appointed or dismissed by the Board of Directors; the deputy general managers shall assist the general manager in his/her work, and shall be accountable and report to the general manager.

**Article 149** The Company has a secretary to the Board of Directors, who is responsible for the preparation of shareholders' meetings and meetings of the Board of Directors, keeping documents in safe custody, managing information of shareholders of the Company and handling information disclosure affairs.

The secretary to the Board of Directors shall comply with the relevant requirements of laws, administrative regulations, departmental rules and the Articles of Association.

**Article 150** The Company shall be liable for compensation if the senior management officers cause damage to others in the performance of their duties; the senior management officers shall also be liable for compensation if they act intentionally or with gross negligence. Senior management officers who violate laws, administrative regulations, departmental rules or the Articles of Association in the performance of their duties and cause losses to the Company shall be liable for compensation.

**Article 151** Senior management officers of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders.

Where a senior management officer of the Company fails to faithfully perform his/her duties or breaches the obligation of integrity, thereby causing damage to the interests of the Company and public shareholders, he/she shall be liable for compensation in accordance with the law.

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

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

**Article 152** The Company shall formulate its financial and accounting system in accordance with laws, administrative regulations and provisions of relevant state authorities.

**Article 153** The Company shall submit and disclose its annual report to the CSRC and its dispatched offices, and the stock exchange within 4 months from the end of each accounting year, and submit and disclose its interim report to the dispatched offices of the CSRC and the stock exchange within 2 months from the end of the first 6 months of each accounting year.

The above annual reports and interim reports shall be prepared in accordance with the provisions of relevant laws, administrative regulations, the CSRC and the securities regulatory rules of the place where the Company's shares are listed.

**Article 154** The Company shall not maintain any accounting books other than the statutory accounting books. The Company's assets shall not be deposited in any account opened in the name of any individual.

**Article 155** When distributing the after-tax profit of the current year, the Company shall appropriate 10% of the profit for transfer to the statutory reserve of the Company. If the accumulated amount of the Company's statutory reserve is 50% or more of the Company's registered capital, further appropriation is not necessary.

If the statutory reserve of the Company is insufficient to make up for the losses of the previous years, the profit for the current year shall be used to make up for the losses before making appropriation to the statutory reserve in accordance with the preceding paragraph.

After making appropriation from the after-tax profit to the statutory reserve, the Company may also make appropriation to the discretionary reserve from the after-tax profit upon approval by a resolution passed at the shareholders' meeting.

The remaining after-tax profit of the Company after making up for losses and making appropriations to reserves shall be distributed in accordance with the proportion of shares held by shareholders upon resolution by the shareholders' meeting, except where the Articles of Association provide that distribution shall not be made in proportion to shareholdings.

If the shareholders' meeting violates the provisions of the Company Law by distributing profits to shareholders, the shareholders must return the profit distributed in violation of the provisions to the Company; if any losses are caused to the Company, the shareholders and the responsible directors and senior management officers shall be liable for compensation.

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

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

**Article 156** The reserves of the Company are used to make up for the losses of the Company, expand the production and operation of the Company, or be converted to increase the registered capital of the Company.

In making up for losses incurred by the Company with the reserves, the discretionary reserve and statutory reserve shall be used first; if the losses still cannot be made up, the capital reserve may be used in accordance with the provisions.

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

**Article 157** After the shareholders' meeting of the Company resolves on the profit distribution plan, or the Board of Directors of the Company formulates a specific plan based on the conditions and upper limits for interim dividends for the following year deliberated and approved by the annual shareholders' meeting, the Company must complete the distribution of dividends (or shares) within 2 months.

**Article 158** The profit distribution policy of the Company is as follows:

(1) Principles of profit distribution:

The Company implements a continuous and stable profit distribution policy, distributing profits in cash or a combination of cash and shares, and prioritizing cash distribution. The Company shall comply with the following provisions when implementing the profit distribution measures:

1. The profit distribution of the Company shall attach importance to reasonable investment returns to investors, and the profit distribution of the Company shall not exceed the scope of cumulative distributable profits. It shall take into account the continuous, stable, and scientific returns to all shareholders as well as the sustainable development of the Company, in light of the Company's profitability and capital needs. The Board of Directors and the shareholders' meeting should fully consider the opinions of independent directors and public investors, especially minority shareholders, in the decision-making and demonstration process of the profit distribution policy;
2. If the conditions for cash dividend distribution are met, profit distribution shall be made in the form of cash dividends; if profit distribution is made in the form of share dividends, there shall be true and reasonable factors such as the Company's growth and the dilution of net assets per share;
3. If the Board of Directors of the Company does not propose a cash profit distribution plan, it shall disclose the reasons in the periodic report;
4. In the event that a shareholder and its related parties illegally occupy the Company's funds, the Company shall deduct the cash dividends allocated to such shareholder upon dividend distribution to repay the occupied funds;
5. The Company will formulate or adjust the shareholder return plan based on its actual situation and the opinions of shareholders, particularly public investors and independent directors.

(2) Form of profit distribution

The Company may distribute dividends in cash or a combination of cash and shares, and shall prioritize cash distribution.

(3) Conditions for cash distribution:

1. The distributable profit realized by the Company in the current year (i.e., the after-tax profit remaining after making up for losses and making appropriations to reserves) is positive, cash flow is abundant, and the implementation of cash dividends will not affect the subsequent continuous operation of the Company;
2. The audit institution issues a standard unqualified audit report on the Company's financial report for the current year.

(4) Proportion and time of cash distribution

Under the premise of complying with the profit distribution principles and ensuring the normal operation and long-term development of the Company, the Company shall, in principle, distribute cash dividends once a year after the annual shareholders' meeting is convened. The Board of Directors may propose that the Company distribute interim cash dividends based on the profitability and capital needs of the Company.

The Company shall maintain the continuity and stability of its profit distribution policy. When the conditions for cash dividend distribution are met, the profit distributed in cash annually shall not be less than 10% of the distributable profit realized in the current year, and over any three consecutive accounting years, the cumulative profit distributed in cash by the Company shall not be less than 30% of the average annual distributable profit realized over the three years.

The Board of Directors of the Company shall comprehensively consider factors such as the characteristics of the industry, development stage, own business model, profitability, and whether there are significant capital expenditure (including significant investment plans or significant cash expenditures) arrangements, distinguish the following situations, and formulate differentiated cash dividend plans:

1. If the Company's development stage is in a mature period and there are no significant capital expenditure arrangements, when making profit distribution, cash dividends shall account for at least 80% of the current profit distribution;
2. If the Company's development stage is in a mature period and there are significant capital expenditure arrangements, when making profit distribution, cash dividends shall account for at least 40% of the current profit distribution;

3. If the Company's development stage is in a growth period and there are significant capital expenditure arrangements, when making profit distribution, cash dividends shall account for at least 20% of the current profit distribution;

If the Company's development stage is difficult to distinguish but there are significant capital expenditure arrangements, it shall be handled in accordance with the preceding provision.

Significant investment plans or significant cash expenditures refer to: the cumulative expenditure of the Company for planned external investments, acquisition of assets, or purchase of equipment within the next twelve months reaching or exceeding 30% of the Company's latest audited net assets.

- (5) Conditions for distribution of share dividends

Under the premise of meeting the conditions for cash dividend distribution, if the Company's operating income and net profit grow rapidly, and the Board of Directors considers that the Company's share capital scale and equity structure are reasonable, a share dividend distribution plan may be proposed and implemented in addition to the proposed cash dividend distribution plan.

- (6) Decision-making procedures and mechanisms for profit distribution

The annual profit distribution plan of the Company shall be drafted by the Board of Directors in combination with the provisions of the Articles of Association, profitability, capital supply and demand. Independent directors may solicit opinions from minority shareholders, propose dividend plans, and submit them directly to the Board of Directors for deliberation. When the Board of Directors deliberates on the specific plan for cash dividends, it shall carefully study and demonstrate matters such as the timing, conditions, minimum proportion of the Company's cash dividends, conditions for adjustment, and requirements for its decision-making procedures. If independent directors consider that the specific cash dividend plan may prejudice the interests of the listed company or minority shareholders, they shall have the right to express independent opinions. If the Board of Directors does not adopt or does not fully adopt the opinions of independent directors, the opinions of independent directors and the specific reasons for non-adoption shall be recorded and disclosed in the resolutions of the Board of Directors. The dividend plan can only be submitted to the shareholders' meeting for deliberation after being deliberated and approved by the Board of Directors.

When the shareholders' meeting deliberates on the specific plan for cash dividends, it shall proactively communicate and exchange views with shareholders, particularly minority shareholders, through multiple channels (including but not limited to providing online voting, inviting minority shareholders to attend the meeting, etc.), fully listen to the opinions and demands of minority shareholders, and promptly respond to matters of concern to them. The dividend plan shall be approved by shareholders or their proxies present at the shareholders' meeting holding more than half of the voting rights.

(7) Information disclosure regarding profit distribution:

1. The Company shall disclose the profit distribution plan and the plan for converting capital reserve into share capital in the periodic report.
2. The Company shall disclose in the periodic report the execution of the profit distribution plan, the plan for converting capital reserve into share capital, or the plan for issuing new shares implemented during the reporting period.
3. If the Company is profitable in the current year but the Board of Directors has not proposed a cash profit distribution plan or the proportion of cash dividends is less than 10% of the distributable profit realized in the current year, it shall disclose the reasons in the periodic report, the purposes and use plan of the funds retained by the Company not used for dividends, and when convening the shareholders' meeting, the Company shall provide online voting and other means to facilitate minority shareholders' participation in voting at the shareholders' meeting.
4. The Company shall disclose in detail the formulation and execution of the cash dividend policy in its annual report, and make specific explanations on the following matters:
  - (1) Whether it complies with the provisions of the Articles of Association or the requirements of the resolutions of the shareholders' meeting;
  - (2) Whether the dividend standards and proportions are clear and explicit;
  - (3) Whether the relevant decision-making procedures and mechanisms are complete;
  - (4) Whether the independent directors have fulfilled their duties and played their due roles;

- (5) Whether minority shareholders have sufficient opportunities to express their opinions and demands, and whether the legitimate rights and interests of minority shareholders have been fully protected, etc.

Where adjustments or changes are made to the cash dividend policy, a detailed explanation shall also be provided on whether the conditions and procedures for the adjustments or changes are compliant and transparent.

- (8) Principles for adjusting profit distribution policy

If the profit distribution policy needs to be adjusted due to force majeure such as war and natural disasters, or the needs of production and operation conditions, investment planning and long-term development, the Company shall take the protection of shareholders' rights and interests as its starting point, and the adjusted profit distribution policy shall not violate the provisions of relevant laws and regulations, normative documents and the Articles of Association; proposals relating to the adjustment of the profit distribution policy shall be deliberated by the Board of Directors before being submitted to the shareholders' meeting for approval, and shall be approved by more than 2/3 of the voting rights held by shareholders present at the shareholders' meeting. The Company shall simultaneously provide online voting to facilitate minority shareholders' participation in voting at the shareholders' meeting.

- (9) The Audit Committee shall supervise the execution of the Company's profit distribution policy and shareholder return planning and decision-making procedures by the Board of Directors and the management, and shall issue special explanations and opinions on the relevant policies and the execution of the planning for the year in which the Company is profitable but no profit distribution plan is proposed.

## **Section 2 Internal Audit**

**Article 159** The Company shall implement an internal audit system to clarify the leadership structure, duties and authorities, personnel allocation, funding guarantee, application of audit results, and accountability of the internal audit work.

The internal audit system of the Company shall be implemented after being approved by the Board of Directors, and shall be disclosed to the public.

**Article 160** The internal audit institution of the Company shall supervise and inspect matters such as the business activities, risk management, internal control, and financial information of the Company.

**Article 161** The internal audit institution shall be accountable to the Board of Directors.

In the process of supervising and inspecting the business activities, risk management, internal control, and financial information of the Company, the internal audit institution shall accept the supervision and guidance of the Audit Committee. If the internal audit institution discovers relevant major issues or clues, it shall immediately report directly to the Audit Committee.

**Article 162** The internal audit institution shall be responsible for the specific organization and implementation of the evaluation of the Company's internal control. The Company shall issue an annual internal control evaluation report based on the evaluation report and relevant materials issued by the internal audit institution and deliberated by the Audit Committee.

**Article 163** When the Audit Committee communicates with external audit units such as accounting firms and state audit institutions, the internal audit institution shall actively cooperate and provide necessary support and collaboration.

**Article 164** The Audit Committee shall participate in the performance appraisal of the person in charge of internal audit.

### **Section 3 Appointment of Accounting Firms**

**Article 165** The Company engages accounting firms in compliance with the provisions of the Securities Law and the securities regulatory rules of the place where the Company's shares are listed to conduct auditing of accounting statements, verification of net assets, and other related consulting services. The appointment period is 1 year and is renewable.

**Article 166** The appointment and dismissal of an accounting firm by the Company shall be decided by the shareholders' meeting by way of an ordinary resolution. The Board of Directors shall not appoint an accounting firm before a decision is made at the shareholders' meeting.

**Article 167** The Company shall ensure to provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials to the engaged accounting firm, and shall not refuse, conceal or make false reports.

**Article 168** The audit fees of the accounting firm shall be determined by the shareholders' meeting by way of an ordinary resolution.

**Article 169** When dismissing or not renewing the engagement of an accounting firm, the Company shall notify the accounting firm 60 days in advance, and when the shareholders' meeting votes on the dismissal of the accounting firm, the accounting firm shall be allowed to state its opinions.

Where an accounting firm proposes to resign, it shall explain to the shareholders' meeting whether there are any improper circumstances in the Company.

## **Chapter 8 Notices and Announcements**

### **Section 1 Notices**

**Article 170** Notices of the Company shall be issued in the following forms:

- (1) Delivery by hand;
- (2) By mail;
- (3) By way of announcement;
- (4) By email, fax or other written forms;
- (5) Other forms recognized by the securities regulatory rules of the place where the Company's shares are listed or provided in the Articles of Association.

**Article 171** Where a notice of the Company is given by way of announcement, once the announcement is made, all relevant persons shall be deemed to have received the notice.

**Article 172** Notices of shareholders' meetings of the Company shall be given by way of announcement.

**Article 173** Notices of Board meetings of the Company shall be given by personal delivery, express mail, mail, email or fax. However, this shall not apply except as otherwise provided in the Articles of Association for extraordinary Board meetings convened due to urgent matters.

**Article 174** Where a notice of the Company is delivered by personal delivery, the recipient shall sign (or affix a seal) on the delivery receipt, and the date of signature by the recipient shall be the date of delivery; where a notice is sent by mail, the fifth working day after delivery to the post office shall be the date of delivery; where a notice is sent by email or fax, the date of sending shall be the date of delivery; where a notice is given in oral form such as by telephone or in-person notification, the date of the telephone or in-person notification shall be the date of delivery; where a notice is given by way of announcement, the date of the first publication of the announcement shall be the date of delivery.

**Article 175** If, due to accidental omission, a meeting notice is not sent to a person entitled to receive it or such person does not receive the meeting notice, the meeting and resolutions made thereat shall not thereby be invalid.

## **Section 2 Announcements**

**Article 176** With respect to announcements issued to holders of A shares or announcements required to be issued in the PRC in accordance with relevant provisions and the Articles of Association, the Company designates the information disclosure media meeting the conditions prescribed by the CSRC and the website of the Shenzhen Stock Exchange (<http://www.szse.cn/>) as the media for publishing the Company's announcements and other information required to be disclosed. With respect to announcements issued to holders of H shares or announcements required to be issued in Hong Kong in accordance with relevant provisions and the Articles of Association, such announcements must be published on the Company's website, the HKEXnews website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and other websites prescribed from time to time by the Hong Kong Listing Rules in accordance with the requirements of the Hong Kong Listing Rules.

With respect to the manner in which the Company provides and/or distributes corporate communications to holders of H shares in accordance with the listing rules of the place where the shares are listed, subject to compliance with the relevant listing rules of the place where the Company's shares are listed, 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 website of the stock exchange where the Company's shares are listed, instead of sending corporate communications to holders of H shares by personal delivery or prepaid mail.

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

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

**Article 177** The merger of companies may take the form of merger by absorption or merger by new establishment.

A company absorbing another company is a merger by absorption, and the absorbed company shall be dissolved.

The merger of two or more companies to establish a new company is a merger by new establishment, and the merging parties shall be dissolved.

**Article 178** Where the consideration paid by the Company in a merger does not exceed 10% of its net assets, it is not necessary to obtain a resolution of the shareholders' meeting, unless otherwise provided for in laws, administrative regulations, normative documents, the securities regulatory rules of the place where the Company's shares are listed, the Hong Kong Listing Rules and the Articles of Association.

Where a merger is effected pursuant to the preceding paragraph without a resolution of the shareholders' meeting, it shall be subject to a resolution of the Board of Directors.

**Article 179** In the event of a company merger, the merging parties shall enter into a merger agreement and prepare a balance sheet and a list of assets. The Company shall notify its creditors within 10 days from the date when the resolution on the merger is passed, and make an announcement on the media designated in Article 176 of the Articles of Association or on the National Enterprise Credit Information Publicity System within 30 days. The creditors may, within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if they fail to receive the notice, require the Company to settle the debts or provide corresponding guarantee.

**Article 180** In the event of a company merger, the claims and debts of the merging parties shall be inherited by the surviving company or the newly established company after the merger.

**Article 181** In the event of a company division, its assets shall be divided accordingly.

**Article 182** In the event of a company division, a balance sheet and a list of assets shall be prepared. The Company shall notify its creditors within 10 days from the date when the resolution on the division is passed, and make an announcement in accordance with the law on the media designated in Article 176 of the Articles of Association or on the National Enterprise Credit Information Publicity System within 30 days. Debts prior to the division of the Company shall be jointly and severally borne by the companies after the division. However, this shall not apply except as otherwise stipulated in a written agreement on the settlement of debts reached between the Company and the creditors prior to the division.

**Article 183** When the Company needs to reduce its registered capital, it shall prepare a balance sheet and a list of assets.

The Company shall notify its creditors within 10 days from the date when the shareholders' meeting adopts the resolution to reduce the registered capital, and make an announcement in accordance with the law on the media designated in Article 176 of the Articles of Association or on the National Enterprise Credit Information Publicity System within 30 days. The creditors shall, within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if they fail to receive the notice, have the right to require the Company to settle the debts or provide corresponding guarantee.

When reducing registered capital, the Company shall reduce the capital contributions or shares proportionally to the shares held by the shareholders, except as otherwise provided by law or the Articles of Association.

**Article 184** Where the Company makes up for losses in accordance with the provisions of paragraph 2, Article 156 of the Articles of Association and remains in deficit, it may reduce its registered capital to make up for such losses. Where registered capital is reduced to make up for losses, the Company shall not distribute profits to shareholders nor exempt shareholders from their obligations to pay capital contributions or share subscriptions.

Where registered capital is reduced pursuant to the preceding paragraph, the provisions of Paragraph 2, Article 183 of the Articles of Association shall not apply; however, an announcement shall be made in accordance with the law on the media designated in Article 176 of the Articles of Association or on the National Enterprise Credit Information Publicity System within 30 days from the date the shareholders' meeting passes the resolution to reduce the registered capital.

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

**Article 185** Where the registered capital is reduced in violation of the Company Law and other relevant provisions, shareholders shall return the funds received, and any reduction or exemption of shareholder contributions shall be restored to its original state; if losses are caused to the Company, the shareholders and the responsible directors and senior management officers shall bear the liability for compensation.

**Article 186** When the Company issues new shares to increase its registered capital, shareholders shall not have preferential subscription rights, unless otherwise provided in the Articles of Association or determined by a resolution of the shareholders' meeting that shareholders shall have preferential subscription rights.

**Article 187** Where mergers or divisions of the Company involve changes in registration matters, changes shall be registered with the company registration authority in accordance with the law; where the Company is dissolved, deregistration of the Company shall be handled in accordance with the law; where a new company is established, registration of establishment of the Company shall be handled in accordance with the law.

Where the Company increases or decreases its registered capital, changes shall be registered with the company registration authority in accordance with the law.

## Section 2 Dissolution and Liquidation

**Article 188** The Company shall be dissolved for any of the following reasons:

- (1) The operation period stipulated in the Articles of Association expires or other causes for dissolution stipulated in the Articles of Association have arisen;
- (2) A resolution on dissolution is passed by the shareholders' meeting;
- (3) Dissolution is necessary due to a company merger or division;
- (4) The business license is revoked, or it is ordered to close down or is deregistered in accordance with the law;
- (5) Where the Company encounters serious difficulties in its operation and management, and its continued existence will cause significant losses to the interests of shareholders, and the situation cannot be resolved through other means, shareholders holding 10% or more of the voting rights of all the shareholders of the Company may petition the People's Court to dissolve the Company.

If the causes for dissolution prescribed in the preceding paragraph have arisen, the Company shall publicize the causes for dissolution through the National Enterprise Credit Information Publicity System within 10 days.

**Article 189** Where the Company is in the circumstances described in Items (1) or (2) of Article 188 of the Articles of Association, and has not yet distributed property to shareholders, it may continue to exist by amending the Articles of Association or by a resolution of the shareholders' meeting.

Amendments to the Articles of Association or resolutions made by the shareholders' meeting in accordance with the preceding paragraph shall be passed by more than two-thirds of the voting rights held by the shareholders present at the shareholders' meeting.

**Article 190** If the Company is dissolved pursuant to the provisions of Items (1), (2), (4), and (5) of Article 188 of the Articles of Association, a liquidation group shall be established to conduct liquidation within 15 days from the date the cause for dissolution arises. The liquidation group shall consist of directors, unless otherwise provided in the Articles of Association or other persons are elected by a resolution of the shareholders' meeting. If the liquidation obligor fails to perform its liquidation obligations in a timely manner, causing losses to the Company or its creditors, it shall be liable for compensation. If a liquidation group is not established to conduct liquidation within the time limit, creditors may apply to the People's Court to designate relevant personnel to form a liquidation group to conduct liquidation.

**Article 191** The liquidation group shall exercise the following functions and powers during the liquidation period:

- (1) To liquidate the properties of the Company, and to prepare a balance sheet and a list of assets respectively;
- (2) To notify and make an announcement to the creditors;
- (3) To handle the outstanding business of the Company relating to the liquidation;
- (4) To pay off the taxes in arrears and taxes arising in the course of liquidation;
- (5) To liquidate claims and debts;
- (6) To dispose of the remaining assets of the Company after the debts are settled;
- (7) To participate in civil litigation activities on behalf of the Company.

**Article 192** The liquidation group shall notify creditors within 10 days from the date of its establishment, and make an announcement on the media designated in Article 176 of the Articles of Association or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall declare their claims to the liquidation group within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if they fail to receive the notice.

When a creditor declares its claims, it shall explain the relevant matters in relation to its claims and provide supporting materials. The liquidation group shall register the claims.

During the period of declaring claims, the liquidation group shall not make repayment to creditors.

**Article 193** After the liquidation group has liquidated the Company's properties and prepared the balance sheet and the list of assets, it shall formulate a liquidation plan and submit it to the shareholders' meeting or the People's Court for confirmation.

After paying the liquidation expenses, salaries of employees, social insurance premiums and statutory compensations, taxes in arrears and settling corporate debts respectively from the Company's properties, the remaining assets shall be distributed by the Company in proportion to the shares held by the shareholders.

During the liquidation period, the Company continues to exist, but it shall not carry out business activities unrelated to the liquidation. Before settlement in accordance with the provisions of the preceding paragraph, the assets of the Company shall not be distributed to the shareholders.

**Article 194** After the liquidation group has liquidated the Company's properties and prepared the balance sheet and the list of assets, if it finds that the Company's properties are insufficient to settle the debts, it shall apply to the People's Court for bankruptcy liquidation in accordance with the law.

After the People's Court has accepted the bankruptcy application, the liquidation group shall transfer the liquidation matters to the bankruptcy administrator designated by the People's Court.

**Article 195** 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 deregistration of the Company and announce the termination of the Company.

**Article 196** Members of the liquidation group shall be devoted to their duties and perform their liquidation obligations in accordance with the law.

Members of the liquidation group shall not abuse their official powers to accept bribes or other illegal income, nor shall they misappropriate Company property.

Where a member of the liquidation group neglects to perform liquidation duties, causing losses to the Company, he/she shall be liable for compensation; where a member of the liquidation group causes losses to the Company or creditors intentionally or with gross negligence, he/she shall be liable for compensation.

**Article 197** Where the Company is declared bankrupt in accordance with the law, bankruptcy liquidation shall be carried out in accordance with the laws concerning enterprise bankruptcy.

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

**Article 198** The Company shall amend the Articles of Association under any of the following circumstances:

- (1) After amendments have been made to the Company Law or relevant laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed, the provisions stipulated in the Articles of Association are in conflict with the provisions of the amended laws, administrative regulations, or the securities regulatory rules of the place where the Company's shares are listed;
- (2) The particulars of the Company have changed and are inconsistent with the details recorded in the Articles of Association;
- (3) The shareholders' meeting has resolved to amend the Articles of Association.

**Article 199** Amendments to the Articles of Association approved by a resolution of the shareholders' meeting shall be subject to the approval of the competent authority, and must be submitted to the competent authority for approval; if the amendments involve registration details of the Company, a change in registration particulars shall be handled in accordance with the law.

**Article 200** The Board of Directors shall amend these Articles of Association in accordance with the resolution of the shareholders' meeting on amending the Articles of Association and the approval opinions of the relevant competent authorities.

**Article 201** Amendments to the Articles of Association that constitute information required to be disclosed under laws and regulations shall be announced in accordance with the regulations.

## **Chapter 11 Supplementary Provisions**

### **Article 202** Definitions

- (1) Controlling shareholder refers to a shareholder whose shareholding accounts for more than 50% of the Company's total share capital; or a shareholder who, although holding less than 50% of the shares, possesses voting rights attached to the shares sufficient to exert a major influence on the resolutions of the shareholders' meeting.
- (2) De facto controller refers to a natural person, legal person, or other organization that is able to actually control the Company's actions through investment relationships, agreements, or other arrangements.
- (3) Related-party relationship refers to the relationship between the Company's controlling shareholders, de facto controllers, directors, or senior management officers and the enterprises they directly or indirectly control, as well as other relationships that may cause the transfer of the Company's interests. However, enterprises controlled by the State shall not be deemed to have a related-party relationship solely because they are under common State control. The term "related-party relationship" includes "connected relationship" as defined in the Hong Kong Listing Rules, the term "related party" includes "connected person" as defined in the Hong Kong Listing Rules, and the term "related-party transaction" includes "connected transaction" as defined in the Hong Kong Listing Rules.
- (4) In the Articles of Association, the term "accounting firm" shall have the same meaning as "auditor" under the Hong Kong Listing Rules, and the term "independent director" shall have the same meaning as "independent non-executive director" under the Hong Kong Listing Rules.

**Article 203** The Board of Directors may formulate detailed rules of the Articles of Association in accordance with the provisions of the Articles of Association. Such detailed rules shall not conflict with the provisions of the Articles of Association.

**Article 204** These Articles of Association are written in Chinese. In the event of any discrepancy between versions in other languages or different versions of the Articles of Association and these Articles of Association, the latest Chinese version approved and registered by the Shenzhen Administration for Market Regulation shall prevail.

**Article 205** These Articles of Association shall comply with the securities regulatory rules of the place where the Company's shares are listed and other laws and regulations, as amended from time to time. If these Articles of Association are not consistent with, contravene or in conflict with any applicable laws, regulations or the securities regulatory rules of the place where the Company's shares are listed, the provisions of such laws, regulations and the securities regulatory rules of the place where the Company's shares are listed shall prevail and these Articles of Association shall be amended in due course.

**Article 206** The terms "above" and "within" as used in the Articles of Association shall include the number itself; "exceeding," "short of," "outside," "less than," and "more than" shall not include the number itself.

**Article 207** The Articles of Association shall be interpreted by the Board of Directors of the Company.

**Article 208** The appendices to the Articles of Association include the Rules of Procedures for the Shareholders' Meeting and the Rules of Procedures for the Board of Directors.

**Article 209** After the Articles of Association are deliberated and approved by the shareholders' meeting, they shall take effect from the date when the H shares issued by the Company are listed and traded on The Stock Exchange of Hong Kong Limited. Upon the effective date of the Articles of Association, the original Articles of Association of the Company shall automatically cease to have effect.