

**Shenzhen Creality 3D Technology Co., Ltd.**

**Articles of Association (Draft)**

**(Considered and approved at the third extraordinary general meeting held on July 28, 2025, effective from the date when the Company's overseas listed foreign shares are approved by the relevant regulatory authorities and are listed and traded on The Stock Exchange of Hong Kong Limited)**

**May 2026**

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## Chapter 1 General Provisions

**Article 1** These Articles of Association are formulated in accordance with laws, administrative regulations, departmental rules, such as the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), the Guidelines on Articles of Association of Listed Companies, as well as the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules"), and other relevant laws, regulations, departmental rules, regulatory documents and the relevant provisions of securities regulatory authorities and stock exchanges in the place where the Company's shares are listed with an aim to safeguard the legal interests of shareholders, employees and creditors of Shenzhen Creality 3D Technology Co., Ltd. (the "Company") and regulate the organization and conduct of the Company.

**Article 2** The Company is a joint-stock limited company established in accordance with the Company Law, and other relevant laws, regulations and regulatory documents.

**Article 3** The Company was established by way of promotion. It was registered with the Shenzhen Administration for Market Regulation and has obtained the business license (unified social credit code: 91440300094231378E).

**Article 4** The Company's initial public offering of [•] overseas listed foreign shares (H Shares) was filed with the China Securities Regulatory Commission (the "CSRC") on February 12, 2026, and approved by the Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on [•], 2026 and were listed on the Main Board of the Hong Kong Stock Exchange on [•], 2026.

**Article 5** The registered name of the Company:

Chinese name: 深圳市創想三維科技股份有限公司

English name: Shenzhen Creality 3D Technology Co., Ltd.

**Article 6** The domicile of the Company: Room 1808, Tower Jinxiuhongdu, Road Meilong, Court Xinniu, Block Minzhi, District Longhua, Shenzhen (Office address), and Factory Building, No. 156 Huawang Road, Langkou Community, Dalang Sub-district, Longhua District, Shenzhen (production address).

Postal code: 518100.

**Article 7** The registered capital of the Company: RMB[•].

**Article 8** The business term is perpetual.

**Article 9** The manager (executing the affairs of the Company on its behalf) is the Company's legal representative. If the manager who is the legal representative resigns, he/she is deemed to have resigned as the legal representative at the same time. If the legal representative resigns, the Company will, within 30 days from the date of his/her resignation, appoint a new legal representative.

**Article 10** Civil activities conducted by the legal representative in the name of the Company shall have their legal consequences borne by the Company.

Restrictions on the authority of the legal representative stipulated in the Articles of Association or by the general meeting shall not be asserted against a good-faith counterparty.

Where the legal representative causes damage to others in the course of performing his/her duties, the Company shall assume civil liability for such damage. The Company may, after assuming such civil liability, recover loss from the legal representative at fault in accordance with law or the Articles of Association.

**Article 11** The shareholders are responsible for the Company to the extent of their subscribed shares, and the Company is responsible for the Company's debts with all its properties.

**Article 12** The Articles of Association shall, from the date on which they take effect, be the legally binding document that regulates the organization and activities of the Company and the relationship of rights and obligations between the Company and the shareholders and among the shareholders, and shall be legally binding on the Company, the shareholders, the Directors and senior management. Based on the Articles of Association, any shareholder may bring a lawsuit against another shareholder, a Director and senior management of the Company. Any shareholder may bring a lawsuit against the Company, and the Company may bring a lawsuit against any shareholder, Director and senior management.

**Article 13** The senior management referred to in the Articles of Association refers to the managers, deputy managers, chief financial officer (financial controller) and secretary to the Board of Directors of the Company.

**Article 14** According to relevant provisions of the Constitution of the Communist Party of China, the Company shall have a Communist Party organization to carry out activities of the Party. The Company shall provide necessary facilitations for the activities of the Party organization.

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

**Article 15** The business objectives of the Company: Create a globally leading intelligent manufacturing enterprise that will stand the test of a century, spreading with the spirit of an evangelist to bring the convenience of technology to every household.

**Article 16** Upon lawful registration, the business scope of the Company includes:

The general business scope is: research, development (R&D), and sales of 3D rapid prototyping projects and products; R&D and sales of 3D scanning reverse engineering products; technical development and sales of 3D printer printing materials, as well as 3D printer technical design services, consulting services, training services, and R&D and maintenance services; R&D and sales of smart furniture products and automation equipment; development and sales of energy-saving lighting, energy-saving control systems and new energy; sales of green, environmentally friendly and energy-saving new materials; technical development and sales of computer software and hardware; technical development and consulting for cloud printing platforms; domestic trade, and import/export operations. R&D of IoT technology; IoT application services; sales of toys, animation and amusement products; laser marking and processing; general equipment manufacturing (excluding special equipment manufacturing). (Except for items subject to approval by law, business activities can be carried out independently according to law with business license) The licensed business scope is: production of 3D printers, 3D printing consumables, 3D technology products, smart furniture products, and automation equipment. (items subject to approval by law can only be permitted after approval by relevant authorities, and specific business items are subject to approval documents or permits from relevant authorities)

### **Chapter 3 Shares**

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

**Article 17** The capital of the Company shall be divided into shares which take the form of registered share certificates.

The Company shall issue shares in an open, equitable and fair manner, and each of the shares in the same class carries the same rights.

**Article 18** Where the share capital of the Company includes shares which do not carry voting rights, the words “non-voting” must appear in the designation of such shares. Where the equity capital includes shares with different voting rights, the designation of each class of shares (other than those with the most favourable voting rights) must include the words “restricted voting” or “limited voting”. Shares of the same class and the same issuance shall be issued on the same conditions and at the same price. Any subscriber shall pay the same price for each of the shares for which it/he/she subscribes.

**Article 19** All par-value shares issued by the Company shall be denominated in RMB, with a par value of RMB1 per share.

**Article 20** Subject to the approval at the general meeting of the Company, the Company may convert all issued shares with par value into shares with no par value or convert all shares with no par value into shares with par value.

The foreign shares issued by the Company and listed on the Hong Kong Stock Exchange are known in abbreviation as “H Shares”. These are shares which have been approved for listing on the Hong Kong Stock Exchange, have a par value denominated in RMB, and are subscribed for and traded in Hong Kong dollars.

Shares issued by the Company but not listed on domestic or overseas stock exchanges are referred to as domestic unlisted shares. After the Company has issued and listed shares overseas, shareholders holding the Company's domestic unlisted shares may, where permitted by relevant laws, administrative regulations, the Hong Kong Listing Rules, other regulatory rules of the place(s) where the Company's shares are listed, and departmental rules, convert their holdings of domestic unlisted shares into overseas listed shares and list and trade them on overseas stock exchanges. The listing and trading of the said shares on overseas stock exchanges shall also comply with the regulatory procedures, regulations and requirements of both domestic and overseas stock markets.

Unless otherwise stipulated in the Articles of Association, shareholders of H Shares and domestic unlisted shares are both ordinary shareholders and have the same obligations and rights.

No general meeting is required to be convened to vote on the aforementioned conversion of domestic unlisted shares into overseas listed shares and their listing and trading on overseas stock exchanges.

Among the shares issued by the Company, the domestic unlisted shares shall be centrally registered and deposited with the securities registration and clearing agency in China, and the registration and clearing arrangements for the overseas listed shares shall be governed by the regulations of the place(s) where the Company's shares are listed, and shall be mainly deposited with the nominee company under the Hong Kong Securities Clearing Company Limited, and may also be held in the name of individual shareholder(s).

**Article 21** The total number of shares issued upon the establishment of the Company was 78,000,000 shares, and the amount of each par-value share was RMB1. The Company's promoters, the number of shares subscribed by each promoter, the percentage of their shareholding, the method of capital contribution and the time of capital contribution are detailed in the table below:

No.	Name of promoter	Number of shares subscribed (shares)	Percentage of shareholding (%)	Method of capital contribution	Time of capital contribution
1	CHEN Chun	1,200	15.3846	Shares converted from net assets	At the time of establishment
2	LIU Huilin	1,200	15.3846	Shares converted from net assets	At the time of establishment
3	AO Danjun	1,200	15.3846	Shares converted from net assets	At the time of establishment
4	TANG Jingke	1,200	15.3846	Shares converted from net assets	At the time of establishment
5	Shenzhen Creality Chuangtuo Shiye Co., Ltd.	600	7.6923	Shares converted from net assets	At the time of establishment
6	Shenzhen Creality Chuangwei Technology Co., Ltd.	600	7.6923	Shares converted from net assets	At the time of establishment

No.	Name of promoter	Number of shares subscribed (shares)	Percentage of shareholding (%)	Method of capital contribution	Time of capital contribution
7	Shenzhen Creality Industrial Development Co., Ltd.	600	7.6923	Shares converted from net assets	At the time of establishment
8	Shenzhen Longge'er Investment Technology Co., Ltd.	600	7.6923	Shares converted from net assets	At the time of establishment
9	Shenzhen Creality Huida Technology Enterprise (Limited Partnership)	150	1.9231	Shares converted from net assets	At the time of establishment
10	Shenzhen Creality Yunding Technology Enterprise (Limited Partnership)	150	1.9231	Shares converted from net assets	At the time of establishment
11	Shenzhen Creality Changsheng Technology Enterprise (Limited Partnership)	150	1.9231	Shares converted from net assets	At the time of establishment
12	Shenzhen Creality 3D Enterprise (Limited Partnership)	150	1.9231	Shares converted from net assets	At the time of establishment
<b>Total</b>		<b>7,800</b>	<b>100.0000%</b>	—	—

**Article 22** The total number of shares issued by the Company is [•] shares, all of which are ordinary shares. Among them, [•] ordinary shares are overseas listed shares, accounting for [•]% of the total ordinary shares issued by the Company.

**Article 23** The Company or its subsidiaries (including affiliates of the Company) shall not provide any financial assistance in the form of gifts, advances, guarantees or loans for the acquisition of the Company's shares or shares of its parent company by any person, except where the Company implements an employee stock ownership plan.

In the interests of the Company, the Company may, by resolution of the general meeting, or by resolution of the Board of Directors in accordance with the Articles of Association or the authorization of the general meeting, provide financial assistance to others for the acquisition of shares in the Company or its parent company, provided that the cumulative total amount of such financial assistance shall not exceed 10% of the total issued share capital. The resolutions of the Board of Directors shall be approved by no less than two-thirds of the total number of Directors.

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

**Article 24** In light of the Company's operational and developmental needs, the Company may increase its capital in accordance with the laws and regulations and subject to a resolution of the general meeting, by any of the following methods:

- (I) issuing shares to non-specific targets;
- (II) issuing shares to specific targets;
- (III) allotment of bonus shares to existing shareholders;
- (IV) conversion of reserve funds to share capital;
- (V) other methods approved by laws, administrative regulations, provisions of the CSRC, and relevant regulatory authorities such as securities regulatory authorities and stock exchanges in the place where the Company's shares are listed.

**Article 25** The Company may reduce its registered capital. Any reduction of the Company's registered capital shall be subject to the procedures prescribed in the Company Law and other relevant regulations, as well as the Articles of Association.

**Article 26** The Company shall not repurchase its shares. However, exceptions are made in any of the following cases in accordance with laws and regulations, the Articles of Association and the relevant provisions of stock exchanges or securities regulatory authorities in the place where the Company's shares are listed:

- (I) to reduce the registered capital of the Company;
- (II) to merge with other companies that hold shares in the Company;
- (III) to use the shares for employee stock ownership plans or as share incentives;
- (IV) to acquire the shares of shareholders (upon their request) who vote against any resolution adopted at any general meetings on the merger or division of the Company;
- (V) to use the shares to satisfy the conversion of those corporate bonds convertible into shares issued by the Company;
- (VI) to safeguard corporate value and shareholders' equity as the Company deems necessary.

**Article 27** The Company may repurchase its own shares through public centralized trading, or through other means recognized by laws, administrative regulations, the CSRC and stock exchanges or securities regulatory authorities in the place where the Company's shares are listed.

Where the Company purchases its own shares under any of the circumstances specified in items (III), (V) and (VI) of paragraph 1 of Article 26 of the Articles of Association, centralized trading shall be adopted publicly.

**Article 28** The acquisition by the Company of its own shares on the grounds set out in items (I) and (II) of paragraph 1 of Article 26 of the Articles of Association shall be approved by way of a resolution of a general meeting; the acquisition by the Company of its own shares in circumstances as set out in items (III), (V) and (VI) of paragraph 1 of Article 26 of the Articles of Association may be approved by way of a resolution at a Board meeting with two-thirds or more of the Directors present in accordance with the provisions of the Articles of Association or the authorization of the general meeting.

Following the acquisition by the Company of its own shares in accordance with paragraph 1 of Article 26 of the Articles of Association, such shares shall be cancelled within 10 days from the date of the acquisition under the circumstance in item (I); such shares shall be transferred or cancelled within six months under the circumstances in items (II) or (IV); the total shares held by the Company shall not exceed 10% of the total shares issued by the Company and such shares shall be transferred or cancelled within 3 years under the circumstances in items (III), (V) or (VI).

The Company shall perform its information disclosure obligation according to the Securities Law and the securities regulatory rules of the place(s) where the Company's shares are listed in acquiring its own shares.

**Article 29** When the Company issues new shares, the general meeting shall resolve on the following matters:

- (I) the type and amount of new shares;
- (II) the issuing price of new shares;
- (III) the starting and ending dates of the issuance of new shares;
- (IV) the type and amount of new shares to be issued to existing shareholders;
- (V) in case of issuance of shares without par value, the amount of proceeds from the issuance of new shares shall be credited to the registered capital.

The Company may issue new shares and determine the pricing plan in accordance with the Company's business and financial situation.

The general meeting may, upon consideration and approval by itself, authorize the Board of Directors to decide to issue not more than 50% of the issued shares within 3 years. However, if non-monetary assets are to be valued and contributed as capital, it shall be subject to a resolution by the general meeting. Where the general meeting authorizes the Board of Directors to decide on the issuance of new shares, the resolution of the Board of Directors shall be adopted by more than two-thirds of all Directors.

If the Board of Directors decides to issue shares in accordance with the provision of the preceding paragraph, resulting in changes to either the registered capital or the number of issued shares of the Company, amendments to such recorded matters as set forth in the Articles of Association does not require a vote at the general meeting.

### Section 3 Transfer of Shares

**Article 30** The shares of the Company shall be transferred in accordance with the law.

All transfers of H Shares shall be effected by a written instrument of transfer in an ordinary or usual form or any other form acceptable to the Board (including the standard transfer format or form of transfer specified by the Hong Kong Stock Exchange from time to time). The instrument of transfer may be signed under hand or by the company's seal (where the transferor or transferee is a corporation). Where the transferor or transferee is a recognized clearing house (as defined by relevant regulations in Hong Kong law effective from time to time) or its nominee, the instrument of transfer may be signed under hand or in a machine-imprinted format. All instruments of transfer shall be maintained at the legal address of the Company or such places as the Board may specify from time to time.

**Article 31** The Company shall not accept its own shares as the subject matter of a pledge.

**Article 32** The shares issued before the Company makes a public offering of shares shall not be transferred within 1 year as of the day when the shares of the Company are listing and trading on the stock exchange. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority for the transfer of shares held by the shareholders or actual controllers of the Company, such provisions shall prevail.

The Directors and senior management of the Company shall declare, to the Company, the information on their holdings of the shares of the Company and the changes thereto. The shares transferrable by them during each year of their term of office determined at the time of taking office shall not exceed 25% of the total shares of the same class they hold in the Company. The shares that they hold in the Company shall not be transferred within 1 year of the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer their shares of the Company within half a year from the date of their resignation. Where the provisions of securities regulatory authorities and stock exchanges where the Company's shares are listed impose additional restrictions on the transfer of overseas listed shares, such provisions shall prevail.

If the shares are pledged within the period of restriction on transfer prescribed by laws or administrative regulations, the pledgee shall not exercise the pledge right within such period of restriction.

**Article 33** Where the Company's shareholders who hold 5% or more of the Company's shares, Directors or senior managers sell the Company's shares or other securities with the nature of equity which they hold within 6 months of the relevant purchase, or purchase any share they have sold within 6 months of the relevant sale, the proceeds generated therefrom shall be incorporated into the profits of the Company, and the Board of Directors of the Company shall recover the proceeds. However, the following circumstances shall be excluded where a securities company holds 5% or more of the shares of the Company due to its purchase of any remaining shares under best efforts underwriting or where the provisions of the CSRC, and relevant regulatory authorities such as securities regulatory authorities and stock exchanges in the place where the Company's shares are listed, are applicable.

Shares or other securities with the nature of equity held by Directors, senior executives and natural person shareholders as mentioned in the preceding paragraph include shares or other securities with the nature of equity held by their spouses, parents or children, and held by them by using other people's accounts. If the Board of Directors of the Company fails to comply with the first paragraph of this Article, the shareholders are entitled to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to comply within the aforesaid period, the shareholders are entitled to initiate litigation directly in the people's court in their own names for the interest of the Company. And if the Board of Directors fails to implement the provisions set forth in the first paragraph of this Article, the responsible Directors shall bear joint and several liability in accordance with law.

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

### **Section 1 General Rules of Shareholders**

**Article 34** The Company shall maintain a register of shareholders based on vouchers provided by securities registration and clearing institution. The register of shareholders shall be sufficient evidence of holding of the Company's shares by a shareholder. Shareholders shall enjoy rights and assume obligations according to the class of shares held by him/her; shareholders who hold existing shares of the same class shall enjoy the equal rights and assume the equal obligations.

The Company's register of members records the following particulars, or record the registration of the members in accordance with the laws, the administrative regulations, departmental rules, the Hong Kong Listing Rules and other regulatory rules of the place(s) where the Company's shares are listed: (I) the name, address (place of domicile), occupation or capacity of each shareholder; (II) the class and number of the shares held by each shareholder; (III) the serial numbers of the shares held by each shareholder; (IV) the date on which each shareholder was registered as a member; (V) the date on which each shareholder ceased to be a member. Unless there is evidence to the contrary, the register of members shall be the sufficient evidence proving the shareholders' holding of our Company's shares. Subject to compliance of the Articles of Association and any other applicable provisions, once the shares of the Company are transferred, the name of the transferee shall be entered into the register of members as holder of such shares.

Assignment or transfer of shares shall be registered in the register of shareholders. The Company may, in accordance with the understandings and agreements entered into between the securities regulatory authority under the State Council and overseas securities regulatory authorities, maintain its register of shareholders of H shares outside the PRC and appoint overseas agent(s) to manage such register. The original of the register of shareholders of H shares listed in Hong Kong shall be kept in Hong Kong. The Company shall maintain a duplicate register of holders of H shares at the domicile of the Company. The overseas agent so appointed shall at all times ensure that the original and duplicate registers of holders of H shares are consistent. When the original and duplicate of the register of shareholders of H shares are inconsistent, the original shall prevail. The Hong Kong branch register of shareholders is available for inspection by shareholders, but the Company may suspend the registration of shareholders in accordance with the equivalent provisions of the laws of Hong Kong.

Any shareholder who is registered in, or any person requests to have his/her name entered into, the register of shareholders may, if his/her share certificate is lost, apply to the Company for a replacement share certificate in respect of such shares. If a holder of domestic unlisted shares loses his/her share certificate and applies for a replacement share certificate, it shall be dealt with in accordance with the relevant provisions of the Company Law. If a shareholder of H shares loses his/her share certificate and applies for a replacement share certificate, it may be dealt with in accordance with the relevant laws, the rules of the stock exchange and other relevant regulations of the place where the original register of holders of H shares is maintained.

**Article 35** When the Company convenes a general meeting, distributes dividends, conducts liquidation or engages in other acts requiring the identification of shareholders, the Board of Directors or the convener of the general meeting should determine the record date. The shareholders whose names appear on the register of shareholders after the trading hours on the record date shall be those entitled to the relevant rights and interests.

**Article 36** Shareholders of the Company shall enjoy the following rights:

- (I) the right to dividends and other distributions in proportion to the number of shares held;
- (II) the right to request to hold, convene, preside over, attend or appoint proxy(ies) to attend the general meeting and exercise the corresponding right to vote according to the provisions of the Company Law and the Articles of Association;
- (III) the right to supervise, present proposals or raise enquiries in respect of the Company's operations;
- (IV) the right to transfer, give as a gift or pledge the shares it holds in accordance with laws, administrative regulations and the Articles of Association;
- (V) the right to inspect and copy the Articles of Association, register of shareholders, minutes of general meeting, resolutions of the Board of Directors and financial and accounting reports, shareholders who meet the requirements may inspect the accounting books and accounting documents of the Company. Shareholders demanding inspection of the relevant information or copies of the materials mentioned above shall provide the Company with written documents evidencing the class and number of shares they hold in the Company. Upon verification of the shareholder's identity, the Company shall provide such information at the shareholder's request;
- (VI) to participate in the distribution of the Company's remaining assets in proportion to their shareholdings upon termination or liquidation of the Company;
- (VII) to request the Company to repurchase their shares if they object to resolutions of the Shareholders' general meeting regarding mergers or divisions of the Company;
- (VIII) other rights stipulated by laws, administrative regulations, departmental rules, regulatory rules of the stock exchange in the place where the Company's shares are listed, or the Articles of Association.

**Article 37** Where any shareholder requests to inspect or copy the relevant materials of the Company, he/she shall comply with the provisions of the Company Law, the Securities Law and other laws and administrative regulations.

Where shareholders who separately or aggregately hold more than 3% of the shares of the Company for no less than 180 consecutive days require to inspect the accounting books and accounting documents of the Company, Article 57(2), 57(3) and 57(4) of the Company Law shall apply.

Where any shareholder demands to inspect or copy the relevant information of the Company's wholly owned subsidiaries, the above two paragraphs shall apply.

**Article 38** If any resolution made by the general meeting and the Board of Directors of the Company violates laws and administrative regulations, the shareholders are entitled to apply to the people's court to affirm it as invalid.

If the convening procedure or voting method of the general meeting or the meeting of the Board of Directors contravenes laws, administrative regulations or the Articles of Association, or if the content of the resolutions of such meeting contravenes the Articles of Association, the shareholders may request the people's court to revoke the resolution within 60 days from the date of the resolution, except where the procedures for convening a meeting of the general meeting or the Board of Directors or the voting method only has some minor defects, which produces no substantial effect on the resolution.

Where the people's court has handed down a judgement or ruling on the relevant matter, the Company shall fulfill the obligation of information disclosure in accordance with the laws, administrative regulations and the provisions of the CSRC and the stock exchange(s), which shall include a full account of the impact, and shall actively implement in compliance with such judgement or ruling after the same comes into effect. Where rectification of previous executed matters is involved, such rectification shall be promptly processed and the obligation of information disclosure shall be fulfilled accordingly.

**Article 39** Where relevant parties such as the Board of Directors or the shareholders dispute the validity of a resolution passed at the general meeting, they should file a lawsuit with the people's court in a timely manner. Prior to the issuance of a judgment or ruling by the people's court to revoke such resolution or otherwise, the relevant parties shall implement the resolution of the Shareholders' general meeting, and no party may refuse to execute such resolutions on the grounds of their alleged invalidity. The Company, the Directors and senior management shall diligently perform their duties and ensure the normal operation of the Company. In the event of one of the following circumstances, a resolution of the general meeting or the Board of Directors shall not be valid:

- (I) The resolution has been made without the convening of a general meeting or the meeting of the Board of Directors;
- (II) The resolution has been made without voting at the general meeting or the meeting of the Board of Directors;

- (III) The number of persons attending or votes represented at the meeting does not reach the number of persons attending or votes represented as stipulated under the Company Law or the Articles of Association;
- (IV) The number of persons attending or votes represented at the meeting voting in favour of the matter to be resolved does not reach the number of persons attending or votes represented as stipulated under the Company Law or the Articles of Association.

**Article 40** If a Director other than members of the Audit Committee or senior management violates any provisions of laws, administrative regulations or the Articles of Association when performing his/her duties with the Company resulting in losses to the Company, shareholders individually or together holding 1% or more of the shares of the Company for 180 or more consecutive days may request the Audit Committee in writing to file a lawsuit with the people's court; If the members of the Audit Committee violate laws, administrative regulations or the Articles of Association when performing its duties with the Company resulting in losses to the Company, any above-mentioned shareholder may request the Board of Directors in writing to file a lawsuit with the people's court.

If the Audit Committee or Board of Directors refuses to file such lawsuit after a written request under the preceding paragraph has been received from any shareholder, or fails to file such lawsuit within 30 days from the date when the request has been received, or the situation is so urgent that failure to file an immediate lawsuit will lead to irreparable losses to the Company, any shareholder under the previous paragraph may file a lawsuit directly with the people's court in such shareholder's own name, for the interest of the Company.

If any person infringes on any lawful interests of the Company resulting in any losses to the Company, any shareholder under the first paragraph of this Article may file a lawsuit with the people's court in accordance with the provisions of two preceding paragraphs.

Where the directors, supervisors (if any) or senior management of the Company's wholly owned subsidiary violate provisions under the laws, administrative regulations or the Articles of Association in their performance of duties resulting in loss to the Company, or loss caused by infringement upon the Company's wholly-owned subsidiary's lawful rights and interests by other parties, shareholders individually or together holding 1% or more of the Company's shares for 180 or more consecutive days may request in writing the Board of Supervisors or the Board of Directors of the wholly-owned subsidiary to file a lawsuit with the people's court or may file a lawsuit with the people's court directly in their own names in accordance with provisions of the first three paragraphs of Article 189 of the Company Law.

**Article 41** If a Director or senior management violates the law, administrative regulations or the Articles of Association prejudicing the interests of any shareholder, such shareholder may file a lawsuit with the people's court.

**Article 42** Shareholders of the Company shall have the following obligations:

- (I) to abide by laws, administrative regulations and the Articles of Association;
- (II) to pay the share subscription monies based on the shares subscribed for by them and the method of acquiring such shares;

- (III) not to withdraw their share capital unless prescribed otherwise in laws and regulations;
- (IV) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of shareholders to harm the interests of the Company's creditors;
- (V) to assume other obligations required by laws, administrative regulations and the Articles of Association.

Any shareholder who abuses shareholders' rights and causes the Company or other shareholders to suffer a loss shall be liable for making compensation in accordance with the law. Any shareholder who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and severely harm the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

**Article 43** Shareholders holding 5% or more of the voting shares of the Company who pledge their shares shall submit a written report to the Company as of the date of such pledge.

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

**Article 44** The controlling shareholders and the actual controllers of the Company shall exercise their rights, fulfill their obligations and safeguard the interest of the Company in accordance with the laws, administrative regulations, the provisions of the CSRC and stock exchanges or securities regulatory authorities in the place where the Company's shares are listed.

**Article 45** The controlling shareholders and the actual controllers of the Company shall comply with the following provisions:

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

- (VII) not to compromise the lawful rights and interests of the Company and other shareholders through any means, such as unfair connected transaction, profit distribution, asset reorganization, and investment in third parties;
- (VIII) to guarantee the integrity of the Company's assets and the Company's independence in terms of staffing, finance, organization and business, and shall not affect the independence of the Company in any manner;
- (IX) other provisions stipulated by laws, administrative regulations, the CSRC, stock exchange or securities regulatory authorities in the place where the Company's shares are listed and the Articles of Association.

If a controlling shareholder or an actual controller of the Company does not serve as a Director of the Company but actually executes the affairs of the Company, the provisions of the Articles of Association regarding the obligations of loyalty and diligence of Directors shall apply.

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

**Article 46** If a controlling shareholder or an actual controller pledges the Company's shares they hold or effectively control, he/she shall maintain the stability of the Company's control and production and operations.

**Article 47** If a controlling shareholder or an actual controller transfers the shares of the Company held by him/her, he/she shall comply with the restrictive provisions on the transfer of shares set out in the laws, administrative regulations, the provisions of the CSRC, stock exchanges or securities regulatory authorities in the place where the Company's shares are listed and their undertakings in relation to the restriction on the transfer of shares.

### **Section 3 General Rules of General Meeting**

**Article 48** The general meeting of the Company shall be composed of all shareholders. The general meeting is the organ of authority of the Company, and shall exercise the following functions and powers according to law:

- (I) to elect and replace Directors and determine matters relating to the remuneration of such Directors;
- (II) to consider and approve the reports of the Board of Directors;
- (III) to consider and approve the Company's profit distribution plan and plan for making up losses;
- (IV) to adopt resolutions on the increase or reduction of the registered capital of the Company;
- (V) to adopt resolutions on the issuance of bonds by the Company;
- (VI) to adopt resolutions on the merger, division, dissolution, liquidation or change of corporate form of the Company;

- (VII) to amend the Articles of Association;
- (VIII) to adopt resolutions on the appointment, dismissal and remuneration of the accounting firm responsible for the audit of the Company;
- (IX) to consider and approve the external guarantees as set out in Article 49 of the Articles of Association;
- (X) to consider the purchase or sale of major assets of the Company in excess of 30% of the Company's latest audited total assets within one year;
- (XI) to consider and approve connected transactions that are required to be reviewed by the Shareholders' general meeting in accordance with the Articles of Association or the Connected Transaction Management Measures;
- (XII) to consider and approve any changes to the use of proceeds raised;
- (XIII) to consider and approve equity incentive plans and employee stock ownership plans;
- (XIV) to consider other matters that are required by laws, administrative regulations, departmental rules, the securities regulatory rules of stock exchanges or securities regulatory authorities where the Company's shares are listed, or the Articles of Association to be decided by the Shareholders' general meeting.

As for the transaction in which the Company receives benefits unilaterally, including cash assets donated, debt relief granted, the Company is exempt from the general meeting consideration procedure set forth in item (X) of paragraph 1 of this Article.

The general meeting may authorize the Board of Directors to adopt a resolution regarding an offering of corporate bonds or other securities and listing plan.

Unless otherwise provided by laws, administrative regulations, the provisions of the CSRC or the rules of the stock exchange, the aforesaid functions and powers of the general meeting shall not be exercised by the Board of Directors or other bodies and individuals through any form of authorization.

**Article 49** The Company's external guarantee shall be submitted to the Board of Directors for deliberation. In any of the following circumstances, after deliberation by the Board of Directors, the matter must be submitted to the general meeting for approval:

- (I) any guarantee to be provided after the total amount of external guarantees provided by the Company and the subsidiaries it controls has exceeded 50% of its latest audited net assets;
- (II) any guarantee to be provided after the total amount of external guarantees provided by the Company has exceeded 30% of its latest audited total assets;
- (III) any guarantee provided to any guaranteed party with assets-liabilities ratio exceeding 70%;

- (IV) any guarantee provided by the Company to others, where the total amount of guarantees within 1 year exceeds 30% of the latest audited total assets of the Company;
- (V) a single guarantee whose amount exceeds 10% of the latest audited net assets;
- (VI) any guarantees to be provided for shareholders, actual controllers and their connected persons;
- (VII) other guarantees stipulated by the CSRC, stock exchanges or securities regulatory authorities in the place where the Company's shares are listed, or the Articles of Association.

When the Board of Directors considers the guarantee matters, such matters must be considered and approved by more than two-thirds of the Directors attending the Board meeting.

Where the Company provides a guarantee for its wholly-owned subsidiary, or for a holding subsidiary where other shareholders of the holding subsidiary provide a guarantee in the same proportion of their rights and interests, without prejudice to the interests of the Company, application of the provisions of Items (I), (III) and (V) in this Article may be exempted, but should be submitted to the Company's Board of Directors for deliberation, unless otherwise provided in the Articles of Association.

When the general meeting considers the guarantee matters under item (IV) of the preceding paragraph, such matters shall be approved by more than two-thirds of the voting rights held by the shareholders attending the meeting. When a general meeting considers a resolution to provide guarantees for any shareholder, the actual controllers and their connected persons, such shareholder or the shareholder controlled by the actual controllers shall not participate in such voting. The resolution shall be approved by more than half of the voting rights held by the other shareholders present at the general meeting.

The Company shall not provide external guarantees without the approval of the Board of Directors or general meeting. The Company shall hold relevant personnel accountable for violating approval authority and deliberation procedures in providing external guarantees.

If there are special provisions in the listing rules of the place(s) where the Company's shares are listed, such provisions shall prevail.

**Article 50** The general meetings are classified into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year and be held within 6 months of the end of the previous fiscal year.

**Article 51** In any of the following circumstances, the Company shall convene an extraordinary general meeting within 2 months from the date of the occurrence of the circumstance:

- (I) when the number of Directors falls short of the statutory minimum number specified in the Company Law or is less than two-thirds of the number specified in the Articles of Association (i.e. 6);
- (II) when the unrecovered losses of the Company amount to one-third of the total share capital;

- (III) when shareholders individually or together holding 10% or more of the shares of the Company (the number of shares held calculated based on the date the shareholder submits a written request) request to hold such a meeting;
- (IV) when the Board of Directors deems it necessary;
- (V) when the Audit Committee proposes to hold such a meeting;
- (VI) other circumstances as stipulated by laws, administrative regulations, departmental rules, stock exchanges or securities regulatory authorities in the place where the Company's shares are listed or the Articles of Association.

**Article 52** The venue of the general meeting of the Company: the domicile of the Company or other places specified in the notice of the general meeting.

The general meeting shall have a venue and be held in the form of an on-site meeting. A physical venue shall be set up for the general meeting, which shall be not only convened by way of on-site meeting, but also simultaneously through electronic communication means. Once the notice of the general meeting is issued, the venue of the on-site general meeting shall not be changed without a legitimate reason. In case of any necessary alteration, the convener shall, at least two working days prior to the date fixed for holding the on-site meeting, make an announcement and explain the reasons. The Company will also provide online or electronic means to facilitate shareholders. When convening a general meeting, the Company shall provide online or electronic voting methods. Shareholders participating in the meeting via online or electronic voting methods shall be deemed present.

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

**Article 53** A general meeting shall be convened by the Board of Directors in accordance with the law. The Board of Directors shall convene general meetings within the time limit as required.

With the approval of a majority of all the independent non-executive Directors, independent non-executive Directors shall be entitled to submit a proposal to the Board of Directors on holding an extraordinary general meeting. For such a proposal, the Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an extraordinary general meeting within 10 days upon receipt of the proposal in accordance with laws, administrative regulations, securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association. Where the Board of Directors agrees to hold an extraordinary general meeting, a notice of the general meeting shall be given within 5 days after the resolution of the Board of Directors is made. Where the Board of Directors does not agree to hold such a meeting, its reasons shall be given and an announcement shall be made.

**Article 54** The Audit Committee shall submit a proposal in writing to the Board of Directors on holding an extraordinary general meeting. The Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an extraordinary general meeting within 10 days upon receipt of the proposal in accordance with laws, administrative regulations, and the Articles of Association.

Where the Board of Directors agrees to hold an extraordinary general meeting, a notice of general meeting shall be given within 5 days after the resolution of the Board of Directors is made. Any change to the original proposal in the notice shall be subject to the approval from the Audit Committee.

Where the Board of Directors does not agree to hold an extraordinary general meeting or fails to give a reply within 10 days upon receipt of the proposal, it shall be deemed that the Board of Directors is unable or fails to perform its duty of convening a general meeting. In such case, the Audit Committee may convene and preside over the meeting on its own.

**Article 55** If shareholders who individually or together hold 10% or more of voting rights of the Company request the Board of Directors to convene an extraordinary general meeting and include proposals in the meeting agenda, such request shall be made to the Board of Directors in writing. The Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an extraordinary general meeting within 10 days upon receipt of the request in accordance with laws, administrative regulations, and the Articles of Association.

Where the Board of Directors agrees to hold an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days after the resolution was made. Any change to the original request in the notice shall be subject to the approval from the relevant shareholders.

Where the Board of Directors does not agree to hold an extraordinary general meeting or fails to give a reply within 10 days upon receipt of the request, shareholders who individually or together hold 10% or more of voting rights of the Company proposing to the Audit Committee to convene an extraordinary general meeting shall submit a request in writing to the Audit Committee.

Where the Audit Committee agrees to hold an extraordinary general meeting, it shall issue a notice of general meeting within 5 days after receiving the request. Any changes to the original request in the notice shall be approved by the relevant shareholders.

Where the Audit Committee fails to give the notice of the general meeting within the specified time limit, it shall be deemed that the Audit Committee does not convene or preside over the meeting, in which case, shareholders who individually or together hold 10% or more of voting rights of the Company for 90 or more consecutive days may convene and preside over the meeting on their own.

**Article 56** Where the Audit Committee or shareholders who individually or together hold 10% or more of voting rights of the Company, decide to convene a general meeting on its/their own, it/they shall give a written notice to the Board of Directors and file with the relevant competent authorities and the stock exchange where the Company's shares are listed and traded (if required) in accordance with applicable laws and regulations.

When issuing the notice of the general meeting and the announcement of the resolution(s) of the general meeting, the Audit Committee or shareholders who convene the meeting shall submit relevant supporting materials (if required) to the relevant competent authorities and the stock exchange where the Company's shares are listed according to applicable laws and regulations.

If Shareholders convene a general meeting on their own, the percentage of voting rights in aggregate held by the convening Shareholders shall not be less than 10% before the announcement of the resolution of the general meeting.

**Article 57** With regard to the general meeting convened by the Audit Committee or shareholders on their own, the Board of Directors and the secretary of the Board of Directors shall provide assistance. The Board of Directors shall provide the register of shareholders as at the record date for the registration of shareholding. The register of shareholders obtained by the convener shall not be used for any other purposes other than the convening of general meeting.

**Article 58** All necessary expenses incurred by the Audit Committee or the shareholders in convening the general meeting on their own initiatives shall be borne by the Company.

## **Section 5 Proposals and Notice of General Meeting**

**Article 59** The content of a proposal shall fall within the terms of reference of the general meeting, and shall contain specific topics to be discussed and definite matters to be resolved, and comply with relevant requirements of laws, administrative regulations, stock exchanges or securities regulatory authorities in the place where the Company's shares are listed, and the Articles of Association.

**Article 60** When the Company convenes a general meeting, the Board of Directors, the Audit Committee and shareholders who individually or together hold 1% or more of the shares of the Company are entitled to put forward a proposal to the Company.

Shareholders individually or together holding 1% or more of the shares of the Company can put forward a temporary proposal 10 days before the general meeting is held and submit the proposal to the convener of the meeting in writing. The temporary proposal shall contain a clear topic for discussion and specific matters for resolution. The convener shall issue a supplemental notice within 2 days upon receiving such proposal and notify shareholders of the content of such proposal, and shall submit the temporary proposal to the general meeting for deliberation, except where such temporary proposal is in violation of the requirements under laws, administrative regulations or the Articles of Association, or falls out of the powers of the general meeting.

Except for the circumstances prescribed in the preceding paragraph, the convener shall not change the proposals specified in the notice of the general meeting or add new proposals after publishing the notice of the general meeting.

The general meeting shall not vote or resolve on proposals not contained in the notice of the general meeting or not in compliance with the Articles of Association.

**Article 61** The convener will notify each shareholder 21 days prior to an annual general meeting and will notify each shareholder 15 days prior to an extraordinary general meeting. When the Company calculates the starting time limit, the date of the meeting shall not be included. If there are other provisions prescribed by laws and regulations, stock exchanges or securities regulatory authorities in the place where the Company's shares are listed, those provisions shall prevail.

The notice of the general meeting issued to shareholders will be published on the websites of the Hong Kong Stock Exchange and the Company. Once announced, all shareholders will be deemed to have received the notice of the relevant general meeting.

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

- (I) the date, venue and duration of the meeting;

- (II) the matters and proposals to be submitted for deliberation at the meeting;
- (III) a prominent statement that all shareholders are entitled to attend the general meeting, and may appoint a proxy in writing to attend and vote at the meeting on their behalf, and that such proxy need not be a shareholder of the Company;
- (IV) the record date for determining the shareholders entitled to attend the meeting (the interval between the equity registration date and the meeting date shall be no more than 7 working days. Once the record date is confirmed, it shall not be changed);
- (V) the name and telephone number of the permanent contact person for the meeting;
- (VI) the time and procedures for voting by way of online or other means;
- (VII) other requirements stipulated by laws and regulations, the securities regulatory rules of the stock exchange(s) where the Company's shares are listed, and the Articles of Association.

The notice and supplementary notice of the general meeting shall contain the content stipulated in the Hong Kong Listing Rules and the Articles of Association, and shall fully and completely disclose all the specific contents of all proposals.

**Article 63** If the election of directors is proposed to be discussed at a general meeting, the notice of the meeting will adequately state the detailed information on the director candidates, which shall at least include:

- (I) personal particulars, including educational background, work experience and concurrent positions;
- (II) whether there is any connected relationship with the Company or the controlling shareholders and actual controllers of the Company;
- (III) the number of shares of the Company he/she holds;
- (IV) whether he/she has been subject to any penalties by the CSRC and other relevant authorities and sanctions by the stock exchange.

Except for the election of directors via the accumulative voting mechanism, each candidate for director shall be nominated via a single proposal.

**Article 64** After the notice of the general meeting is issued, the general meeting shall not be postponed or cancelled without justified reasons, and proposals listed in the notice shall not be revoked. Once postponement or cancellation occurs, the convener shall make an announcement and explanation at least 2 working days before the original date fixed for holding the meeting.

## Section 6 Holding of General Meeting

**Article 65** The Board of Directors and other conveners shall take necessary measures to ensure the proper order of the general meeting. For any acts interfering with the general meeting, provoking trouble or infringing upon the legitimate rights and interests of shareholders, measures shall be taken to stop such acts, and such acts shall be promptly reported to the relevant authority for investigation and treatment.

**Article 66** All shareholders whose names appear on the register of shareholders on the record date or their proxies shall be entitled to attend and speak at the general meeting and exercise their voting rights in accordance with relevant laws, regulations, listing rules of the place(s) where the Company's shares are listed and the Articles of Association, unless individual shareholders are required by the aforementioned provisions to abstain from voting on specific matters.

A shareholder may either attend the general meeting in person or appoint a proxy or proxies to attend and vote at such meeting on his/her behalf. Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or more persons (who need not be shareholders) as his proxies to attend and vote on his behalf.

If the shareholder is a recognized clearing house (or its nominee(s)) as defined by the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), such shareholder may authorize one or more persons as he/she deems appropriate to act on his/her behalf at any general meeting or any class meeting of shareholders; however, if more than one person are authorized, the power of attorney shall specify the numbers and classes of shares in respect of which such persons are authorized. A person so authorized may exercise the same rights and powers (including the right to speak and vote and, where a show of hands is allowed, the right to vote individually on a show of hands) on behalf of the recognized clearing house (or its nominee(s)) as if he is an individual shareholder of the Company (without having to produce a shareholding certificate, a notarized authorization and/or further evidence of his duly authorized authority). The aforementioned arrangements also apply to creditors' meetings.

**Article 67** An individual shareholder who attends the meeting in person shall present his/her own ID card or other valid documents or proof evidencing his/her identity. A proxy attending the meeting on behalf of another person shall produce his/her own valid proof of identity and the power of attorney from the shareholder.

Corporate shareholders shall be represented at meetings by their legal representatives or individuals authorized by resolutions of the Board of Directors or other decision-making bodies, or by proxies entrusted by the aforementioned persons, with the form of proxy signed by duly authorized individuals. If the legal representative attends the meeting, he or she shall produce his or her own ID card and a valid proof of his or her legal representative status. If a proxy has been appointed to attend the meeting, such proxy shall present his or her own ID card and the power of attorney issued by the legal representative of the corporate shareholder in accordance with the law. If the shareholder is a company, it may appoint a representative to attend and vote at any general meeting of the Company, and if such company has appointed a representative to attend any meeting, it shall be deemed to be present in person.

**Article 68** The power of attorney issued by shareholders to appoint other persons to attend the general meeting shall state the following:

- (I) the name of the appointer and the class and number of shares of the Company held by him/her;
- (II) the name of the proxy;
- (III) the specific instructions from shareholders, including instructions to vote in favor of, against or abstain from voting on each resolution contained in the agenda of general meeting;
- (IV) the date of issue and validity period of the power of attorney;
- (V) signature (or seal) of the appointer. If the appointer is a corporate shareholder or partnership shareholder, the seal of the legal person entity or the partnership shall be affixed.

**Article 69** The instrument of proxy shall be deposited at the domicile of the Company or such other place as specified in the notice of meeting at least 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours before the scheduled voting time.

If the instrument of proxy is signed by the authorized person of the appointer, the power of attorney or other authorization documents under which the instrument of proxy is signed shall be notarized. The notarized power of attorney or other authorization documents, and the instrument of proxy shall be placed at the domicile of the Company or other place specified in the notice of the meeting. If the appointer is a legal person, its legal representative or the persons authorized by the Board of Directors or other governing body shall act as representative to attend the general meeting of the Company.

**Article 70** The attendance record of a meeting shall be prepared by the Company. The attendance record shall contain, among other things, the name (or entity name), identity card number, the number of shares carrying voting rights held or represented of each attendee, and the name (or entity name) of the appointer.

**Article 71** The convener will verify the legality of shareholder qualifications based on the register of shareholders provided by the securities registration and clearing agency, and register the names of shareholders and the number of shares with voting rights they hold. Registration for the meeting shall be terminated before the chairman of the meeting announces the number of shareholders and proxies present at the meeting and the total number of shares with voting rights held.

**Article 72** Where the general meeting requires directors and senior management to attend the meeting, the directors and senior management shall attend the meeting and answer the inquiries of shareholders.

**Article 73** The general meeting shall be presided over by the chairman of the Board of Directors. Where the chairman of the Board of Directors is unable or fails to perform his duties, the vice chairman elected by more than half of the Directors shall preside over the meeting. If the vice chairman fails to perform his or her duties, more than half of the Directors shall jointly elect one Director to preside over the meeting.

A general meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. Where the convener of the Audit Committee is unable or fails to perform his duties, the meeting shall be presided over by a member of the Audit Committee jointly elected by a majority of members of the Audit Committee.

A general meeting convened by shareholders shall be presided over by the convener or a representative elected by the convener(s).

In the event that the general meeting cannot proceed due to violation of the rules of procedure of the general meeting by the chairman of the meeting when a general meeting is held, the general meeting may appoint a person as the chairman of the meeting with the consent of a majority of the shareholders with voting rights present at the meeting and the meeting shall continue.

**Article 74** The Company shall formulate the rules of procedure of the general meeting, and specify the convening, holding and voting procedures of the general meeting, including notice, registration, consideration of proposal, voting, counting of votes, announcement of voting results, formation of resolutions of the meeting, minutes of the meeting and signing thereof, announcements and other contents, as well as the principle of authorization of the general meeting to the Board of Directors. The content of authorization shall be clear and specific. The rules of procedure of the general meeting shall be prepared by the Board of Directors and approved by the general meeting.

**Article 75** At the annual general meeting, the Board of Directors shall make a report on their work in the past year to the general meeting. Each independent non-executive Director shall also make a work report.

**Article 76** The Directors and senior management shall provide explanations and statements relating to the queries and suggestions put forward by the shareholders at the general meeting.

**Article 77** The chairman of the meeting shall declare the number of shareholders and proxies present at the meeting and the total number of shares carrying voting rights they hold before voting. The number of shareholders and proxies present at the meeting and the total number of shares carrying voting rights they hold shall be subject to the attendance record of the meeting.

**Article 78** Minutes shall be kept for a general meeting by the secretary of the Board of Directors. The meeting minutes shall contain:

- (I) the time, venue and agenda of meeting and the convener's name;
- (II) the names of the chairman of the meeting and the Directors and senior management attending the meeting as observers;
- (III) the number of shareholders and proxies present at the meeting, the total number of shares carrying voting rights they hold, and the proportion of the total number of the shares of the Company;
- (IV) the consideration process, key points of speech and voting results of each proposal;
- (V) the enquiries or suggestions of the shareholders and the corresponding replies or explanations;

(VI) the names of the teller and scrutineer;

(VII) other content that shall be included in the meeting minutes according to the Articles of Association.

**Article 79** The convener shall guarantee the authenticity, accuracy and integrity of the content of the meeting minutes. The Directors, the secretary of the Board of Directors, convener or their representatives who attended the meeting or attended the meeting as observers, and the chairman of the meeting shall sign the meeting minutes. The meeting minutes shall be kept together with the register of names of the shareholders present, the power of attorney for attendance, and the valid documents for the online and other forms of voting for a period of not less than 10 years.

**Article 80** The convener shall warrant that the general meeting will proceed continuously until the final resolution is made. If the general meeting is suspended or the resolution cannot be made due to force majeure or other special causes, necessary measures shall be taken to restore the general meeting as soon as possible or directly terminate the general meeting, and timely announcements shall be made. At the same time, the convener shall report to the branch of the China Securities Regulatory Commission where the Company is located and the stock exchange where the Company's shares are listed (if required).

### **Section 7 Voting and Resolution at the General Meeting**

**Article 81** The resolutions of the general meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution shall be adopted by more than half of the votes held by the shareholders attending the general meeting.

A special resolution shall be adopted by two-thirds or more of the votes held by the shareholders attending the general meeting.

The shareholders referred to in this Article include shareholders who appoint proxies to attend the general meeting.

**Article 82** The following matters shall be approved by way of ordinary resolution at a general meeting:

- (I) the report of the Board of Directors on its work;
- (II) the profit distribution plan and the plan for making up losses as proposed by the Board of Directors;
- (III) the appointment and removal of members of the Board of Directors, as well as their remuneration and the method of payment;
- (IV) all matters other than those required by laws, administrative regulations, the securities regulatory rules of the place(s) where the Company's shares are listed, or the Articles of Association to be passed by way of special resolution.

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

- (I) the increase or reduction of the registered capital of the Company;
- (II) the division, spin-off, merger, dissolution, winding up or liquidation of the Company;
- (III) amendments to the Articles of Association;
- (IV) the purchase or sale of significant assets, or provision of guarantees to others within one year, the value of which exceeds 30% of the Company's latest audited total assets;
- (V) equity incentive plans;
- (VI) changes in the rights attached to class shares;
- (VII) variation or abrogation of the rights of class shareholders;
- (VIII) other matters required to be approved by special resolution under laws, administrative regulations, the regulatory rules of the place(s) where the Company's shares are listed, or the Articles of Association, or other matters that may have a material impact on the Company and need to be passed by special resolution as determined by an ordinary resolution of the general meeting.

If the share capital of the Company contains different classes of shares, any alteration made to the rights attached to any shares of such class shall be approved by shareholders holding the shares of the relevant class with such rights and attending the general meeting of such class of shares by a special resolution unless otherwise required.

**Article 84** Shareholders shall exercise their voting rights according to the number of voting shares they represent, and each share shall have one vote. On a poll taken at a meeting, shareholders (including proxies of shareholders) entitled to two or more votes need not cast all his/her votes in the same way (vote in favor of, against or abstain from each resolution).

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

If any laws and regulations, listing rules of the stock exchange where the Company's shares are listed and the Articles of Association require that any shareholder shall abstain from voting on a certain resolution or limit any shareholder to only cast affirmative or negative votes on a certain resolution, any votes cast by the shareholder or proxy thereof in violation of the aforesaid requirement or restriction shall not be counted to the results of the voting.

Shares of the Company held by the Company shall carry no voting rights, and be excluded from the total voting shares held by shareholders present at a general meeting, and will not be deposited into the Central Clearing and Settlement System.

If a shareholder purchases any voting shares of the Company in violation of paragraphs 1 and 2 of Article 63 of the Securities Law, voting rights of the shares exceeding the prescribed percentage shall not be exercisable within 36 months after the purchase, and such shares shall not be counted in the total number of voting shares at the general meeting.

The Board of Directors of the Company, an independent non-executive Director, a shareholder holding 1% or more of the voting shares of the Company or an investor protection institution formed in accordance with laws, administrative regulations, or the rules of the CSRC may publicly solicit proxies. In proxy solicitation, the voting intention and other relevant information shall be fully disclosed to the shareholders from whom proxy is solicited. Proxy solicitation with the provision of direct or indirect compensation shall be prohibited. The Company may not impose any minimum shareholding requirement for proxy solicitation, except under statutory conditions.

The shareholders referred to in the first paragraph of this Article include shareholders who appoint proxies to attend the general meeting.

**Article 85** When matters concerning connected transactions are considered at a general meeting, connected shareholders shall not vote thereon, and the voting shares represented by them shall not be counted in the total number of valid votes. The announcement of resolutions of the general meeting shall fully disclose the votes of non-connected shareholders.

The procedures for abstention and voting of the connected shareholders are as follows:

- (I) The Board of Directors shall, in accordance with the Company Law and relevant regulations, determine whether the matters to be submitted to the general meeting for deliberation constitute connected transactions. In making such determination, the shareholding amount of shareholders shall be based on the record date;
- (II) If the Board of Directors determines that the matters to be submitted to the general meeting constitute connected transactions, the Board shall notify the connected shareholders;
- (III) When the general meeting deliberates on connected transactions, connected shareholders shall proactively declare their relationship to the general meeting and voluntarily abstain from voting. The number of voting shares they represent shall not be counted toward the total voting shares present at the general meeting. If a connected shareholder fails to proactively disclose the connected relationship and abstain from voting, the chairman of the meeting shall require such shareholder to abstain from voting;
- (IV) After connected shareholders abstain, other shareholders shall vote based on their voting rights. The chairman of the meeting shall announce the number of shareholders and proxies present at the meeting, excluding connected shareholders, as well as the total number of voting shares they hold. This shall not apply if all shareholders are connected parties.

**Article 86** Unless the Company is in a crisis or under any other special circumstances, without the approval of a general meeting by a special resolution, the Company shall not enter into a contract with any person other than a Director or any senior management under which the person takes charge of all or any major business of the Company.

**Article 87** The list of director candidates shall be submitted to a general meeting for voting in the form of a proposal. The methods and procedures for nominating directors of the Company are:

- (I) The nomination of director candidates is conducted in the following manner:
  - i. nominated by the Board of Directors;
  - ii. nominated by the shareholders individually or together holding 1% or more of the Company's voting shares, and the number of candidates nominated shall not exceed the number of directors to be elected or changed.

When a voting is made on election of directors at a general meeting, the cumulative voting system may be adopted in accordance with the requirements of the Articles of Association or the resolutions of the general meeting.

When two or more independent non-executive Directors are elected at a general meeting, the cumulative voting system shall be implemented.

If the cumulative voting system is adopted for the nomination and election of directors, the procedures shall be as follows:

Each share carries a nomination right equivalent to the number of directors to be elected. A shareholder may concentrate the votes to nominate one candidate or separate the votes to nominate a number of candidates. The candidates of directors shall be determined according to the number of votes and the requirements for directors in the Articles of Association.

In the election, each share of the shareholder carries a voting right equivalent to the number of directors to be elected. A shareholder has the right to divide the votes equally for each candidate of directors or concentrate the votes on one or some candidate(s) or elect other person(s). The directors shall be determined according to the number of votes and the requirements for directors in the Articles of Association.

**Article 88** Except for the cumulative voting system, all proposals shall be voted item by item at a general meeting, and if there are different proposals for the same matter, they shall be voted in the order of introduction. Unless a general meeting is suspended or no resolution may be made thereat for a force majeure or any other special reason, no proposal may be suspended or denied voting at the general meeting.

**Article 89** A proposal considered at a general meeting shall not be modified; if made, the modification shall be regarded as a new proposal, which may not be voted at the general meeting.

**Article 90** The same voting right can only be exercised through one of the on-site or other voting methods. In case of repeated voting with the same voting right, the first voting result shall prevail.

**Article 91** The general meeting shall vote by open ballot.

**Article 92** Before proposals are voted at a general meeting, two shareholder representatives shall be recommended to take part in vote counting and scrutiny. Where a shareholder is connected with any matter considered, the shareholder and its proxy may not take part in vote counting and scrutiny.

When proposals are voted at a general meeting, shareholder representatives shall be responsible for the vote counting and scrutiny, announce the voting results on the spot, and record them in the minutes of the meeting.

Shareholders or their proxies voting online or in any other manner shall have the right to check their votes through the corresponding voting system.

**Article 93** The time of closure of the on-site voting of a general meeting shall not be earlier than that of online voting or any other manner of voting, and the chairman of the meeting shall announce the voting and voting result of each proposal and according to the voting results, whether a proposal is passed.

Before the voting results are officially announced, the Company, counting officers, scrutineers, shareholders, network service providers and other parties involved in the on-site voting, voting via internet, and other manner of voting at a general meeting shall all be obligated to keep the voting information confidential.

**Article 94** Shareholders attending the general meeting shall express one of the following opinions on the proposal submitted for voting: affirmative, negative or abstention, except where the securities registration and clearing organization, acting as the nominee holder of shares under the Mainland-Hong Kong Stock Connect, or a recognized clearing house (as defined in the relevant ordinances in force from time to time under the laws of Hong Kong) or its agent acting as the nominee holder, makes declarations in accordance with the actual holder's intent.

Where any ballot is not completed in full, is completed incorrectly or unintelligibly, or has no vote recorded, the voter shall be deemed to have waived his voting rights and the voting result for his/her shares shall be deemed as an "abstention".

**Article 95** Where the chairman of the meeting has any doubt on the voting result of a resolution submitted for voting, he/she may organize a recount of the number of votes; where the chairman of the meeting fails to recount votes, and any shareholder or shareholder's proxy attending the meeting raises any objection to the result announced by the chairman of the meeting, the shareholder or shareholder's proxy shall have the right to require a recount immediately after the voting result is announced, and the chairman of the meeting shall immediately organize a recount.

**Article 96** The resolutions of a general meeting shall be announced in a timely manner, and the announcement shall state the number of shareholders and proxies attending the meeting, the total number of voting shares held by them and its proportion to the total number of voting shares of the Company, the voting methods, the voting result of each proposal, and details of each resolution adopted.

**Article 97** Where a proposal is not passed, or the general meeting modifies a resolution made at a previous general meeting, a special reminder shall be placed in the announcement of the resolutions of the general meeting.

**Article 98** Where proposed resolutions in relation to the election of directors are passed at a general meeting, the newly appointed directors shall assume office from the date the resolution is passed by the general meeting.

**Article 99** Where a proposal on the distribution of cash dividends or stock dividends or conversion of reserve funds to share capital is passed at a general meeting, the Company shall implement the specific plan within 2 months after the end of the general meeting.

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

### **Section 1 General Rules of Directors**

**Article 100** Directors of the Company shall be natural persons and none of the following persons shall serve as a Director of the Company:

- (I) a person who has no civil capacity or has limited civil capacity;
- (II) a person who has been sentenced to a term of imprisonment for any of the following crimes: embezzlement, bribery, conversion of property, misappropriation of property, or sabotaging the socialist economic order; or has been deprived of his/her political rights as a result of a criminal conviction and 5 years have not elapsed since the date on which execution of the sentence was completed; if he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension of sentence;
- (III) persons who served as a Director, factory manager or manager of a company or an enterprise that declared insolvent and liquidated and were personally liable for the insolvency of such company or enterprise, and less than 3 years have lapsed since the date of completion of the insolvency and liquidation of that company or enterprise;
- (IV) persons who served as the legal representative of a company or an enterprise of which the business license was revoked and was ordered to close down due to violation of laws and who was personally liable for such revocation and order, where less than 3 years have lapsed since the date of such company's or enterprise's revocation of business license or being ordered to close down;
- (V) a person who is listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large sum of due debt;
- (VI) a person who has been banned from entering the securities market by the CSRC and whose term has not expired;
- (VII) a person who has been publicly declared by any stock exchange to be unsuitable for serving as the directors and senior management of any listed company and the time limit has not expired;
- (VIII) any other circumstances stipulated by laws, administrative regulations, departmental rules and the securities regulatory rules of the place(s) where the Company's shares are listed.

The election, appointment or engagement of the directors shall be invalid if such election or appointment is against this Article. If the Directors fall into any of the circumstances mentioned in this Article during their term of office, they shall be dismissed by the Company and prevented from performing their duty.

If a Director falls under any of the circumstances specified in this Article during their term of office, they shall promptly report to the Company and resign within one month from the date the circumstance occurred.

**Article 101** A director shall be elected or replaced by the general meeting, and may be removed through an ordinary resolution by the general meeting before the expiry of his/her term of office, with the removal taking effect on the date the resolution is passed. A director shall serve for a term of 3 years, and can be re-elected and reappointed upon the expiry of the term.

The term of office of a director shall commence from the date on which the said director assumes office until the expiry of the term of office of the current session of the Board of Directors. A Director shall continue to perform his/her duties as a Director in accordance with law, administrative regulations, departmental rules, the securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.

Subject to the relevant laws and regulations and regulatory rules in the PRC and the places where the Company's shares are listed, if the Board of Directors appoints a new Director to fill a casual vacancy on the Board of Directors or to add to the Board of Directors, the term of office of such appointed Director shall end at the first annual general meeting after his/her acceptance of the appointment and he/she shall be eligible for election by the shareholders for re-election at such annual general meeting.

Senior management may concurrently serve as Directors. However, the total number of Directors who concurrently serve as senior management and Directors who are employee representatives shall not exceed one-half of the total number of Directors of the Company.

A company with more than 300 employees shall include employee representatives in its board of directors. The Company shall have one employee representative director. The employee representatives in the Board of Directors shall be democratically elected by the Company's employees through employee representative assemblies, general employee meetings or other means, and such appointment shall not require approval by the general meeting.

**Article 102** Directors shall abide by the provisions of laws, administrative regulations and the Articles of Association, have duty of loyalty to the Company, take measures to avoid the conflict between their own interests and those of the Company and may not seek any improper interests by taking advantage of their powers.

Directors shall have the following duty of loyalty to the Company:

- (I) shall not encroach on the Company's property and shall not misappropriate company funds;
- (II) shall not deposit Company's assets into accounts held in their own names or in the name of any other individual;
- (III) shall not abuse their authority by bribes or accepting other illegal income;

- (IV) shall not directly or indirectly conclude any contract or engage in any transaction with the Company without reporting to the Board of Directors or the general meeting and without a resolution passed by the Board of Directors or the general meeting in accordance with the Articles of Association;
- (V) shall not use the advantages provided by their own positions to pursue business opportunities that belong to the Company either for their own account or for the account of any other person, unless he/she has reported to the Board of Directors or the general meeting and has been approved by a resolution of the general meeting or the Company cannot make use of the business opportunity as stipulated by laws, administrative regulations or the Articles of Association;
- (VI) shall not engage in any business that is similar to that of the Company either for their own account or for the account of any other person without reporting to the Board of Directors or the general meeting and obtaining an approval by resolution of general meeting;
- (VII) shall not accept commissions paid by others for transactions conducted with the Company as their own;
- (VIII) shall not disclose the Company's confidential information without authorization;
- (IX) shall not abuse their connected relationships to damage the Company's interests;
- (X) other duties of loyalty stipulated in laws, administrative regulations, departmental rules, the securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

The income obtained by a Director in violation of this Article shall belong to the Company. If losses are caused to the Company, he/she shall be liable for compensation.

The provisions of item (IV) of paragraph 2 of this Article shall apply to the close relatives of Directors and senior management, enterprises directly or indirectly controlled by Directors or senior management or their close relatives, and connected persons of other connected relationships with Directors or senior management, who enter into contracts or conduct transactions with the Company.

**Article 103** Directors shall abide by the provisions of laws, administrative regulations and the Articles of Association, have duty of diligence to the Company, exercise the reasonable care that shall be generally possessed by a manager for the best interests of the Company when performing their duties.

Directors shall have the following duties of diligence to the Company:

- (I) act honestly and in good faith in the interests of the Company as a whole;
- (II) act for appropriate purposes;
- (III) be responsible to the Company for the operation or misuse of the Company's assets;

- (IV) avoid actual and potential conflicts of interest and position;
- (V) fully and fairly disclose its interests in the contract with the Company;
- (VI) act with the degree of skill, care and diligence that others may reasonably expect of a person with similar knowledge and experience who holds the position of Director of the Company;
- (VII) shall prudently, earnestly and diligently exercise the rights the Company grants to them to ensure that the Company conducts its commercial activities in a manner that complies with the requirements of state laws, administrative regulations and state economic policies, and that the Company's commercial activities do not go beyond the scope of the business activities stipulated in the Company's business license;
- (VIII) shall treat all shareholders fairly;
- (IX) shall maintain a timely awareness of the operation and management of the Company;
- (X) shall sign written statements confirming the regular reports of the Company, and ensure that the information disclosed by the Company is true, accurate and complete;
- (XI) shall provide accurate information and materials to the Audit Committee and shall not obstruct the Audit Committee from performing its duties;
- (XII) any other duties of diligence stipulated in the laws, administrative regulations, departmental rules, the securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

**Article 104** A Director who fails to attend the meetings of the Board of Directors twice consecutively in person or by authorizing another Director to attend such meetings on his/her behalf shall be deemed unable to execute his/her office, and the Board of Directors shall advise the general meeting to replace him/her.

**Article 105** A Director may resign before the expiry of his/her term of office. In resigning his/her duties, the Director shall submit a written resignation report to the Company, and the resignation shall take effect on the date the Company receives the resignation report. The Board of Directors shall disclose the relevant information as soon as practicable (no later than 2 days).

Where, as a result of a Director's resignation, the quorum requirement for members of the Board of Directors is no longer met, the outgoing Director shall continue to perform a Director's functions in accordance with laws, administrative regulations, departmental rules, the Articles of Association and the securities regulatory rules of the place(s) where the Company's shares are listed before the newly elected director assumes office.

**Article 106** The Company shall establish a director resignation management system to specify the safeguarding measures for pursuing liability and compensation for unfulfilled public commitments and other outstanding matters. When the resignation of a Director takes effect or the term of office of a Director expires, he/she shall complete all handover procedures required by the Board of Directors. In this case, his/her duty of loyalty to the Company and shareholders shall not be automatically relieved after the end of his/her term of office, and shall remain valid within a reasonable period as stipulated in the Articles of Association. A director's liability for actions taken in the performance of his/her duties during his/her term of office shall not be waived or terminated upon termination of tenure. He/she shall assume the duty of loyalty for a two-year period since his/her resignation takes effect or his/her term of office expires.

**Article 107** The general meeting may resolve to remove a Director, and the removal shall take effect on the date the resolution is passed.

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

**Article 108** Unless permitted by the Articles of Association or legally authorized by the Board of Directors, no Director shall act in his/her own name on behalf of the Company or the Board of Directors. When a Director acts in his/her own name, the Director shall declare his/her position and identity in advance if the third-party reasonably believes that the Director is acting on behalf of the Company or the Board of Directors.

**Article 109** Where a Director causes damage to others in executing his/her duties in the Company, the Company shall be liable for compensation; if the Director acts with intent or gross negligence, he/she shall also be liable for compensation.

Where a Director violates any law, administrative regulations, departmental rules, the requirements of stock exchanges or securities regulatory authorities in the place where the Company's shares are listed or the Articles of Association in executing his/her office in the Company, causing losses to the Company, he/she shall be liable for compensation.

## **Section 2 Board of Directors**

**Article 110** The Company shall have a Board of Directors. The Board of Directors consists of 9 directors, divided into executive Directors, non-executive Directors and independent non-executive Directors. There shall be 1 chairman and 3 vice-chairmen. Among them, there shall be no fewer than 3 independent non-executive Directors, who shall account for one-third or more of the total number of Directors. At least one independent non-executive Director must possess appropriate professional qualifications or appropriate accounting or relevant financial management expertise, and at least one independent non-executive Director must ordinarily reside in Hong Kong. The chairman and vice chairman shall be elected by the Board of Directors with the affirmative vote of a majority of all Directors. All independent non-executive Directors must possess the independence as provided under the Hong Kong Listing Rules. Independent non-executive Directors shall perform their duties in accordance with the relevant requirements of the laws, administrative regulations, departmental rules, the regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

**Article 111** The Board of Directors shall exercise the following functions and powers:

- (I) to convene the general meeting and report to the general meeting;
- (II) to implement resolutions of the general meeting;
- (III) to decide on the Company's business plans and investment plans;
- (IV) to formulate the Company's profit distribution plans and plans on making up losses;
- (V) to formulate proposals for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities of the Company and listing of shares of the Company;
- (VI) to formulate plans for the Company's major acquisition, repurchase of the shares of the Company, or merger, division, dissolution or change of corporate form of the Company;
- (VII) within the scope of authorization by the general meeting, to decide on matters such as the Company's external investments, acquisition and sale of assets, asset mortgage, external guarantees, entrusted financial management, connected transactions, and external donations;
- (VIII) to decide on establishment of internal management organs of the Company;
- (IX) to decide on appointment or removal of the Company's manager, secretary to the Board of Directors and other senior management, and decide on matters of their remuneration and rewards and punishments; according to the nomination of the manager, to decide on the appointment or dismissal of the Company's deputy manager, chief financial officer and other senior management, and decide on matters of their remuneration, rewards and punishments;
- (X) to formulate the basic management system of the Company;
- (XI) to formulate proposals to amend the Articles of Association;
- (XII) to manage the Company's information disclosures;
- (XIII) to propose to the general meeting the appointment or replacement of the accounting firm that undertakes the audit engagements of the Company;
- (XIV) to listen to the work report of the manager of the Company and to inspect the work of the manager;
- (XV) to consider and approve the external guarantees provided by the Company outside the scope of Article 49 of the Articles of Association;
- (XVI) to consider and approve connected transactions that are required to be deliberated by the Board of Directors in accordance with the Articles of Association or the Connected Transaction Management Measures;

(XVII) other functions and powers provided for in laws, administrative regulations, departmental rules, the listing rules of the place(s) where the Company's shares are listed and the Articles of Association or conferred by the general meeting.

The matters beyond the scope of authorization of the general meeting shall be submitted to the general meeting for consideration.

**Article 112** Contracts or transactions directly or indirectly entered into between the Company and Directors, senior management and their close relatives, enterprises directly or indirectly controlled by the aforesaid persons, and connected persons with whom the Directors and senior management have other relationships shall be submitted to the Board of Directors for deliberation.

**Article 113** Where a non-standard audit opinion is issued by the certified public accountants on the financial reports of the Company, the Board of Directors of the Company shall submit explanations to the general meeting.

**Article 114** The Board of Directors shall formulate the rules of procedure for the Board of Directors, so as to ensure the implementation of the resolutions of the general meeting by the Board of Directors, improve work efficiency, and guarantee scientific decision-making.

**Article 115** The Board shall determine the scope of authorization in respect of external investment, acquisition and disposal of assets, asset mortgage, external guarantee, entrusted financial management, connected transactions and external donations. It shall establish strict inspection and decision-making procedures. The Company's major investment projects shall be reviewed by relevant experts and professionals and reported to the general meeting for approval.

**Article 116** The chairman shall exercise the following functions and powers:

- (I) to preside over the general meeting and convene and preside over meetings of the Board of Directors;
- (II) to oversee and inspect the execution of the resolutions of the Board of Directors;
- (III) other functions and powers conferred by the Board of Directors.

**Article 117** The vice chairman shall assist the chairman of the Board of Directors in work. When the chairman is unable to or does not carry out his duties, they shall be carried out by the vice chairman nominated by more than one half of the Directors. If the vice chairman is unable to or does not carry out his duties, more than one half of the Directors shall nominate a Director to carry out the duties.

**Article 118** Meetings of the Board of Directors are divided into regular meetings and ad hoc meetings. The meetings of Board of Directors shall be convened at least four times a year and shall be convened by the chairman of the Board of Directors. Regular meetings shall be notified in writing to all Directors at least 14 days before the meeting.

**Article 119** Shareholders representing one-tenth or more of all voting rights, or one-third or more of all Directors or the Audit Committee may propose an extraordinary meeting of the Board of Directors. The chairman shall convene and preside over the meeting of the Board of Directors within 10 days after receiving the proposal.

**Article 120** An extraordinary Board meeting shall be notified to all Directors in writing, via email, or through other means at least 3 days prior to the meeting. In case of emergency where an extraordinary board meeting is required to be convened as soon as possible, the Board of Directors may at any time give notice of extraordinary Board meeting by telephone, facsimile or email, and the convener shall give explanation on the meeting.

**Article 121** A notice of a meeting of the Board of Directors shall contain the following content:

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

**Article 122** A meeting of the Board of Directors shall be held only when more than half of the Directors are present at the meeting. A resolution of the meeting of the Board of Directors must be passed with affirmative votes of a majority of all Directors. Each Director shall have one vote for a resolution to be approved by the Board of Directors.

**Article 123** A director who is connected to the enterprise or individual involved in a matter being resolved at a meeting of the Board of Directors shall promptly submit a written report to the Board of Directors. The connected Director shall not exercise his/her voting rights on such resolution, nor shall he/she exercise his/her voting rights on behalf of other Directors; such meeting of the Board of Directors may be held when more than half of the non-connected Directors attend the meeting, and the resolutions of the meeting of the Board of Directors must be passed with affirmative votes of a majority of non-connected Directors. If the number of non-connected Directors present at the meeting of the Board of Directors is less than 3, such matter shall be submitted to the general meeting for deliberation.

**Article 124** The convening of meeting and voting of the Board of Directors may take the form of on-site meeting or electronic communication, and voting on resolutions shall be conducted in the form of written registered ballot.

Extraordinary Board meetings may be conducted and resolutions may be adopted via electronic communication methods such as fax, telephone, or video conferencing, provided that Directors are fully able to express their opinions, and the resolutions shall be signed by the participating Directors.

**Article 125** A director shall attend a meeting of the Board of Directors in person. A Director who is unable to attend a meeting of the Board of Directors for any reason may appoint another Director by power of attorney to attend the meeting on his/her behalf. An independent non-executive Director shall appoint another independent non-executive Director to attend on his/her behalf. The power of attorney shall contain the name of the proxy, the matters to be represented, the scope of authorization and the validity period, and shall be signed or sealed by the appointer. The proxy shall exercise a Director's rights within the scope of authorization. A Director who fails to attend a meeting of the Board of Directors in person or by proxy shall be deemed to have waived his/her voting rights at the meeting.

**Article 126** The Board of Directors shall keep minutes of resolutions on matters considered at the meeting and the minutes shall be signed by the Directors attending the meeting.

The minutes of meetings of the Board of Directors shall be kept as archives of the Company for at least 10 years.

**Article 127** The minutes of a meeting of the Board of Directors shall include the following particulars:

- (I) the date and venue of the meeting, and the name of the convener;
- (II) the names of the Directors attending the meeting and Directors (proxies) appointed by others to attend the meeting of the Board of Directors;
- (III) the agenda of the meeting;
- (IV) the main points of Directors' speeches;
- (V) the method and results of the voting for each resolution (the voting results shall state the number of affirmative and negative votes and abstention).

### **Section 3 Independent Non-executive Directors**

**Article 128** The independent non-executive Directors shall diligently perform their duties in accordance with the laws, administrative regulations, requirements of the CSRC, the stock exchange or the securities regulatory authority of the place(s) where the Company's shares are listed 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 129** Independent non-executive Directors shall remain independent. The independence, qualifications, appointment and removal, duties and performance methods, performance safeguards, and filing procedures of independent non-executive Directors shall comply with relevant provisions of laws, administrative regulations, the CSRC, the Hong Kong Listing Rules, and other securities regulatory rules of the place(s) where the Company's shares are listed. The following individuals may not serve as independent non-executive Directors:

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

- (II) natural person shareholders directly or indirectly holding more than 1% of issued shares of the Company or among top 10 shareholders of the Company and their spouses, parents and children;
- (III) persons holding office in any shareholder directly or indirectly holding more than 5% of issued shares of the Company or in the top 5 shareholders of the Company and their spouses, parents and children;
- (IV) persons holding office in any affiliate of the controlling shareholders or actual controllers of the Company and their spouses, parents and children;
- (V) persons who have material business dealings with the Company or its controlling shareholders or actual controllers or their respective affiliates or who hold office in any entity having material business dealings or its controlling shareholders or actual controllers;
- (VI) persons providing financial, legal, consulting, sponsoring or other services to the Company, its controlling shareholders, actual 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;
- (VII) persons who have been in the situations listed in the items I to VI hereof within the last 12 months;
- (VIII) persons who have served as an independent non-executive Director for 9 years or more;
- (IX) other persons who are not independent as stipulated by the laws, administrative regulations, requirements of the CSRC, business rules of stock exchanges and the Articles of Association.

The affiliates of controlling shareholders or actual controllers of the Company as referred to in items IV to VI of the preceding paragraphs do not include those companies which are controlled by the same state-owned assets administration institution with the Company and do not have a connected relationship with the Company in accordance with the relevant provisions.

Independent non-executive 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 non-executive Directors and issue special opinions thereon each year, which shall be disclosed together with the annual report.

**Article 130** A person to serve as an independent non-executive Director of the Company shall meet the following conditions:

- (I) being qualified to serve as director of a listed company according to the laws, administrative regulations and other relevant provisions;
- (II) meeting the independence requirements of the Hong Kong Listing Rules;

- (III) having basic knowledge of the operation of listed companies and being familiar with relevant laws, regulations and rules;
- (IV) having more than 5 years of legal, accounting or economic work experience necessary to perform the duties of an independent non-executive director;
- (V) having good personal morality, with no bad records such as major dishonesty, etc.;
- (VI) other conditions stipulated by the laws, administrative regulations, requirements of the CSRC, the business rules of stock exchanges or the securities regulatory authorities in the place where the Company's shares are listed and the Articles of Association.

**Article 131** As members of the Board of Directors, the independent non-executive Directors owe a duty of loyalty and duty of diligence to the Company and all shareholders, and shall prudently perform the following duties:

- (I) to participate in the decision making of the Board of Directors and provide explicit opinions on the matters discussed;
- (II) to supervise matters that indicate potential material conflict of interest between the Company and its controlling shareholders, actual controllers, Directors and senior management so as to protect legitimate rights and interests of minority shareholders;
- (III) 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;
- (IV) other duties stipulated by the laws, administrative regulations, the Hong Kong Listing Rules, requirements of the CSRC, other securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

**Article 132** Independent non-executive Directors shall exercise the following special functions and powers:

- (I) independently engage intermediaries to audit, provide consultation on or verify specific matters of the Company;
- (II) propose the convening of extraordinary general meetings to the Board of Directors;
- (III) propose the convening of Board meetings;
- (IV) openly solicit shareholders' rights from shareholders in accordance with the laws;
- (V) express independent opinions on matters potentially detrimental to interests of the Company or its minority shareholders;
- (VI) other functions and powers as provided by the laws, administrative regulations, the Hong Kong Listing Rules, requirements of the CSRC, other securities regulatory rules of the place(s) where the Company's shares 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 non-executive Directors shall be approved by more than half of all independent non-executive Directors.

The Company shall disclose in a timely manner any exercise of the functions and powers set out in paragraph 1 by the independent non-executive 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 133** The following matters shall be approved by more than half of all the independent non-executive Directors of the Company before submitting to the Board of Directors for deliberation:

- (I) disclosable connected transactions;
- (II) proposed changes or waivers of undertakings by the Company and the relevant parties;
- (III) decisions made and measures taken by the Board of Directors of an acquired listed company in relation to an acquisition;
- (IV) other matters as provided by the laws, administrative regulations, the Hong Kong Listing Rules, the requirements of the CSRC, other securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

**Article 134** The Company shall establish a mechanism for special meetings which will be attended by independent non-executive Directors only. Matters such as connected transactions to be considered by the Board of Directors shall be approved in advance by a special meeting of the independent non-executive Directors.

The Company shall convene special meetings of the independent non-executive Directors on a regular or ad hoc basis. Matters listed in items (I) to (III) of paragraph 1 of Article 132 and in Article 133 of the Articles of Association shall be considered by a special meeting of the independent non-executive Directors.

The special meetings of the independent non-executive Directors may consider and discuss other matters of the Company when necessary.

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

Minutes of special meetings of independent non-executive Directors should be prepared in accordance with the regulations and the views of independent non-executive Directors should be set out in the minutes. The independent non-executive 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 non-executive Directors.

## Section 4 Special Committees of the Board of Directors

**Article 135** 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 136** The Audit Committee shall be composed of at least 3 members, and all of them shall be non-executive Directors, a majority of whom shall be independent non-executive Directors, and at least one of the independent non-executive Directors shall possess appropriate professional qualifications or appropriate accounting or related financial management expertise as provided under the Hong Kong Listing Rules. The Audit Committee shall be chaired by an accounting professional among independent non-executive Directors (convener).

The Audit Committee shall be elected by the general meeting, and the members of the Audit Committee shall be elected or replaced by the general meeting.

**Article 137** 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 deliberation after the approval by a majority of all members of the Audit Committee:

- (I) disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;
- (II) appointment or dismissal of the accounting firm that undertakes the Company's auditing business;
- (III) appointment or dismissal of the Company's chief financial officer;
- (IV) changes in accounting policies, accounting estimates or correction of material accounting errors for reasons other than changes in accounting standards;
- (V) other matters as provided by the laws, administrative regulations, the Hong Kong Listing Rules, the requirements of the CSRC and the Articles of Association.

**Article 138** The Audit Committee shall hold at least one meeting every quarter, and may hold an extraordinary meeting when 2 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 two-thirds or more 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 139** The Board of Directors of the Company shall establish special committees including the nomination, remuneration and appraisal committees to 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. The Board of Directors shall be responsible for formulating the working procedures of the special committees.

**Article 140** More than half of the members of the Nomination Committee and the Remuneration and Appraisal Committee shall be independent non-executive Directors, who shall act as the convener. However, where relevant competent departments of the State Council provide otherwise with respect to the convener of the special committees, such provisions shall prevail.

**Article 141** The Nomination Committee is responsible for formulating the standards and procedures for the selection of directors and senior management, selecting and reviewing the candidates for directors and senior management and their qualifications for office, and making recommendations to the Board of Directors on the following matters:

- (I) nominating or removing of directors;
- (II) appointing or dismissing senior management;
- (III) other matters as provided by laws, administrative regulations, requirements of the CSRC, stock exchanges or securities regulatory authorities in 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 opinion of the Nomination Committee and the specific reasons for not adopting in the resolution of the Board of Directors and disclose the same.

**Article 142** The Remuneration and Appraisal Committee is responsible for formulating the evaluation criteria for directors and senior management and conducting the evaluation, preparing and reviewing the remuneration policies and programs for directors and senior management such as the mechanism for determining the remuneration of directors and senior management, the decision-making process, and the arrangements for the payment and stoppage of recourse, and making recommendations to the Board of Directors on the following matters:

- (I) the remuneration of directors and senior management;
- (II) formulating or changing the equity incentive plan and employee stock ownership plan, granting of rights and benefits to the targets of the incentives and fulfillment of the conditions for exercising the rights and benefits;
- (III) arranging share ownership schemes for directors and senior management in the subsidiaries proposed to be spun off;
- (IV) other matters as provided by laws, administrative regulations, requirements of the CSRC, stock exchanges or securities regulatory authorities in 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 opinion of the Remuneration and Appraisal Committee and the specific reasons for not adopting in the resolution of the Board of Directors and disclose the same.

## **Chapter 6 Senior Management**

**Article 143** The Company shall have one manager, who shall be appointed or removed by the Board of Directors.

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

The manager, the deputy managers, chief financial officer (financial controller), the secretary to the Board of Directors are senior management of the Company.

**Article 144** Article 100 of the Articles of Association regarding the circumstances under which a person may not serve as a director and Article 106 regarding the provisions on resignation management system shall also apply to senior management.

Article 102 of the Articles of Association regarding the provisions on directors' duty of loyalty and items (IV) and (V) of Article 103 of the Articles of Association regarding diligence shall also apply to senior management.

**Article 145** Any person who takes executive position other than a director or supervisor in the controlling shareholders of the Company shall not serve as senior management of the Company.

The Company's senior management are only paid by the Company and are not paid by the controlling shareholders on behalf of the Company.

**Article 146** The manager shall serve for a term of 3 years, and may be reappointed upon the expiry of his/her term of office.

**Article 147** The manager is accountable to the Board of Directors and exercises the following powers:

- (I) to manage the production and operation and administration of the Company and arrange for the implementation of the resolutions of the Board of Directors, and report work to the Board of Directors;
- (II) to arrange for the implementation of the Company's annual operation plans and investment proposals;
- (III) to formulate proposals for the establishment of the Company's internal management organs;
- (IV) to formulate the fundamental management system of the Company;
- (V) to formulate the Company's specific rules and regulations;

- (VI) to recommend the Board of Directors to appoint or dismiss any deputy manager, chief financial officer and other senior management personnel of the Company;
- (VII) to appoint or dismiss management personnel (other than those who shall be appointed or dismissed by the Board of Directors);
- (VIII) for transaction matters that do not meet the deliberation standards of the Board of Directors as stipulated in the Articles of Association, they shall be approved by the chairman or manager of the Company based on the authorization of the Board of Directors;
- (IX) other functions and powers conferred by the Articles of Association or the Board of Directors.

The manager may attend the meetings of the Board of Directors.

**Article 148** The manager shall formulate the working rules of the manager and submit them to the Board of Directors for approval before implementation.

**Article 149** The working rules of the manager shall include the following:

- (I) the conditions and procedures for convening, and participants of the manager meetings;
- (II) the duties and responsibilities of the manager and other members of the senior management;
- (III) the use of funds and assets of the Company, the authority to enter into material contracts and the systems for reporting to the Board of Directors;
- (IV) other matters deemed necessary by the Board of Directors.

**Article 150** The manager may resign prior to the expiry of his/her term of office. The resignation of the manager shall be dealt with in accordance with the service contract entered into between the manager and the Company.

**Article 151** The deputy manager and chief financial officer (financial controller) shall be nominated by the manager and appointed or dismissed by the Board of Directors. The deputy manager and chief financial officer (financial controller) shall serve a term of 3 years and may serve consecutive terms if reappointed.

**Article 152** The deputy managers and the chief financial officer (financial controller) shall carry out their work under the unified leadership of the manager, report to him/her, and perform relevant duties according to the assigned business scope.

The main responsibilities of the deputy manager are as follows:

- (I) assist the manager in his or her work;
- (II) exercise the manager's authority on behalf of the manager as authorized by the Board of Directors or the manager;

(III) be responsible for specific operational management tasks according to the division of labor.

**Article 153** The Company shall have a secretary to the Board of Directors, who shall be responsible for the preparation of the Company's general meetings and meetings of the Board of Directors, the custody of documents, the management of the information of the shareholders, and the handling of information disclosure matters.

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

**Article 154** The Company shall be liable for any damages caused to others by senior management in the performance of their duties for the Company, and the senior management shall also be liable for any damages caused by intent or gross negligence;

Where a member of the senior management violates any laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other regulatory rules of the place(s) where the Company's shares are listed or the Articles of Association in executing his/her office in the Company, causing losses to the Company, he/she shall be liable for compensation.

**Article 155** Senior management personnel of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If senior management personnel of the Company fail to faithfully perform their duties or breach their duty of good faith, causing damage to the interests of the Company and public shareholders, they shall be held legally liable for compensation.

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

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

**Article 156** The Company shall develop its financial and accounting systems pursuant to laws, administrative regulations and the requirements of the competent authorities of China.

**Article 157** The Company shall submit and disclose its annual report to the local branch of the CSRC (if required) and the stock exchange where the Company's shares are listed within 4 months from the end of each fiscal year and submit and disclose its interim report to the local branch office of the CSRC (if required) and the stock exchange where the Company's shares are listed within 2 months from the end of the first half of each fiscal year. The Company may also submit and disclose quarterly reports in accordance with the relevant requirements of the stock exchange where the Company's shares are listed. The above-mentioned financial and accounting reports shall be prepared in accordance with laws, administrative regulations, departmental rules, the requirements of the CSRC, stock exchanges or securities regulatory authorities in the place where the Company's shares are listed.

**Article 158** The Company shall not establish other accounting books except for the statutory accounting books. The funds of the Company shall not be deposited in any account opened in the name of any individual.

**Article 159** The objective of cash dividend policy of the Company is residual dividend. When the Company's operating cash flow falls below a certain specific level, profit distribution may not be made.

**Article 160** When the Company distributes its after-tax profit for the current year, 10% of the profit shall be accrued and included in the Company's statutory reserve. Such accrual is no longer required when the accumulated amount of the Company's statutory reserve is 50% or more of the Company's registered capital.

Where the accumulative amount of the Company's statutory reserve is not enough to make up for the losses of the previous year, the current year's profits shall first be used to make up for the losses before the statutory reserve is accrued according to the provisions of the preceding paragraph.

After having accrued statutory reserve from the after-tax profits, the Company can also set aside discretionary reserve from the after-tax profits upon a resolution made by the general meeting.

After the Company has covered its losses and made allocations to the reserves, any remaining after-tax profit shall be distributed to the shareholders in proportion to their respective shareholdings.

Where the general meeting, in violation of the Company Law, distributes profits to the shareholders, the profits so distributed shall be returned to the Company. If the Company suffers losses, the shareholders and responsible Directors and senior management shall be liable for compensation.

Profits shall not be distributed for the shares held by the Company itself.

**Article 161** The distribution of dividends (or shares) shall be completed within 2 months after the profit distribution plan has been resolved at the general meeting of the Company or the Board of Directors of the Company formulates a specific plan in accordance with the conditions and cap for the following year's interim dividend approved by the annual general meeting.

**Article 162** The reserve of the Company shall be used for making up losses, expanding the production and business scale or increasing the registered capital of the Company. Where the reserve of the Company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions.

Where the statutory reserve is converted to increase registered capital, the amount of such reserve retained shall not be less than 25% of the registered capital of the Company prior to the conversion.

## **Section 2 Internal Audit**

**Article 163** The Company implements an internal audit system, which specifies the leadership system, responsibilities and authorization, staffing, financial security, use of audit results and accountability for 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 164** The Company's internal audit institution shall supervise and inspect the Company's business activities, risk management, internal controls, financial information, and other matters. The internal audit institution shall maintain independence, appoint full-time auditors, and shall not be placed under the leadership of the finance department or co-located with the finance department.

**Article 165** The internal audit institution shall be accountable to the Board of Directors.

During the supervision and inspection of the Company's business activities, risk management, internal controls, and financial information, 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 report directly to the Audit Committee immediately.

**Article 166** The specific organization and implementation of the Company's internal control evaluation shall be the responsibility of the internal audit institution. 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 reviewed by the Audit Committee.

**Article 167** When the Audit Committee communicates with external audit units such as accounting firms and national audit institutions, the internal audit institution shall actively cooperate and provide necessary support and collaboration.

**Article 168** The Audit Committee shall participate in the evaluation of the person in charge of internal audit.

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

**Article 169** The Company shall employ an accounting firm that complies with the provisions of the Securities Law to conduct accounting statement audit, net asset verification and other related consulting services. The employment period is one year, and can be renewed.

**Article 170** The appointment and dismissal of an accounting firm by the Company shall be submitted to the Board of Directors for deliberation after obtaining the approval of more than half of all members of the Audit Committee, and then shall be decided by the general meeting. The Board of Directors shall not appoint any accounting firm prior to the approval of the general meeting.

**Article 171** The Company shall guarantee to provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or falsification of data.

**Article 172** The auditing fees payable to the accounting firm shall be determined by the general meeting.

**Article 173** The Company shall notify the accounting firm 30 days in advance when dismissing or no longer renewing the accounting firm. The accounting firm shall be allowed to state its opinions when the general meeting votes on dismissing the accounting firm.

If the accounting firm proposes to resign, it shall explain to the general meeting whether the Company has any improper situation.

## Chapter 8 Notice and Announcement

### Section 1 Notice

**Article 174** Notices of the Company may be delivered through the following manners:

- (I) by hand;
- (II) by telephone or other online communication tools;
- (III) by express delivery;
- (IV) by post, fax, email, or other similar means;
- (V) announced on the websites designated by the Company and the Hong Kong Stock Exchange, in compliance with laws, administrative regulations, and the listing rules of the stock exchange where the Company's shares are listed;
- (VI) other forms stipulated in the Articles of Association.

**Article 175** Where a notice issued by the Company is in the form of an announcement, all relevant persons are deemed to have received the notice once the announcement is made.

**Article 176** The notice of the general meeting of the Company is delivered through written notices, telephones, faxes, emails, or announcements.

**Article 177** The notice of the Board meeting of the Company is delivered through written notices, telephones, faxes, emails, or announcements.

**Article 178** The notice of the Audit Committee meeting of the Company is delivered through written notices, telephones, faxes, emails, or announcements.

**Article 179** For a notice of the Company delivered by hand, the notice shall be deemed to be received upon signing (or affixing the seal) by the recipient on the note of receipt and the receipt date shall be the date of serving. If the notice is delivered by post, it shall be deemed to be received on the third working day from the date the notice is delivered to the post office. Notices sent by fax shall be deemed served on the date of transmission; those sent by email shall be deemed served on the date the email is sent; and those given by telephone shall be deemed served on the day of notice. If the notice is delivered by way of announcement, it shall be deemed to be received on the date on which the announcement is first published.

**Article 180** Purely because a notice of a meeting is not issued to a person entitled to the notice or such a person fails to receive the notice for any accidental omission, the validity of the meeting and the resolutions of the meeting shall not be affected.

### Section 2 Announcement

**Article 181** The Company's official website and the website of the Hong Kong Stock Exchange are designated by the Company as the media through which the Company's announcements and other information shall be disclosed.

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

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

**Article 182** The merger of the company may take the form of either merger by absorption or merger by establishment of a new entity.

One company absorbing another company is merger by absorption, and the company being absorbed shall be dissolved. Merger of 2 or more companies through establishment of a new company is merger by establishment of a new entity, and the parties to the merger shall be dissolved.

**Article 183** If the consideration paid for the merger does not exceed 10% of the Company's net assets, it may be implemented without a resolution of the general meeting, except as otherwise provided in the Articles of Association.

Where a merger is effected without a general meeting resolution in accordance with the preceding paragraph, it shall be subject to a resolution of the Board of Directors.

**Article 184** A merger agreement shall be signed by merging companies and the involved companies shall prepare respective balance sheets and schedules of assets. The companies shall within 10 days of the date of passing the resolution approving the merger notify their respective creditors and publicly announce the merger in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. A creditor may, within 30 days of receipt of the notice, or within 45 days of the date of the announcement if he/she has not received the notice, request the Company to settle any outstanding debts or provide relevant guarantees.

**Article 185** In case of a merger, the claims and debts of the merging parties shall be assumed by the surviving or the new company.

**Article 186** In case of a division, the Company's assets shall be divided accordingly.

In case of a division, a balance sheet and a schedule of assets shall be prepared. When a resolution regarding the Company's division is approved, the Company should notify all its creditors within 10 days of the date of passing such resolution and publicly announce the division in newspapers or through the National Enterprise Credit Information Publicity System within 30 days.

**Article 187** The liabilities of the Company which have accrued prior to the division shall be jointly and severally borne by the divided companies, unless an agreement in writing is reached with creditors before the Company's division in respect of the settlement of debts.

**Article 188** The Company will prepare a balance sheet and a schedule of assets when it reduces its registered capital.

The Company shall, within 10 days of the date of passing the resolution approving the reduction of the registered capital at the general meeting, notify its creditors and publicly announce the reduction in newspapers or through the National Enterprise Credit Information Publicity System within 30 days. A creditor may, within 30 days of receipt of the notice, or within 45 days of the date of the announcement if he/she has not received the notice, request the Company to settle any outstanding debts or provide relevant guarantees.

When the Company reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to the shares held by the shareholders, unless otherwise provided in laws or these Articles of Association.

**Article 189** After making up losses in accordance with Paragraph 2 of Article 162 of the Articles of Association, if the Company still has losses, it may reduce its registered capital to make up the losses. When reducing registered capital to make up losses, the Company shall not distribute profits to shareholders, nor may it exempt shareholders from their obligation to contribute capital or share payments.

Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of Paragraph 2 of Article 188 of the Articles of Association shall not apply, but an announcement shall be made in newspapers or on the National Enterprise Credit Information Publicity System within 30 days after the resolution approving the reduction has been passed by the general meeting.

After reducing its registered capital in accordance with the preceding two paragraphs, the Company shall not distribute profits until the cumulative amount of its statutory reserve fund and discretionary reserve fund reaches 50% of its registered capital.

**Article 190** In the event that the registered capital is reduced in violation of the Company Law and other relevant regulations, the shareholders shall return the funds received and the original status shall be restored if the shareholders' capital contribution is reduced or exempted; if the Company suffers losses, the shareholders and responsible Directors and senior management shall be liable for compensation.

**Article 191** When the Company issues new shares for the purpose of increasing its registered capital, the shareholders shall not be entitled to pre-emptive rights, unless otherwise provided for in the Articles of Association or determined by a resolution of the general meeting that the shareholders shall be entitled to pre-emptive rights.

**Article 192** Changes in the business registration of the companies as a result of the merger or division shall be registered with the company registration authority according to law. In accordance with law, cancellation of a company shall be registered when a company is dissolved and incorporation of a company shall be registered when a new company is incorporated.

When the Company increases or reduces its registered capital, it shall register the change with a company registration authority in accordance with the law.

## **Section 2 Dissolution and Liquidation**

**Article 193** The Company may be dissolved for the following reasons:

- (I) the term of business operation as stipulated by the Articles of Association expires or other circumstances for dissolution as stipulated by the Articles of Association arise;
- (II) the general meeting resolves to dissolve the Company;
- (III) dissolution is necessary as a result of the merger or division of the Company;
- (IV) the business license is revoked or it is ordered to close down or it is deregistered according to law;
- (V) serious difficulties arise in the operation and management of the Company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding 10% or more of the voting rights of the Company may petition a people's court to dissolve the Company.

If any of the causes for dissolution mentioned in the preceding paragraph arises, the Company shall publicize such cause for dissolution through the National Enterprise Credit Information Publicity System within 10 days.

**Article 194** The Company may continue in existence by amending the Articles of Association or upon a resolution of the general meeting under any of the circumstances prescribed in item (I) or (II) of Article 193 and it has not distributed the assets to its shareholders.

Any amendment to the Articles of Association or resolution of the general meeting under the preceding paragraph shall be subject to the consent of shareholders with two-thirds or more of the voting rights present at the general meeting.

**Article 195** Where the Company is to be dissolved pursuant to items (I), (II), (IV) and (V) of Article 193, it shall be liquidated. The Directors, who are the liquidation obligors of the Company, shall form a liquidation committee to commence the liquidation process within 15 days from the date when the event of dissolution occurs.

The liquidation committee shall be composed of the Directors, unless it is otherwise provided for in the Articles of Association or otherwise elected by the general meeting.

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

**Article 196** The liquidation committee may exercise the following powers during the liquidation:

- (I) to sort out the Company's assets and to prepare a balance sheet and an inventory of assets;
- (II) to notify the Company's creditors or publish announcements;

- (III) to deal with any outstanding business related to the liquidation;
- (IV) to pay any overdue tax together with any tax arising during the liquidation process;
- (V) to settle the Company's claims and liabilities;
- (VI) to handle the Company's remaining assets after its debts have been paid off;
- (VII) to represent the Company in any civil procedures.

**Article 197** Within 10 days of the establishment of the liquidation committee, the creditors shall be notified and an announcement shall be published in newspapers or through the National Enterprise Credit Information Publicity System within 60 days. Creditors shall file their claims with the liquidation committee within 30 days of receiving the notice, or within 45 days of publication of the notice if any such creditor does not receive the notice.

In filing their claims, creditors shall provide all relevant details relating thereto and provide supporting materials. The liquidation committee shall make records of such claims.

The liquidation committee shall not pay out on any creditors' claims while such claims are still being filed.

**Article 198** After identifying the Company's assets and preparing the balance sheet and schedule of assets, the liquidation committee shall prepare a liquidation plan, which shall be submitted to the general meeting or the people's court for ratification.

After paying all liquidation expenses, staff wages, social insurance expenses and statutory compensation, outstanding taxes, and the Company's debts, the remaining assets shall be distributed to the shareholders in proportion to their respective shareholdings.

During the liquidation, the Company shall continue to exist, but shall not carry out business activities irrelevant to the liquidation. The property of the Company shall not be distributed to any shareholder before full payments have been made out of the property in accordance with the preceding paragraph.

**Article 199** Where the liquidation committee finds that the property of the Company is not sufficient for paying off the debts after liquidating the property of the Company and preparing a balance sheet and an inventory of property, it shall file an application to a people's court for bankruptcy liquidation.

After the people's court accepts the application for bankruptcy, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

**Article 200** Upon completion of the liquidation of the Company, the liquidation committee shall produce a liquidation report, report the same to the general meeting or the people's court for confirmation, and submit the same to the company registration authority to apply for deregistration of the Company.

**Article 201** The members of the liquidation committee performing their duties of liquidation are obliged to loyalty and diligence.

Any member of the liquidation committee who neglects to fulfill his/her liquidation duties, thus causing any loss to the Company shall be liable for compensation;

Any member of the liquidation committee who causes any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

**Article 202** Where the Company is declared bankrupt according to law, bankruptcy liquidation shall be conducted pursuant to the laws on bankruptcy of enterprises.

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

**Article 203** The Company will amend the Articles of Association in any of the following circumstances:

- (I) after amendments are made to the Company Law, other relevant laws, administrative regulations, the Articles of Association run counter to the said amendments;
- (II) the conditions of the Company have changed, and such change is not covered in the Articles of Association;
- (III) the general meeting has resolved to amend the Articles of Association.

**Article 204** Where the amendments to the Articles of Association passed by the general meeting require the examination and approval by the competent authorities, these amendments shall be submitted thereto for approval. Where the amendment of the Articles of Association involves registration, it shall carry out the lawfully prescribed procedures for registration change.

**Article 205** The Board of Directors shall amend the Articles of Association in accordance with the resolution of the general meeting on amendment to the Articles of Association and the examination and approval opinions from relevant competent authorities.

**Article 206** Amendments to the Articles of Association are information required to be disclosed by laws and regulations and shall be announced in accordance with such requirements.

## **Chapter 11 Supplementary Provisions**

**Article 207** Definitions

- (I) A controlling shareholder means a shareholder who holds 50% or more of the total share capital of a joint stock limited company or a shareholder who holds less than 50% of the total shares but holds voting rights sufficient to have a significant influence on resolutions of the general meeting.
- (II) An actual controller means a natural person, legal person or other organization being able to effectively direct the activities of the Company by virtue of investment relationship, agreement or other arrangements.

(III) Connected relationship refers to the relationship between the Company's controlling shareholders, actual controllers, Directors, supervisors (if any) and senior management on the one hand and the enterprises they directly or indirectly control on the other hand, as well as other relationships that may lead to the diversion of the Company's interests, and other relationship defined under the Hong Kong Listing Rules. However, State-controlled enterprises are considered connected not purely due to their common state ownership.

**Article 208** The Board of Directors may, in accordance with the Articles of Association, formulate detailed rules of the Articles which shall not be in conflict with the provisions hereof.

**Article 209** The Articles of Association are written in Chinese. Where the versions written in other languages are in conflict with the Chinese version, the latest verified Chinese version registered with Shenzhen Administration for Market Regulation shall prevail.

**Article 210** The terms "or more", and "within" referred to herein shall include the given figure; and the terms "exceed", "beyond", "less than" and "more than" shall not include the given figure.

**Article 211** Matters not covered in the Articles of Association shall be handled in accordance with the laws, regulations, the relevant provisions of stock exchanges or securities regulatory authorities in the place where the Company's shares are listed (including but not limited to the Hong Kong Listing Rules, the Hong Kong Securities and Futures Ordinance) in conjunction with the actual situation of the Company. If the Articles of Association are in conflict with the laws, regulations, or provisions of the listing rules of the place(s) where the Company's shares are listed promulgated from time to time, such laws, regulations, and provisions of the listing rules of the place(s) where the Company's shares are listed shall prevail.

**Article 212** The power of interpretation of the Articles of Association shall be vested in the Board of Directors of the Company.

**Article 213** The appendices to the Articles of Association include the rules of procedure of the general meeting and the rules of procedure for the Board of Directors.

**Article 214** The Article of Association was approved by the general meeting and shall become effective on the date on which the Company's initial public offering of overseas listed foreign shares (H shares) are listed on the Hong Kong Stock Exchange. From the effective date of the Articles of Association, the Company's original Articles of Association shall automatically become invalid.

(The followings are intentionally left blank)