

**Delton Technology (Guangzhou) Inc.**

**Articles of Association**

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## CHAPTER 1 GENERAL PROVISIONS

**Article 1** To safeguard the legitimate rights and interests of the Company, its shareholders, employees and creditors, and to regulate the organization and activities of the Company, the Articles of Association are compiled in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange Listing Rules”, including any interpretations, guidance and amendments thereto issued by The Stock Exchange of Hong Kong Limited from time to time), and other relevant laws, regulations, departmental rules, normative documents and the relevant provisions of the securities regulatory authorities in the jurisdictions where the Company’s shares are listed (hereinafter collectively referred to as the “securities regulatory rules of the places where the Company’s shares are listed”).

**Article 2** Delton Technology (Guangzhou) Inc. is a joint-stock limited company established in accordance with the Company Law and other relevant regulations (hereinafter referred to as the “Company”). The Company was established through the overall conversion of Delton Technology (Guangzhou) Co., Ltd. (廣合科技(廣州)有限公司), by way of incorporation. The Company is registered with the Guangzhou Municipal Administration for Market Regulation with its business license number being: 91440116739749431N.

**Article 3** The Company was approved by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) on 14 September 2023 to make an initial public offering of 42,300,000 RMB ordinary shares, which were listed on the Main Board of Shenzhen Stock Exchange (hereinafter referred to as the “SZSE”) on 2 April 2024. After the issue of a notification by the CSRC on 16 January 2026, the Company was approved by The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”; collectively with the SZSE, referred to as the “Stock Exchanges”) on March 19, 2026 to make an initial public offering of 46,000,000 overseas listed ordinary shares (hereinafter referred to as “H Shares”) in Hong Kong, which were listed on the Main Board of Hong Kong Stock Exchange on March 20, 2026.

**Article 4** Registered company name: Delton Technology (Guangzhou) Inc.

**Article 5** Company address: No.22 Baoying South Road, Bonded Zone, Guangzhou City, Guangdong Province. Postal code: 510730.

**Article 6** The Company’s registered capital is RMB472,446,482.

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

**Article 8** The chairman of the Board of Directors is the legal representative of the Company.

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

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

**Article 9** The legal representative engages in civil activities in the name of the Company and the legal consequences thereof shall be borne by the Company. The restrictions on the powers of the legal representative imposed by the Articles of Association or the Shareholders' Meeting shall not be asserted against a third party acting in good faith.

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

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

**Article 11** The Articles of Association shall, from their effective date, constitute a legally binding document that regulates the organization and conduct of the Company, as well as the rights and obligations between the Company and its shareholders and among shareholders, and shall be legally binding on the Company, its shareholders, directors and senior management. Under the Articles of Association, shareholders may sue other shareholders, shareholders may sue the Company's directors and senior management, shareholders may sue the Company, and the Company may sue its shareholders, directors and senior management.

**Article 12** Members of the senior management mentioned in the Articles of Association refer to the general manager, deputy general manager, secretary to the Board of Directors and financial officer of the Company.

**Article 13** The Company has established a party organization in accordance with the provisions of the Constitution of the Communist Party of China to engage in party activities. The Company shall provide necessary conditions for activities of the party organization.

## **CHAPTER 2 BUSINESS PURPOSE AND SCOPE**

**Article 14** The Company's business purpose is to enhance overall socio-economic benefits through efficient and flexible operating mechanisms, be guided by technological advancement, be talent-oriented, continuously strengthen the Company's core competitiveness, properly balance the interests of shareholders, employees and customers, conduct its operations in a regulated and compliant manner, and achieve satisfactory returns.

**Article 15** The Company's business scope, as legally registered, includes: power electronics technology services; intelligent machinery systems technology services; unmanned aerial vehicle systems technology services; information system security services; manufacture of electronic components and parts; manufacture of printed circuit boards; and import and export of goods (excluding commodities subject to special state administration).

## CHAPTER 3 SHARES

### SECTION 1 ISSUANCE OF SHARES

**Article 16** The Company's shares are in the form of registered shares. In addition to the particulars required by the Company Law, the share certificates of the Company shall also contain such other particulars as may be required by the stock exchange where the shares are listed. In accordance with the regulatory rules of the securities regulatory authority and the customary practice for securities registration and depository in the place where the Company's shares are listed, H shares issued by the Company may be in the form of overseas depository receipts or other derivative forms of shares.

**Article 17** The issuance of the Company's shares shall follow the principles of openness, fairness and impartiality, and each share of the same class shall have equal rights.

For shares of the same class issued in the same tranche, the issuance conditions and price per share shall be identical; and each subscriber shall pay the same price per share for the shares subscribed. The A shares and H shares issued by the Company shall rank equally in any distribution made in the form of dividends (including cash and in-kind distributions) or otherwise.

**Article 18** The par value of the Company's shares is denominated in Renminbi. The shares issued by the Company and listed on the SZSE are hereinafter referred to as "A Shares"; and the shares issued by the Company and listed on the Hong Kong Stock Exchange are hereinafter referred to as "H Shares".

**Article 19** The A Shares issued by the Company are centrally deposited with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd; and the H Shares issued by the Company shall be primarily deposited with a custodian company under the Hong Kong Securities Clearing Company Limited in accordance with laws, securities regulatory rules, and practices of securities registration and depository of the place where the shares are listed, and may also be held by shareholders in their own names.

**Article 20** The Company was established by way of conversion of audited book net assets as of April 30, 2020 into shares by Delton Technology (Guangzhou) Co., Ltd. (廣合科技(廣州)有限公司) on an integral basis. The promoters, numbers of subscribed shares, percentage of shareholding, and methods of contribution of the Company are as follows:

No.	Name of promoters	Numbers of subscribed shares	Percentage of shareholding (%)	Methods of contribution	Time of contribution
1	Guangzhou Zhenyun Investment Co., Ltd. (廣州臻蘊投資有限公司)	171,142,853	48.8980	Shares converted from net assets	June 19, 2020
2	Shenzhen Guangxie Investment Enterprise (Limited Partnership) (深圳廣諧投資企業(有限合夥))	43,249,099	12.3569	Shares converted from net assets	June 19, 2020

No.	Name of promoters	Numbers of subscribed shares	Percentage of shareholding (%)	Methods of contribution	Time of contribution
3	Shenzhen Guangsheng Investment Enterprise (Limited Partnership) (深圳廣生投資企業(有限合夥))	28,832,734	8.2379	Shares converted from net assets	June 19, 2020
4	Shenzhen Guangcai Investment Enterprise (Limited Partnership) (深圳廣財投資企業(有限合夥))	28,832,734	8.2379	Shares converted from net assets	June 19, 2020
5	Xinyu Senze Mergers and Acquisitions Investment Management Partnership (Limited Partnership) (新餘森澤併購投資管理合夥企業(有限合夥))	24,150,000	6.9000	Shares converted from net assets	June 19, 2020
6	Changjiang Securities Innovation Investment (Hubei) Co., Ltd. (長江證券創新投資(湖北)有限公司)	14,315,768	4.0902	Shares converted from net assets	June 19, 2020
7	Guangdong Yueke Zhenyue No. 1 Equity Investment Partnership (廣東粵科振粵一號股權投資合夥)	8,676,223	2.4789	Shares converted from net assets	June 19, 2020
8	Ningbo Lijin Equity Investment Partnership (Limited Partnership) (寧波麗金股權投資合夥企業(有限合夥))	7,808,600	2.2310	Shares converted from net assets	June 19, 2020
9	Shenzhen Talent Innovation Venture No. 2 Equity Investment Fund Partnership (Limited Partnership) (深圳市人才創新創業二號股權投資基金合夥企業(有限合夥))	7,114,503	2.0327	Shares converted from net assets	June 19, 2020
10	Guangdong Yueke Shanhua Venture Capital Co., Ltd. (廣東粵科汕華創業投資有限公司)	5,784,147	1.6526	Shares converted from net assets	June 19, 2020
11	Shenzhen Baochuang Gongying Industrial Investment Fund Partnership (Limited Partnership) (深圳寶創共贏產業投資基金合夥企業(有限合夥))	3,470,489	0.9916	Shares converted from net assets	June 19, 2020
12	Guangdong Zichen Venture Capital Partnership (Limited Partnership) (廣東紫宸創業投資合夥企業(有限合夥))	3,470,489	0.9916	Shares converted from net assets	June 19, 2020
13	Shanghai Zekai Investment Partnership (Limited Partnership) (上海則凱投資合夥企業(有限合夥))	2,892,074	0.8263	Shares converted from net assets	June 19, 2020

No.	Name of promoters	Numbers of subscribed shares	Percentage of shareholding (%)	Methods of contribution	Time of contribution
14	Heying Tongsheng (Wuhan) Enterprise Management Center (Limited Partnership) (禾盈同晟(武漢)企業管理中心(有限合夥))	144,604	0.0413	Shares converted from net assets	June 19, 2020
15	Shenzhen Xiaohe Venture Capital Partnership (Limited Partnership) (深圳市小禾創業投資合夥企業(有限合夥))	115,683	0.0331	Shares converted from net assets	June 19, 2020
<b>Total</b>		<b>350,000,000</b>	<b>100</b>	-	-

**Article 21** Upon the completion of the initial public offering of the H Shares, the total share capital of the Company comprises 472,446,482 shares, all of which are ordinary shares, including 426,446,482 ordinary A shares, representing 90.26% of the total share capital of the Company, and 46,000,000 ordinary H shares, representing 9.74% of the total share capital of the Company.

**Article 22** Neither the Company nor its subsidiaries (including the Company's affiliates) shall provide financial assistance to others in acquiring shares in the Company or its parent company in the form of gifts, advances, guarantees or loans, except for the Company's implementation of an employee stock ownership plan.

For the benefit of the Company, upon resolution of the Shareholders' Meeting, or resolution of the Board of Directors in accordance with the authorization of the Articles of Association or the Shareholders' Meeting, the Company may provide financial assistance to others in acquiring shares in the Company or its parent company, provided that the aggregate amount of such financial assistance shall not exceed ten percent of the total issued share capital. Resolutions from the Board of Directors shall be passed by more than two-thirds of all directors.

## SECTION 2 INCREASE, REDUCTION AND REPURCHASE OF SHARES

**Article 23** In light of the Company's operational and developmental needs, the Company may increase its registered capital in accordance with the laws and regulations and subject to a resolution of the Shareholders' Meeting, by any of the following methods:

- (1) issuing shares to non-specific objects upon approval by the relevant authorities;
- (2) issuing shares to specific objects;
- (3) allotment of bonus shares to existing shareholders;
- (4) conversion of reserve into share capital;

- (5) other methods permitted by laws, administrative regulations and the securities regulatory authorities of the place where the Company's shares are listed.

Any increase in the registered capital of the Company shall be subject to the procedures prescribed in relevant laws and regulations, after obtaining approval in compliance with the Articles of Association and the securities regulatory rules of the place where the Company's shares are listed.

**Article 24** 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, Hong Kong Stock Exchange Listing Rules, other relevant laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, as well as the Articles of Association.

**Article 25** The Company shall not repurchase its shares. However, exceptions are made in any of the following cases, provided that they do not violate laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association:

- (1) to reduce the registered capital of the Company;
- (2) to merge with other companies that hold shares in the Company;
- (3) to use the shares for employee shareholding schemes or as share incentives;
- (4) to acquire the shares of shareholders (upon their request) who vote against any resolution adopted at any Shareholders' Meeting on the merger or division of the Company;
- (5) to use the shares to satisfy the conversion of those corporate bonds convertible into shares issued by the Company;
- (6) to safeguard corporate value and shareholders' equity as the Company deems necessary;
- (7) other circumstances as stipulated by laws, regulations, and the securities regulatory rules of the place where the Company's shares are listed.

**Article 26** The Company may repurchase its own shares through public centralized trading, or through other means recognized by the laws, administrative regulations, the securities regulatory authorities of the place and the stock exchange where the Company's shares are listed, and shall comply with the provisions under applicable laws and regulations, as well as securities regulatory rules of the place where the Company's shares are listed.

Where the purchases of the Company's shares under any of the circumstances specified in items (iii), (v) and (vi) under the first paragraph of Article 25 of the Articles of Association, centralized trading shall be adopted publicly.

**Article 27** Where the Company purchases its own shares under any of the circumstances specified in items (i) and (ii) of Article 25 of the Articles of Association, it shall require a resolution of the Shareholders' Meeting. Where the Company purchases its own shares under any of the circumstances specified in items (iii), (v) and (vi) of Article 25 of the Articles of Association, it shall, prevailing provided that it complies with the applicable securities regulatory rules of the place where the Company's shares are listed, require a resolution of a Board of Directors attended by two-thirds or more of the directors in accordance with the requirements of the Articles of Association or the authorization of the Shareholders' Meeting.

Where the Company purchases its own shares, it shall fulfill the obligation of information disclosure in accordance with the securities regulatory rules of the place where the Company's shares are listed.

For A Shares, after the Company purchasing its own shares pursuant to the first paragraph of Article 25 of the Articles of Association, such shares shall be canceled within 10 days from the date of purchase under the circumstance as described in item (i); such shares shall be either transferred or canceled within six months under the circumstances as described in items (ii) and (iv); the aggregate number of shares it holds shall not exceed 10% of the total shares in issue of the Company and such shares shall be transferred or canceled within three years under the circumstances as described in items (iii), (v) and (vi).

For H Shares, if there are other provisions in laws, regulations, and the securities regulatory authorities of the place where the Company's shares are listed concerning matters related to share repurchase, such provisions shall prevail.

### SECTION 3 TRANSFER OF SHARES

**Article 28** The shares of the Company shall be transferred in accordance with the law. The transfer of H Shares listed in Hong Kong shall be registered with the share registrar in Hong Kong appointed by the Company.

All transfers of H Shares shall be made using written transfer documents in the general or common format or any other format acceptable to the Board of Directors (including the standard transfer format or transfer form prescribed by the Hong Kong Stock Exchange from time to time). The transfer document can only be signed by hand or stamped with a valid company seal (if the transferor or transferee is a company). If the transferor or transferee is a recognized clearing house (hereinafter referred to as a "recognized clearing house") or its agent as defined by relevant regulations or securities regulatory rules of the place where the Company's shares are listed in accordance with Hong Kong law from time to time, the transfer document may be signed by hand or machine printing. All transfer documents shall be kept at the Company's legal address or the address designated by the Board of Directors from time to time.

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

**Article 30** Shares already issued by the Company before the public offering of A Shares shall not be transferred within 1 year of the date on which the A Shares of the Company are listed on the stock exchange.

Directors and senior executives of the Company shall declare to the Company the shares they hold in the Company and any changes thereto. During the term of office as determined when they assume their posts, the shares transferred by directors and senior executives each year shall not exceed 25% of the total shares of the same category they hold in the Company. The shares they hold in the Company shall not be transferred within 1 year from the date on which the Company's shares are listed. The above-mentioned personnel shall not transfer the shares they hold in the Company within six months after they leave office. If directors or senior executives leave office before the expiration of their term, they shall continue to comply with the share reduction ratio requirements stipulated in the Company Law and the securities regulatory rules of the place where the Company's shares are listed and other relevant laws and regulations during the term of office as determined when they assumed their posts and within six months after the expiration of their term.

If the securities regulatory rules of the place where the Company's shares are listed have additional provisions on the transfer restrictions of the Company's shares, the relevant parties shall also comply with such provisions.

**Article 31** Where the Company's shareholders who hold 5% or more of the Company's shares (excluding any recognized clearing house as defined by relevant regulations or securities regulatory rules of the place where the Company's shares are listed in accordance with Hong Kong law from time to time, or its nominees), directors or senior executives sell the Company's shares they hold within six months of the relevant purchase, or purchase any share or other equity securities they have sold within six 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 underwriting and other circumstances as stipulated by the securities regulatory authorities of the place where the Company's shares are listed.

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.

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

## CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' MEETING

### SECTION 1 SHAREHOLDERS

**Article 32** The Company shall establish a register of shareholders based on the certificates provided by the securities registration and settlement institution of the place where the Company's shares are listed. The register of shareholders shall be sufficient evidence proving the shareholders' holding of the Company's shares. The original register of holders of H Shares listed in Hong Kong shall be maintained in Hong Kong and available for inspection by shareholders, whilst the Company may close the register of shareholders in accordance with the provisions of applicable laws and regulations and the securities regulatory rules of the place where the Company's shares are listed. Shareholders shall enjoy rights and assume obligations according to the class of shares held by them. Shareholders who hold existing shares of the same class shall enjoy equal rights and assume equal obligations.

Any shareholder registered in the H-share register or any person requesting to have their name (or designation) registered in the H-share register may, in the event of the loss of their share certificate(s), apply to the Company for the replacement of new share certificate(s) in respect of such shares. If a holder of overseas-listed foreign shares loses their share certificate(s) and applies for replacement, the matter may be handled in accordance with the laws of the jurisdiction where the original copy of the overseas-listed foreign share register is maintained, the rules of the relevant securities exchange, or other applicable regulations.

The Company shall maintain a complete register of shareholders. The register of shareholders comprises the following parts:

- (1) The part kept at the Company's registered office, excluding those specified in items (2) and (3) of this paragraph;
- (2) The H-share register kept at the location of the stock exchange where the Company's shares are listed overseas;
- (3) Any other part(s) of the register of shareholders that the Board of Directors decides to keep elsewhere for the purpose of the Company's share listing. The various parts of the register of shareholders shall not overlap. The transfer of shares registered in one part of the register of shareholders shall not be registered in any other part of the register of shareholders during the period of such registration. Alterations or corrections to any part of the register of shareholders shall be made in accordance with the laws of the place where that part is kept.

The Company shall keep a duplicate of the H-share register at its registered office. The appointed overseas agent shall at all times ensure the consistency between the original and the duplicate of the H-share register. The register of shareholders kept in Hong Kong shall be available for inspection by shareholders, provided that the Company may be permitted to suspend the registration of share transfers in accordance with provisions equivalent to Section 632 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

In the event of any discrepancy between the original and the duplicate of the H-share register, the original shall prevail.

With respect to H-share shareholders, where two or more persons are registered as joint holders of any H shares, they shall be deemed to be joint tenants of such H shares and shall be subject to the following provisions:

- (1) The Company shall not register more than four persons as joint holders of any H shares;
- (2) All joint holders of any H shares shall be liable severally and jointly for the payment of all sums payable in respect of such H shares;
- (3) In the event of the death of any joint holder, the survivor(s) shall be the only person(s) recognized by the Company as having any title to such H shares, but the Board of Directors has the right to request the the survivor(s) thereof to provide evidence of death as it deems fit for the purpose of amending the register of shareholders;
- (4) For joint holders of any H shares, only the person whose name stands first in the register of shareholders in respect of such H shares shall be entitled to receive the share certificate or any notice from the Company, and any notice served on such person shall be deemed to have been served on all the joint holders of such H shares; any one of the joint holders may execute a proxy form, provided that if more than one of the joint holders are present in person or by proxy at any meeting, the vote of the senior holder who votes, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder(s). For this purpose, seniority shall be determined by the order in which the names stand in the register of shareholders of the Company in respect of the relevant H shares;
- (5) A receipt for any dividend, bonus or other monies payable in respect of H shares given by any one of the joint holders shall be as effectual a discharge to the Company as if given by all such joint holders.

**Article 33** When the Company convenes a Shareholders' Meeting, distributes dividends, conducts liquidation, or engages in other activities that require confirmation of shareholder identity, the Board of Directors or the convener of the Shareholders' Meeting shall determine the record date. Shareholders registered in the Company's register of Shareholders as at the close of business on the record date shall be recognized as shareholders entitled to the relevant rights and interests.

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

- (1) to receive dividends and other forms of distributions in proportion to their shareholdings;
- (2) to legally require to convene, summon, preside over, participate in or authorize proxies of Shareholders to attend the Shareholders' Meeting and exercise corresponding voting rights;
- (3) to supervise business operations of the Company, and to present proposals or to raise inquiries;
- (4) to transfer, grant or pledge shares in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the provisions of the Articles of Association;
- (5) to read and copy the Articles of Association, the register of Shareholders, Shareholders' Meeting minutes, resolutions of meetings of the Board of Directors and financial and accounting reports;
- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining property of a company in proportion to the number of shares held;
- (7) to require the Company to acquire the shares from Shareholders voting against any resolutions adopted at the Shareholders' Meeting concerning the merger and division of the Company;
- (8) other rights conferred by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 35** When a shareholder requests to inspect or copy the Company's relevant materials, he or she shall present evidence to prove the class and amount of shareholdings in writing. The Company shall comply with the shareholder's request after verifying his/her identity.

**Article 36** A resolution of the Shareholders' Meeting or the Board of Directors of the Company may be declared void by the People's Court upon application from shareholders if the content contravenes the laws or administrative regulations.

If the convening procedure or voting method of a Shareholders' Meeting or the Board of Directors' Meeting contravenes the laws, administrative regulations or the Articles of Association, or if the contents of the resolutions of such meetings contravene the Articles of Association, the shareholders can request the people's court to revoke the resolution within 60 days from the date of the resolution. However, this shall not apply if the convening procedures or voting methods of the Shareholders' Meeting or Board of Directors' Meeting involve only minor procedural defects and have no material impact on the resolution.

If there is a dispute among the Board, shareholders, or other relevant parties regarding the validity of a Shareholders' Meeting resolution, the concerned parties shall promptly file a lawsuit with the People's Court. Before the People's Court issues a judgment or ruling to revoke the resolution, the relevant parties shall implement the resolution. The Company, directors, and senior management shall diligently perform their duties to ensure the normal operation of the Company.

If the People's Court issues a judgment or ruling on the matter, the Company shall comply with the disclosure obligations in accordance with laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed, fully explain the impact, and actively cooperate with the execution after the judgment or ruling takes effect. If correction of prior matters is involved, the Company shall promptly address them and fulfill the corresponding disclosure obligations.

**Article 37** In any of the following circumstances, the resolution of the Shareholders' Meeting or the Board of Directors of the Company shall be invalid:

- (1) Failure to convene a Shareholder's Meeting or Board of Directors' Meeting to make a resolution;
- (2) The Shareholders' Meeting and the Board of Directors' Meeting did not vote on the resolution matters;
- (3) The number of attendees or the number of voting rights held at the meeting does not reach the number or number of voting rights stipulated in the Company Law or the Articles of Association;
- (4) The number of people or the number of voting rights held who agree to the resolution does not reach the number or number of voting rights stipulated in the Company Law or the Articles of Association.

**Article 38** When directors or senior management personnel other than members of the Audit Committee violate laws, administrative regulations, or the provisions of the Articles of Association in the performance of their duties, thereby causing losses to the Company, Shareholders who have individually or collectively held 1% or more of the Company's shares for a continuous period of 180 days or more are entitled to make a written request to the Audit Committee to initiate legal proceedings in the People's Court. When members of the Audit Committee violate laws, administrative regulations, or the provisions of the Articles of Association in the performance of their duties, thereby causing losses to the Company, the aforementioned Shareholders may make a written request to the Board of Directors to initiate legal proceedings in the people's court.

If the audit committee or the Board of Directors refuses to take legal action upon receipt of the request in writing from the shareholders as prescribed in the preceding paragraph, or does not lodge a legal action within 30 days from the date of receiving such a request, or in case of emergency or failure to take immediate legal action will cause irreparable damage to the interests of the Company, the shareholders prescribed in the preceding paragraph shall have the right to lodge a legal action directly with a people's court in their own names in the interest of the Company.

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

If the directors, supervisors or senior management members of a wholly-owned subsidiary of the Company violate laws, administrative regulations or the Articles of Association when performing duties, thus causing losses to the Company, or if some other persons infringe the legitimate rights and interests of a wholly-owned subsidiary of the Company and caused losses, shareholders who individually or jointly hold more than 1% of the Company's shares for more than 180 consecutive days may, in accordance with the provisions of the Company Law, submit a written request to the supervisory committee or the Board of Directors of the wholly-owned subsidiary to lodge a legal action with a people's court, or lodge a legal action directly with a people's court in their own names.

If a wholly-owned subsidiary of the Company does not have a supervisory committee or supervisors, but has an audit committee, the provisions of paragraphs one and two of this Article shall apply.

**Article 39** In the event of the directors or senior management members violates laws, administrative regulations or the Articles of Association, thereby damaging the interests of the shareholder(s), the shareholder(s) may file an action with the people's court.

**Article 40** The shareholders of the Company shall assume the following obligations:

- (1) To comply with laws, administrative regulations and the Articles of Association;
- (2) To pay the share subscription price based on the shares subscribed for by them and the method of acquiring such shares;
- (3) Not to withdraw their shareholding unless prescribed otherwise in laws and regulations;
- (4) 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;

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

- (5) other obligations imposed by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 41** Any shareholder of 5% or more of the voting shares of the Company that pledges any shares held by him/her shall report to the Company in writing on the date of such pledge.

## **SECTION 2 CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER**

**Article 42** The controlling shareholder and de facto controller of the Company shall exercise their rights and perform their obligations in accordance with laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed, and shall safeguard the Company's interests

**Article 43** The controlling shareholder and de facto controller of the Company shall comply with the following provisions:

- (1) To exercise shareholder rights in accordance with the law, and shall not abuse controlling rights or use connected relationships to harm the legitimate rights and interests of the Company or other shareholders;
- (2) To strictly fulfill all public statements and commitments made, and shall not arbitrarily modify or waive them;
- (3) To strictly perform information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure work, and promptly inform the Company of any major events that have occurred or are planned to occur;
- (4) Shall not occupy Company's funds in any form;
- (5) Shall not compel, direct, or require the Company and its personnel to provide illegal or non-compliant guarantees;
- (6) Shall not use the Company's undisclosed material information for gain, disclose any undisclosed material information related to the Company in any form, or engage in illegal or non-compliant activities such as insider trading, short-swing trading, or market manipulation;
- (7) Shall not harm the legitimate rights and interests of the Company and other shareholders through non-arm's length connected transactions, profit distribution, asset restructuring, external investments, or any other means;
- (8) To ensure the Company's asset integrity, personnel independence, financial independence, organizational independence, and business independence, and shall not affect the Company's independence in any way;
- (9) Other provisions stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

If the controlling shareholder or de facto controller does not serve as a director of the Company but de facto manages the Company's affairs, the provisions of the Articles of Association regarding directors' fiduciary duties and duty of diligence shall apply.

If the Company's controlling shareholder or de facto controller instructs a director or senior management personnel to engage in conduct that harms the interests of the Company or its shareholders, such controlling shareholder or de facto controller shall bear joint and several liability with such director or senior management personnel.

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

**Article 45** When the controlling shareholders and actual controllers transfer their shares in the Company, they shall comply with the requirements of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed on share transfer restrictions and the undertakings made by them on share transfer restrictions.

### **SECTION 3 GENERAL REQUIREMENTS OF SHAREHOLDERS' MEETING**

**Article 46** The Shareholders' Meeting of the Company is composed of all shareholders. The Shareholders' Meeting is the body of power of the Company which exercises the following functions and powers according to law:

- (1) To elect and replace the directors who are not employee representatives and to decide on the matters relating to the remuneration of directors;
- (2) To consider and approve the reports of the Board of Directors;
- (3) To consider and approve the Company's profit distribution plan and plan for recovery of losses;
- (4) To resolve on the increase or reduction of the Company's registered capital;
- (5) To resolve the issuance of securities by the Company or on issuance of corporate bonds;
- (6) To resolve on the merger, division, dissolution, liquidation or changing the form of the Company;
- (7) To amend the Articles of Association;
- (8) To resolve matters regarding the appointment, dismissal or non-renewal, and remuneration determination of the accounting firm engaged for the Company's audit services;
- (9) To consider and approve the guarantees specified in Article 47 of the Articles of Association;

- (10) To consider and approve the transaction matters specified in Article 48 of the Articles of Association;
- (11) To consider and approve changes in the use of proceeds;
- (12) To consider the equity incentive plans and employee shareholding schemes;
- (13) To consider all transactions where the Company's percentage ratios calculated in accordance with 14.07 of the Hong Kong Stock Exchange Listing Rules relating to percentage ratios are not less than 25% (including one-off transactions and a series of transactions which require combined percentage ratio calculation) and related transactions where the percentage ratios are not less than 5% (including one-off transactions and a series of transactions which require combined percentage ratio calculation);
- (14) To consider matters concerning the acquisition of the Company's shares that, under laws and regulations, the regulatory rules of the place where the Company's shares are listed and the Articles of Association, are required to be considered by the Shareholders' Meeting;
- (15) To consider other matters on which decisions shall be made by the Shareholders' Meeting as required by laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The Shareholders' Meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

**Article 47** The following external guaranteed transactions of the Company shall be submitted to the Shareholders' Meeting for approval after being reviewed and passed by the Board of Directors:

- (1) Any single guarantee exceeding 10% of the Company's most recently audited net assets;
- (2) Any guarantee provided after the aggregate amount of guarantees by the Company and its controlling subsidiaries exceeds 50% of the Company's most recently audited net assets;
- (3) Any guarantee provided after the Company's total external guarantees exceed 30% of its most recently audited total assets;
- (4) Guarantees provided to entities with a debt-to-asset ratio exceeding 70%;
- (5) Guarantees where the aggregate amount provided by the Company to others within one year exceeds 30% of the Company's most recently audited total assets;

- (6) Guarantees provided to shareholders, de facto controllers, or their affiliated persons;
- (7) Other guarantee circumstances stipulated by the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Other external guarantee matters not meeting the above criteria shall be subject to approval by the Board of Directors.

**Article 48** Transactions of the Company that meet one of the following standards shall also be submitted to the Shareholders' Meeting for consideration in addition to making timely disclosures by the Company:

- (1) the total assets involved in the transaction account for more than 50% of the Company's latest audited total assets, where the total assets involved in the transaction have both book value and appraisal value, the higher one will be used as the calculation data;
- (2) the net assets related to the subject of the transaction (e.g. equity interest) accounts for more than 50% of the latest audited net assets of the Company and exceeds RMB50 million in absolute amount, where the net assets involved in the transaction have both book value and appraisal value, the higher one shall prevail;
- (3) the operating revenue related to the subject of the transaction (e.g. equity interest) in the latest accounting year accounts for more than 50% of the audited operating revenue of the Company in the latest accounting year and exceeds RMB50 million in absolute amount;
- (4) the net profit related to the subject of the transaction (e.g. equity interest) in the latest accounting year accounts for more than 50% of the audited net profit of the Company in the latest accounting year and exceeds RMB5 million in absolute amount;
- (5) the concluded transaction amount (including liabilities and expenses incurred) accounts for more than 50% of the latest audited net assets of the Company and exceeds RMB50 million in absolute amount;
- (6) the profit generated from the transaction accounts for more than 50% of the audited net profit of the Company in the latest accounting year and exceeds RMB5 million in absolute amount.

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

The transactions referred to in this Article include the following types of matters occurring other than in the Company's ordinary course of business: the purchase of assets; the sale of assets; external investments (including entrusted wealth management and investments in subsidiaries, etc.); the provision of financial assistance (including entrusted loans, etc.); the provision of guarantees (including guarantees provided to controlling subsidiaries, etc.); the leasing in or leasing out of assets; the entrusted or trustee management of assets and businesses; the gifting or receipt of gifted assets; the restructuring of creditor's rights or debts; the transfer or acquisition of research and development projects; the execution of licensing agreements; the waiver of rights (including the waiver of rights of first refusal, pre-emptive rights to subscribe for capital contributions, etc.); and other transactions as determined by the Shenzhen Stock Exchange.

When the Shareholders' Meeting deliberates a proposal to provide a guarantee to a shareholder, de facto controller or their related parties, such shareholder or any shareholder controlled by such de facto controller shall abstain from voting on that proposal. The proposal shall be passed by a simple majority of the voting rights held by the other shareholders present at the Shareholders' Meeting.

**Article 49** Shareholders' meetings shall be divided into annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting is to be held once a year and shall be held within 6 months after the end of the previous accounting year.

**Article 50** The Company shall convene an extraordinary shareholders' meeting within 2 months from the date of the occurrence of the fact in any of the following cases:

- (1) when the number of directors is less than the number prescribed by the Company Law or two-thirds of the number as is provided in the Articles of Association;
- (2) when the losses of the Company that have not been made up has reached one-third of its total paid-in share capital;
- (3) upon request(s) by shareholder(s) individually or collectively holding 10% or above of the shares of the Company;
- (4) the Board of Directors considers it necessary;
- (5) the audit committee proposes that such a meeting shall be held;
- (6) other circumstances conferred by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 51** The place where the Company holds the Shareholders' Meeting shall be the domicile of the Company or other place specified in the notice of holding the Shareholders' Meeting.

The Shareholders' Meetings shall be provided with a venue and held in the form of onsite meeting. In addition, the Company shall, as necessary and in compliance with the securities regulatory rules of the place where the Company's shares are listed, provide online voting, electronic communication meetings, or other means to facilitate shareholders' participation in Shareholders' Meetings. Shareholders participating in the Shareholders' Meeting by the above means shall be deemed to be present at such meeting.

**Article 52** When convening a Shareholders' Meeting, the Company shall engage lawyers to provide legal opinions and make announcements on the following issues:

- (1) whether the procedures of convening and holding the meeting comply with the laws, administrative regulations and the Articles of Association;
- (2) whether the qualifications of attendees and convener are legal and valid;
- (3) whether the procedure and result of voting are legal and valid;
- (4) legal opinions on other matters as requested by the Company.

#### **SECTION 4 CONVENING OF SHAREHOLDERS' MEETINGS**

**Article 53** The Board of Directors shall convene Shareholders' Meetings in a timely manner within the prescribed time limits. With the consent of a majority of all independent directors, the independent directors shall have the right to propose to the Board of Directors the convening of an extraordinary Shareholders' Meeting. When independent directors propose to convene an extraordinary shareholders' meeting, the Board of Directors shall issue written feedback on consent or non-consent to the convening of the extraordinary shareholders' meeting within 10 days from the receipt of the proposal according to the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If the Board of Directors gives consent to convene an extraordinary shareholders' meeting, it shall, within five days from the passing of the Board of Directors resolution, issue a notice on convening the extraordinary shareholders' meeting. If the Board of Directors does not give consent to convene an extraordinary shareholders' meeting, the Board of Directors shall state the reason and issue an announcement.

**Article 54** The audit committee shall have the right to propose the convening of extraordinary shareholders' meetings and submit such proposal in writing to the Board of Directors. In accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, the Board of Directors shall issue written feedback on consent or non-consent to the convening of the extraordinary shareholders' meetings within 10 days from the receipt of the proposal.

If the Board of Directors gives consent to convene an extraordinary shareholders' meeting, it shall, within five days from the passing of the Board of Directors resolution, issue a notice on convening the extraordinary shareholders' meeting. Any changes to the original proposal in the notice shall obtain the consent of the audit committee.

If the Board of Directors does not give consent to convene an extraordinary shareholders' meeting or does not issue feedback within 10 days from the receipt of the proposal, the Board of Directors shall be deemed as unable to perform or failed to perform the duties of convening an extraordinary shareholders' meeting. In such cases, the audit committee may proceed to convene and chair the extraordinary shareholders' meeting on its own.

**Article 55** Shareholders that, either individually or jointly, hold over 10% of shares of the Company have the right to propose to the Board of Directors for the convening of an extraordinary shareholders' meeting, and such proposal shall be made in writing to the Board of Directors. In accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, the Board of Directors shall issue a written feedback to state if it agree to convene the extraordinary shareholders' meeting within 10 days from the receipt of the proposal.

In event that the Board of Directors agrees to convene such extraordinary shareholders' meeting, a notice of the meeting shall be provided within five days of such resolution by the Board of Directors. Alterations to the original proposals for the meeting stated in the notice shall be approved by the relevant shareholders.

In the event that the Board of Directors disagrees with the convening of such extraordinary shareholders' meeting or fails to provide any feedback within 10 days after receiving the proposal, shareholders that, either individually or jointly, hold over 10% of shares of the Company have the right to propose to the audit committee for the convening of the extraordinary shareholders' meeting, and such proposal shall be made in writing to the audit committee. The audit committee shall, in accordance with laws and regulations, the securities regulatory rules of the place where the Company's shares are listed, and the provisions of the Articles of Association, issue a written response on whether to convene an extraordinary shareholders' meeting within 10 days upon receipt of the request.

In event that the audit committee agrees to convene an extraordinary shareholders' meeting, a notice of the meeting shall be issued within five days of receipt of such request. Alterations to the original proposals in the notice shall be approved by the relevant shareholders.

In event that the audit committee does not agree to convene an extraordinary shareholders' meeting or fails to respond within 10 days upon receipt of the request, the audit committee shall be considered to be unwilling to convene and preside over the meeting. The shareholders that, either individually or jointly, hold over 10% of shares of the Company for a period of 90 consecutive days or more may convene and preside over the Shareholders' Meeting on their own.

**Article 56** Where the audit committee or shareholders decide to convene a Shareholders' Meeting on its/their own, it/they shall notify the Board of Directors in writing and complete the necessary reporting (filings) or announcements in accordance with the securities regulatory rules of the place where the Company's shares are listed and the requirements of the stock exchange.

The audit committee or the shareholders who convene the Shareholders' Meeting shall submit the relevant supporting documents to the stock exchange on which the Company's shares are listed in accordance with the securities regulatory rules of the place where the Company's shares are listed and the requirements of the stock exchange when giving notice of the Shareholders' Meeting and when announcing the resolutions of the Shareholders' Meeting.

The shareholders who convene the Shareholders' Meeting shall hold no less than 10% of the total share capital of the Company prior to the announcement of the resolutions of such meeting. Shareholders who convene the Shareholders' Meeting shall, no later than the time of the issuance of the notice of the Shareholders' Meeting, undertake not to reduce their shareholding in the Company from the date of the proposal to convene the Shareholders' Meeting until the date of the Shareholders' Meeting, and shall make disclosure thereof.

**Article 57** The Board of Directors and the secretary to the Board of Directors shall cooperate with the Shareholders' Meetings convened by the audit committee or shareholders. The Board of Directors shall provide the register of shareholders as at the date of record.

**Article 58** The necessary expenses for the Shareholders' Meetings convened by the audit committee or shareholders on their own shall be borne by the Company.

#### **SECTION 5 PROPOSALS AND NOTICES OF SHAREHOLDERS' MEETINGS**

**Article 59** The content of resolutions shall be within the scope of authority of the Shareholders' Meeting, have a clear subject and specific resolution matters, and comply with relevant provisions of the law, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 60** As a Shareholders' Meeting is convened, the Board of Directors, audit committee and any of the shareholders individually or jointly holding no less than 1% of the shares of the Company may propose resolution(s) to the Company.

Subject to the provisions of the Hong Kong Stock Exchange Listing Rules, any of the shareholders individually or jointly holding no less than 1% of the shares of the Company may submit an interim proposal in writing to the convener at least 10 days prior to the convening of the Shareholders' Meeting. The interim proposals shall have a clear subject and specific resolution matters. The convener shall then send a supplemental notice to the shareholders to announce the interim proposal within 2 days upon receipt of such proposal, and submit it to the Shareholders' Meeting for deliberation; unless the interim proposal violates the provisions of laws, administrative regulations, the Hong Kong Stock Exchange Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, or the Company's Articles of Association, or does not fall within the scope of the Shareholders' Meeting. If, in accordance with the securities regulatory rules of the place where the Company's shares are listed, the Shareholders' Meeting shall be adjourned due to the issuance of a supplementary notice, the convening of the Shareholders' Meeting shall be adjourned in accordance with such securities regulatory rules.

Other than the above circumstances or as required by the Hong Kong Stock Exchange Listing Rules, the convener shall not make any change to the existing proposals in the notice of the Shareholders' Meeting or add any new proposal after the publication of the notice.

Proposals which are not specified in the notice of the Shareholders' Meeting or which do not comply with the Articles of Association shall not be voted or resolved at the Shareholders' Meeting.

If, according to the securities regulatory rules of the place where the Company's shares are listed, the Shareholders' Meeting must be postponed due to the issuance of a supplementary notice for the Shareholders' Meeting, the convening of the Shareholders' Meeting shall be postponed in accordance with the securities regulatory rules of the place where the Company's shares are listed.

**Article 61** The convener shall notify the shareholders by means of an announcement 21 days prior to the convening of the annual shareholders' meeting, while an extraordinary shareholders' meeting, shall be notified to the shareholders by means of an announcement 15 days prior to the meeting.

The commencement date of the aforementioned period shall exclude the day on which the meeting is convened.

**Article 62** The notice of a Shareholders' Meeting shall be given in writing and shall include:

- (1) the convener of the meeting;
- (2) the time, venue, method and duration of the meeting;
- (3) the matters and proposals to be submitted for consideration at the meeting;
- (4) providing a clear text description stating that all shareholders have the right to attend the Shareholders' Meeting and may entrust one or more proxies, who do not need to be shareholders of the Company, to attend and vote at the meeting;
- (5) record date of determining the shareholders who have the right to attend the Shareholders' Meeting;
- (6) name and phone number of the standing contact person for the meeting affairs;
- (7) voting time and voting procedures by internet or other means;

- (8) time and place for delivery of the proxy form for voting at the meeting;
- (9) other contents that should be included as stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

**Article 63** All the contents of the proposals shall be fully and completely disclose in the notice of the Shareholders' Meeting and its supplementary notice.

The voting time and methods for voting by internet or other means should be clearly stated in the notice of the Shareholders' Meeting. And the notice of the Shareholders' Meeting shall include the contents stipulated by the Hong Kong Stock Exchange Listing Rules and the Articles of Association, and shall fully and completely record all specific contents of all proposals. Where matters to be discussed require the opinion of independent directors, the notice and supplementary notice of the Shareholders' Meeting shall simultaneously disclose the opinions and reasons of the independent directors. If the Company needs to supplement important information regarding the proposed matters of the Shareholders' Meeting, such information must be provided not less than ten (10) working days in advance. If necessary, the Company shall postpone the Shareholders' Meeting to ensure compliance with this provision. If the Shareholders' Meeting is conducted online, the time for shareholders to cast their votes through Shenzhen Stock Exchange's internet voting system and its trading system shall be implemented in accordance with the relevant regulations of the Shenzhen Stock Exchange. Online or other non-physical voting for a Shareholders' Meeting shall commence no earlier than 3:00 p.m. on the day before the physical meeting and no later than 9:30 a.m. on the day the physical meeting is held, and shall end no earlier than 3:00 p.m. on the day the physical meeting ends.

The period between the record date and the meeting date shall not exceed seven business days. Once determined, the record date shall not be altered.

**Article 64** Where the Shareholders' Meeting intends to discuss the election of directors, the notice of the Shareholders' Meeting shall fully disclose the detailed information of the director candidates, including at least the following contents:

- (1) such personal information as the education background, work experience, part-time job and so on;
- (2) whether the director candidates have associated relationship with the Company or its controlling shareholders and the actual controllers;
- (3) the number of Company shares held by the director candidates;
- (4) whether the director candidates had been subject to penalties by the securities regulatory authorities or other relevant departments of the place where the Company's shares are listed, as well as disciplinary actions by the stock exchange;

- (5) whether the director candidates satisfy the qualification requirements stipulated by the securities regulatory rules of the place where the Company's shares are listed.

In addition to adopting the cumulative voting system to elect directors, a single proposal on each of the candidates for directors shall be submitted.

**Article 65** After issuance of the notice for Shareholders' Meeting, the Shareholders' Meeting shall not be postponed or cancelled without proper reasons and the proposals specified in the notice shall not be withdrawn. In case of postponement or cancellation, the Company shall make an announcement stating the reasons for such postponement or cancellation at least 2 business days before the original meeting date. Where the Shareholders' Meeting is postponed, the date of the postponed meeting shall be announced by the Company in the announcement.

Where the securities regulatory rules of the place where the Company's shares are listed contain special provisions on the procedures for adjournment or cancellation of a Shareholders' Meeting, such provisions shall prevail to the extent that they do not contravene the domestic regulatory requirements.

## **SECTION 6 HOLDING OF THE SHAREHOLDERS' MEETING**

**Article 66** The Board of Directors and other convenors of the Company shall take necessary measures to ensure the normal order of the Shareholders' Meeting. With respect to acts of interference with Shareholders' Meeting, provocation and infringement of the legitimate rights and interests of shareholders, measures shall be taken to stop and promptly report to the relevant authorities for investigation and handling.

**Article 67** All shareholders legally registered on the record date or their proxies are entitled to attend the Shareholders' Meeting in accordance with the securities regulatory rules of the place where the Company's shares are listed, and exercise their rights to speak and vote at the Shareholders' Meeting in accordance with the relevant laws, regulations and the Articles of Association (unless a shareholder shall abstain from voting in respect of a specific matter in accordance with the provisions of the securities regulatory rules of the place where the Company's shares are listed).

Shareholders may attend Shareholders' Meeting in person, or appoint a proxy to attend and vote on their behalf. A proxy need not be a shareholder of the Company. Where required by the Hong Kong Stock Exchange Listing Rules to abstain from voting on specific matters, the proxy shall abstain accordingly. The proxy appointed by such shareholder may exercise the following rights:

- (1) the right to speak at the Shareholders' Meeting on behalf of such shareholder;
- (2) the right to demand, either alone or jointly with others, that a vote be taken by poll;

- (3) the right to vote by show of hands or by poll, unless otherwise provided by applicable laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or other relevant securities laws and regulations.

**Article 68** An individual shareholder who attends the meeting in person shall produce his/her own identification card or other valid documents or proof evidencing his/her shareholder's identity and stock account cards. If a shareholder appoints a proxy to attend the meeting on his/her behalf, such proxy shall produce his/her own valid proof of identity and the power of attorney from the shareholder. Where a shareholder is a recognized clearing house (or its nominee), it may authorize its corporate representative(s) or one or more persons as it deems fit to act as its proxy(ies) at any Shareholders' Meeting.

A corporate (or other organizations') shareholder shall be represented by its legal representative or a proxy authorized by the legal representative to attend the meeting. Where a legal representative attends the meeting, they shall present his/her personal identification card, valid proof of their status as the legal representative. If a proxy attends the meeting, the proxy shall present his/her personal identification card, and a written power of attorney duly issued by the legal representative of the legal person (or other organizations') shareholder (except for recognized clearing houses and its proxy). If the corporate shareholder has appointed a proxy to attend any meeting, it shall be deemed to be present in person.

**Article 69** The power of attorney for appointing a proxy to attend the Shareholders' Meeting shall specify the following content:

- (1) the name or title of the principal and the class and number of shares held in the Company;
- (2) the name or title of the proxy;
- (3) specific instructions of the shareholder, including instructions to vote for, against, or abstain on each matter listed on the agenda of the Shareholders' Meeting;
- (4) the date of issuance and validity period of the power of attorney;
- (5) the signature (or seal) of the principal. If the principal is a corporate (or other organizations') shareholder, the corporate (or other organizations') seal shall be affixed, or signed by a legally authorized person.

**Article 70** The instrument of proxy shall contain a statement that in the absence of specific instructions by the shareholder whether the proxy may vote as he/she thinks fit.

**Article 71** If the power of attorney for proxy voting is signed by a person authorized by the principal, the authorization letter or other authorization documents authorizing the signature shall be notarized. The notarized authorization letter or other authorization documents and the proxy form shall be kept at the Company's domicile or at such other place specified in the notice of the meeting.

If the principal is a legal person, it shall be represented by its legal representative or a person authorized by the Board of Directors or other decision-making body to attend the Shareholders' Meeting of the Company.

The proxy form shall be kept at the domicile of the Company or at such other place as specified in the notice of the meeting 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours prior to the time specified for voting. If the proxy form is signed by a person authorized by the principal to sign it, the authorization letter or other authorization documents authorizing the signature shall be notarised. The notarised authorization letter or other authorization documents together with the proxy form shall be kept at the domicile of the Company or at such other place as specified in the notice convening the meeting.

Where the shareholder is a recognized clearing house (or its proxy), it may authorize one or more persons it deems appropriate to act as its representative at any Shareholders' Meeting or creditors' meeting. If more than one person is authorized, the authorization document shall specify the number and class of shares to which each authorized person's authorization relates, and the authorization document shall be signed by an authorized signatory of the recognized clearing house. Any person so authorized may exercise the rights of the recognized clearing house (or its proxy) (without the need to produce evidence of shareholding, notarized authorization and/or further evidence of due authorization) and shall enjoy the same statutory rights as other shareholders, including the right to speak and vote, as if such person were an individual shareholder of the Company.

**Article 72** A meeting attendance register of attendants at a meeting shall be compiled by the Company. The meeting attendance register shall state the names (or the unit names), identity card numbers of attendants, number of shares held or representing voting shares, the names of principals (or the unit names) and so on.

**Article 73** The convener and the lawyer engaged by the Company shall jointly verify the legality of shareholders' qualifications according to the shareholders' register provided by the securities registration and settlement institution of the place where the Company's shares are listed and the securities regulatory rules of the place where the Company's shares are listed, and record the shareholders' names (or the unit names) and the number of shares held by them with voting rights. Before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the total number of shares held by them with voting rights, the registration of meeting shall be terminated.

**Article 74** Where the Shareholders' Meeting requires the attendance of directors or senior management personnel, such directors and senior management personnel shall attend and respond to shareholders' inquiries. Subject to compliance with the securities regulatory rules of the place where the Company's shares are listed, such persons may attend or participate in the meeting through internet, video conferencing, telephone connections or other methods of equivalent effect.

**Article 75** The Shareholders' Meeting shall be presided over by the Chairman of the Board. If the Chairman is unable or fails to perform such duty, a Director nominated by a majority of the Directors shall preside.

A Shareholders' Meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or fails to perform such duty, a member of the Audit Committee nominated by a majority of its members shall preside.

A Shareholders' Meeting convened by shareholders shall be presided over by the convener or a representative nominated by the convener.

If the presiding person violates the rules of procedure during a Shareholders' Meeting to the extent that the meeting cannot continue, the Shareholders' Meeting may, with the approval of shareholders holding a majority of the voting rights present at the meeting, elect another person to preside and continue the meeting.

**Article 76** The Company formulates the rules of procedure for the Shareholders' Meeting, detailing the convening, holding, and voting procedures, including notification, registration, deliberation of proposals, voting, counting votes, announcement of the results, formation of resolutions, recording and signing of minutes, and public announcements. The rules also specify the principles for authorizing the Board of Directors, with the authorization content being clear and specific.

The rules of procedure for the Shareholders' Meeting should be attached to the Articles of Association, drafted by the Board of Directors, and approved by the Shareholders' Meeting.

**Article 77** During any annual Shareholders' Meeting, the Board of Directors shall submit reports to such Shareholders' Meeting in respect of their work in the past year. Each independent director shall also submit his/her work report.

**Article 78** Directors and senior management personnel shall explain and illustrate the questions and suggestions made by shareholders at a Shareholders' Meeting, except for those relating to business secrets of the Company which shall not be disclosed during the Shareholders' Meeting.

**Article 79** The chairman of the meeting shall declare the number of the shareholders and proxies present at the meeting and the total number of the voting rights shares held before voting. Such number of the shareholders and proxies present at the meeting and the total number of the voting rights shares held shall be subject to those registered for the meeting.

**Article 80** A Shareholders' Meeting shall have meeting minutes prepared by the Board Secretary. The meeting minutes shall contain:

- (1) the time, venue, agenda and convener of the meeting;
- (2) the name of the chairman of the meeting and the directors and senior management personnel who attend the meeting;
- (3) the number of the shareholders and proxies present at the meeting and the total number of the voting rights shares held and the percentage that such shares represent in the Company's total shares;
- (4) the consideration, main points of address and voting results with respect to each proposal;
- (5) the inquiries, opinions and suggestions from the shareholders and the corresponding answers and explanations;
- (6) the name of the lawyer, vote counter and counting overseer;
- (7) other items required by the Articles of Association to be recorded in the meeting minutes.

**Article 81** The convener shall ensure that the contents of the meeting minutes are true, accurate and complete. The directors, Board Secretary, convener or its representative and the chairman of the meeting present at the meeting either as voting attendees or nonvoting attendees shall sign the meeting minutes. The meeting minutes shall be kept together with the signature book of the shareholders present at the meeting, power of attorney and any valid information with respect to the voting by way of internet or other means for at least 10 years.

**Article 82** The convener shall ensure that a Shareholders' Meeting shall proceed until final resolutions have been adopted. If a Shareholders' Meeting suspends or no resolution is adopted due to force majeure events or other special circumstances, necessary measures shall be taken to resume the Shareholders' Meeting or directly terminate such meeting, and make an announcement promptly. Meanwhile, the convener shall report to the branch of the CSRC of the place where the Company is located and the stock exchange.

## **SECTION 7 VOTING AND RESOLUTION AT A SHAREHOLDERS' MEETING**

**Article 83** The resolutions of the Shareholders' Meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution of the Shareholders' Meeting shall be adopted by more than half of the votes held by the shareholders (including proxies of shareholders) attending the Shareholders' Meeting.

A special resolution of the Shareholders' Meeting shall be adopted by two-thirds or more of the votes held by the shareholders (including proxies of shareholders) attending the Shareholders' Meeting.

**Article 84** The following matters shall be approved by the Shareholders' Meeting through ordinary resolutions:

- (1) work report of the Board of Directors;
- (2) the profit distribution plans and loss recovery plans drafted by the Board of Directors;
- (3) appointment or dismissal of the members of the Board of Directors and their payment and payment methods;
- (4) other matters other than those approved by special resolution stipulated in the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 85** The following matters shall be approved by special resolution at the Shareholders' Meeting:

- (1) the increase or reduction of the registered capital of the Company;
- (2) division, spin-off, merger, dissolution and liquidation (including voluntary winding-up) of the Company;
- (3) amendments to the Articles of Association;
- (4) purchase or sale of material assets, or provision of guarantees to others, by the Company within one year exceeding 30% of the Company's most recently audited total assets;
- (5) share incentive plans;
- (6) other matters required by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association to be passed by special resolution, as well as matters which the Shareholders' Meeting determines by ordinary resolution would have material impact on the Company and therefore require special resolution approval.

Where the Company's shares are divided into different classes at any time, any proposed variation or abrogation of the rights attached to any class of shares shall be subject to approval by special resolution of the affected class shareholders at a separately convened class meeting.

**Article 86** Shareholders (including proxies) may exercise their voting rights by the number of shares held by them which carry the right to vote. Each share shall have one vote. When voting, shareholders (including shareholder proxies) holding two or more votes are not required to cast all their votes uniformly as “for”, “against” or “abstain”.

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

The shares of the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders attending a Shareholders’ Meeting.

If a shareholder purchases shares with voting rights of the Company in violation of paragraph 1 and paragraph 2 of Article 63 of the Securities Law, such shares in excess of the prescribed proportion shall not be allowed to exercise voting rights for a period of thirty-six months after the purchase and shall not be counted in the total number of shares with voting rights present at the Shareholders’ Meeting.

According to applicable laws and regulations and the Hong Kong Stock Exchange Listing Rules, if any shareholder is required to abstain from voting on certain resolution or is restricted to voting only for or against certain resolution, any votes cast by the shareholder or proxy in violation of the relevant requirements or restrictions shall not be counted in the total number of shares with voting rights.

The Board of Directors, independent directors, shareholders of the Company holding 1% or more of the voting shares of the Company or investor protection institutions established pursuant to laws, administrative regulations or the rules of the securities regulatory authorities of the place where the Company’s shares are listed, may publicly solicit voting rights from shareholders. When soliciting voting rights from shareholders, the specific voting intention and other information shall be fully disclosed to the solicitation targets. The solicitation of voting rights from shareholders with the provision of direct or indirect compensation shall be prohibited. The Company may not impose any minimum shareholding requirement for the solicitation of voting rights, except for statutory conditions.

**Article 87** When relevant related transaction is considered at a Shareholders’ Meeting, the related shareholders shall not vote, and the voting shares held by them shall not be counted in the total number of shares with valid voting rights; the announcement of the resolutions of the Shareholders’ Meeting shall fully disclose the voting of non-related shareholders.

When the Shareholders’ Meeting deliberates on connected transaction matters, the recusal and voting procedures for shareholders with a connected relationship shall be as follows:

- (1) Where a matter to be deliberated at the Shareholders’ Meeting is a connected transaction for a shareholder, such shareholder shall disclose its connected relationship to the Company’s Board of Directors prior to the convening of the Shareholders’ Meeting;

- (2) When the Shareholders' Meeting deliberates on a connected transaction matter, the chairperson of the meeting shall announce the shareholders with a connected relationship and explain and clarify the nature of the connected relationship between such shareholders and the connected transaction matter;
- (3) The chairperson of the meeting shall announce the recusal of the connected shareholders, and the non-connected shareholders shall deliberate on and vote on the connected transaction matter;
- (4) An ordinary resolution in respect of a connected matter shall be passed by a majority of the voting shares held by the non-connected shareholders present at the Shareholders' Meeting; a special resolution in respect of a connected matter shall be passed by not less than two-thirds of the voting shares held by the non-connected shareholders present at the Shareholders' Meeting;
- (5) If a connected shareholder fails to disclose its connected relationship or recuse itself in respect of a connected matter in accordance with the above procedures, all resolutions in respect of such matter shall be invalid and a re-vote shall be held.

For the purposes of the Articles of Association, "connected transaction" includes a connected transaction as defined under the Hong Kong Stock Exchange Listing Rules; "Connected party" includes a connected person as defined under the Hong Kong Stock Exchange Listing Rules; "Connected relationship" includes a connected relationship as defined under the Hong Kong Stock Exchange Listing Rules.

**Article 88** The Company shall, on the premise of ensuring the legality and validity of the Shareholders' Meeting, provide convenience for shareholders to attend the Shareholders' Meeting through various means and channels, including modern information technology such as providing an online voting platform.

**Article 89** Save for special circumstances such as the Company being in crisis, the Company shall not enter into any contract with any person other than its directors and senior management entrusting such person with the management of all or material business of the Company, unless such contract is approved by a special resolution of the Shareholders' Meeting.

**Article 90** The list of director candidates shall be submitted to the Shareholders' Meeting for voting by way of a proposal. When the Shareholders' Meeting deliberates on a proposal for the election of directors, a separate vote shall be held in respect of each candidate.

The procedures and methods for the nomination of directors shall be as follows:

- (1) For the re-election of the Board of Directors or the appointment of additional directors to the existing Board of Directors: The existing Board of Directors, or a single shareholder or shareholders holding in the aggregate not less than 1% of the Company's shares may nominate candidates for the next Board of Directors (composed of non-employee representative directors) or candidates for additional directors, with the number of nominees not exceeding the number of directors to be elected or appointed. Candidates for independent directors may be proposed by the existing Board of Directors, or a single shareholder or shareholders holding in the aggregate not less than 1% of the Company's issued shares. A legally established investor protection institution may publicly request shareholders to entrust it with the exercise of the right to nominate independent directors.
- (2) Each director candidate shall, in accordance with the Company's requirements, issue a written undertaking which shall include, without limitation, an undertaking to accept the nomination, a confirmation that the personal information submitted is true and complete, and a commitment to duly perform their duties if elected.

When a shareholder nominates a director (including an independent director), the shareholder shall submit the proposal, detailed information of the nominated candidate, and the statement and undertaking of the candidate to the Board of Directors prior to the convening of the Shareholders' Meeting. The final list of director candidates (including independent directors) shall be determined by the Board of Directors, which shall be responsible for verifying the eligibility of the candidates. The Shareholders' Meeting shall not elect any candidate who has not undergone eligibility verification to serve as a director.

The cumulative voting system shall apply in the following circumstances:

- (1) The election of two or more independent directors;
- (2) The election of two or more directors by a Company in which a single shareholder and its concerted parties hold 30% or more of the Company's equity interests.

For the purposes of the preceding paragraph, the cumulative voting system means that when the Shareholders' Meeting elects two or more directors, each share shall carry the same number of voting rights as the number of directors to be elected, and the voting rights held by a shareholder may be exercised in aggregate. The Board of Directors shall publish a notice to shareholders setting out the biographies and basic information of the director candidates.

Where the Shareholders' Meeting elects directors by way of cumulative voting, separate votes shall be held for the election of independent directors and non-independent directors.

The following procedures shall apply to the election of directors under the cumulative voting system:

- (1) The number of director candidates may exceed the number of directors to be elected by the Shareholders' Meeting; provided that the number of candidates for which a shareholder votes shall not exceed the number of directors to be elected by the Shareholders' Meeting, and the total number of votes allocated by a shareholder shall not exceed the number of votes held by such shareholder. Any vote in breach of the above provisions shall be invalid;
- (2) Separate voting shall apply to the election of independent directors and non-independent directors. For the election of independent directors, the number of votes to which each shareholder is entitled shall be equal to the product of the number of shares held by such shareholder and the number of independent directors to be elected, and such votes may only be cast for the Company's independent director candidates. For the election of non-independent directors, the number of votes to which each shareholder is entitled shall be equal to the product of the number of shares held by such shareholder and the number of non-independent directors to be elected, and such votes may only be cast for the Company's non-independent director candidates;
- (3) Director candidates shall be elected in the order of the number of votes received, provided that the minimum number of votes received by each elected director must exceed one-half of the total number of shares held by the shareholders (including their proxies) present at the Shareholders' Meeting. If the number of elected directors is less than the number of directors to be elected by the Shareholders' Meeting, a re-vote shall be held for all director candidates who fail to meet the vote threshold in respect of the vacant positions. If such candidates still fail to meet the threshold in the re-vote, the vacant positions shall be filled by the Company at the next Shareholders' Meeting. If two or more director candidates receive the same number of votes but only some of them may be elected due to the limit on the number of directors to be elected, a separate re-vote shall be held for such candidates with the same number of votes.

**Article 91** Save for the application of the cumulative voting system, the Shareholders' Meeting shall vote on all proposals item by item. Where there are different proposals in respect of the same matter, the votes shall be held in the order in which the proposals are made. Save for circumstances where the Shareholders' Meeting is suspended or unable to pass a resolution due to force majeure or other special reasons, the Shareholders' Meeting shall not table or refrain from voting on any proposal.

**Article 92** When the Shareholders' Meeting deliberates on a proposal, no amendment shall be made to the proposal. Any such amendment shall be deemed a new proposal and shall not be voted on at the current Shareholders' Meeting.

**Article 93** The same voting right may only elect one of the voting methods, on-site, internet or other voting methods. In case of repeat voting by the same voting right, only the first vote is valid.

**Article 94** Voting at the Shareholders' Meeting shall be taken by way of registered poll.

**Article 95** Before voting on a proposal in the Shareholders' Meeting, two Shareholder representatives shall be elected to participate in voting counting and act as scrutineers. Where the matters to be considered are related to the shareholders, such shareholders and proxies are not allowed to participate in vote counting and scrutinizing process.

When a proposal is voted in a Shareholders' Meeting, the vote counting and scrutinizing process shall be jointly responsible and performed by a lawyer and a shareholder representative, the voting result should be announced on-site and the voting result of a resolution shall be recorded in the minutes of meeting.

A shareholder of the Company or his/her proxy who has voted through the internet or other voting methods shall be entitled to inspect his/her own voting result through the corresponding voting system.

**Article 96** The closing time of a physical Shareholders' Meeting must not be earlier than that of internet or other methods. The chairman of the meeting shall announce the voting for each proposal and its result, and shall declare whether the proposal has been approved according to the voting.

Before announcing the official voting result, the related parties including the Company, vote counting persons, scrutineers, substantial shareholders and internet service providers involved in the physical Shareholders' Meeting, internet and other voting methods shall have a duty of confidentiality on the voting details.

**Article 97** Shareholders who attend the Shareholders' Meeting in person shall express one of the following indications about the proposal submitted for voting: for, against or abstain. Securities registration and settlement institutions are the nominal holders of shares transacted through the mutual connection mechanism between stock markets in Chinese Mainland and Hong Kong, except for reporting on indications expressed by beneficial shareholders.

Empty, erroneous or illegible ballot papers and uncast ballot papers are deemed as abstained from voting by the voters, and the voting result in respect of the number of shares held by such voters are counted as "abstention".

**Article 98** If the chairman of the meeting has any doubts about the voting result of the submitted resolution, he/she may arrange re-counting of the votes. If the chairman of the meeting does not arrange re-counting of the votes, shareholders or proxies attending the meeting who dissent from the result announced by the chairman of the meeting shall be entitled to request re-counting of votes immediately after announcement of the voting result, in which case the chairman of the meeting shall immediately arrange re-counting of the votes.

**Article 99** Resolutions of a Shareholders' Meeting shall be announced in a timely manner, the announcement shall set out the number of shareholders and proxies attending the meeting, the total number of shares held with voting rights and the percentage in the total number of shares of the Company with voting right, method of voting, voting result of each proposal, the details of each resolution which has been passed, and other information required by the Listing Rules of the Hong Kong Stock Exchange.

**Article 100** If any proposal has not been passed or modification has been made to a resolution of the preceding Shareholders' Meeting by the current Shareholders' Meeting, a special note should be contained in the announcement of the Shareholders' Meeting resolutions.

**Article 101** If a proposal for the election of directors is adopted at a Shareholders' Meeting, the new directors shall take office on the date specified in the resolution of the Shareholders' Meeting. If the resolution of the Shareholders' Meeting does not specify this date, the new directors shall take office on the date on which the resolution of the Shareholders' Meeting is passed.

**Article 102** When a Shareholders' Meeting has passed resolutions on the distribution of cash dividends, bonus shares or increase in share capital by conversion of capital reserves, the Company shall implement the specific proposal within 2 months after conclusion of the Shareholders' Meeting. If the specific proposal cannot be implemented within 2 months due to the requirements of laws, regulations and securities regulatory rules of the place where the Company is listed, the implementation date may be adjusted accordingly in compliance with the relevant regulations and as appropriate.

## CHAPTER 5 DIRECTORS AND BOARD OF DIRECTORS

### SECTION 1 DIRECTORS

**Article 103** Directors include executive directors, non-executive directors, and independent directors. A non-executive director refers to a director who does not hold any management position in the Company, while an independent director refers to a person who meets the requirements set forth in Section 3 of Chapter 5 of the Articles of Association (consistent with the meaning of “independent non-executive director” under the Hong Kong Stock Exchange Listing Rules). Company directors must be natural persons and shall meet the qualifications required by laws, administrative regulations, departmental rules, and the securities regulatory rules of the jurisdiction where the Company’s shares are listed.

A person shall not serve as a director of the Company under any of the following circumstances:

- (1) Being legally incapacitated or having limited capacity for civil conduct;
- (2) Having been sentenced to criminal penalties for corruption, bribery, embezzlement, misappropriation of property, or disrupting the socialist market economic order, or having been deprived of political rights due to a criminal offense, where less than five years have passed since the completion of the sentence (or, in the case of a suspended sentence, less than two years have passed since the probation period ended);
- (3) Having served as a director, factory head, or manager of a company or enterprise that underwent bankruptcy liquidation, where such person bears personal responsibility for the bankruptcy, and less than three years have passed since the completion of the bankruptcy liquidation;
- (4) Having served as the legal representative of a company or enterprise that had its business license revoked or was ordered to close due to legal violations, where such person bears personal responsibility, and less than three years have passed since the revocation or closure;
- (5) Being listed as a discredited person subject to enforcement by a court due to failure to repay significant personal debts when due;
- (6) Being subject to a securities market entry ban imposed by the CSRC or other regulatory authorities, where the ban has not yet expired;
- (7) Being publicly deemed unfit by a stock exchange to serve as a director or senior executive of a listed company, where the restriction has not yet expired;
- (8) Other circumstances under laws, administrative regulations, departmental rules, or securities regulatory rules of the jurisdiction where the Company’s shares are listed that disqualify a person from serving as a director.

Any election or appointment of a director in violation of this Article shall be void. If a director falls under any of the above circumstances during their tenure, the Company shall remove them from office and terminate their duties.

**Article 104** Directors (referring to non-employee directors) shall be elected or replaced by the Shareholders' Meeting and may be removed from office by the Shareholders' Meeting before their term expires. The Board of Directors shall include one employee representative director, who shall be directly elected by the Company's employees through an employee representative assembly, general employee meeting, or other democratic means, and shall not require approval by the Shareholders' Meeting. The term of office for directors is three years, and directors may be re-elected upon expiration of their terms in accordance with the securities regulatory rules of the place where the Company's shares are listed.

The term of office for directors shall be calculated from the date of their assumption of office until the end of the current Board of Directors' term. If a director's term expires but no successor is elected in a timely manner, the incumbent director shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules, and the Articles of Association until the newly elected director assumes office.

A director may concurrently serve as a senior executive, provided that the number of directors holding concurrent senior management positions shall not exceed half of the total number of directors of the Company.

Subject to compliance with applicable laws, regulations, and securities regulatory rules in the jurisdiction where the Company's shares are listed, shareholders shall have the right to remove any director (including a managing director or other executive director) before the expiration of their term by passing an ordinary resolution at a Shareholders' Meeting; provided, however, that such removal shall not affect the director's right to claim damages under any contract.

A director appointed by the Board of Directors to fill a casual vacancy or as an additional board member shall hold office from the date of appointment until the next annual meeting of shareholders, at which time they shall be eligible for re-election.

**Article 105** Directors shall comply with laws, administrative regulations, the securities regulatory requirements of the Company's listing jurisdiction, and the Articles of Association, and owe fiduciary duties to the Company. They shall take measures to avoid conflicts of interest between themselves and the Company, and shall not exploit their positions to seek improper benefits.

Directors owe the following fiduciary duties to the Company:

- (1) They shall not misappropriate Company property or embezzle Company funds;
- (2) They shall not solicit or accept bribes or other illegal benefits through their authority;

- (3) They shall not deposit Company funds into accounts opened in their personal names or in the names of other individuals;
- (4) They shall not directly or indirectly enter into contracts or transactions with the Company unless they have reported to the Board of Directors or the Shareholders' Meeting and obtained approval through a resolution of the Shareholders' Meeting or the Board of Directors in accordance with the Articles of Association;
- (5) They shall not exploit their positions to seize business opportunities that rightfully belong to the Company for their own benefit or the benefit of others, except that such opportunities are reported to the Board of Directors or the Shareholders' Meeting and approved by a resolution of the Shareholders' Meeting; or the Company is unable to pursue such opportunities in accordance with the relevant laws, administrative regulations, the securities regulatory requirements of the Company's listing jurisdiction, and the Articles of Association;
- (6) They shall not engage in any business competing with the Company, either on their own behalf or for others, unless they have reported to the Board of Directors or the Shareholders' Meeting and obtained approval through a resolution of the Shareholders' Meeting;
- (7) They shall not retain commissions derived from transactions between third parties and the Company;
- (8) They shall not disclose Company secrets without authorization;
- (9) They shall not harm the Company's interests through their affiliated relationships;
- (10) They shall comply with other fiduciary duties stipulated by laws, administrative regulations, departmental rules, the securities regulatory requirements of the Company's listing jurisdiction, and the Articles of Association.

Any income obtained by directors in violation of this Article shall be returned to the Company. Directors who cause losses to the Company through such violations shall be liable for compensation.

Any contract or transaction entered into between the Company and immediate family members of directors, senior management personnel, enterprises directly or indirectly controlled by directors, senior management personnel, or their immediate family members, and other connected persons affiliated with directors or senior management personnel, shall be governed by paragraph (4) of the second paragraph of this Article.

**Article 106** The directors shall abide by the provisions of laws, administrative regulations, the securities regulatory requirements of the Company's listing jurisdiction, and the Articles of Association, and have a diligent obligation to the Company, and shall perform their duties in the best interests of the Company and with the reasonable care normally due by the management.

The directors have the following diligent obligations to the Company:

- (1) Shall exercise prudently, conscientiously and diligently the rights conferred by the Company in order to ensure that the Company's business activities comply with the requirements of national laws, administrative regulations and various national economic policies, and that the business activities do not exceed the scope of business stipulated in the business license;
- (2) All Shareholders shall be treated fairly;
- (3) Keep abreast of the Company's business operations and management status;
- (4) Shall sign written confirmation opinions on the Company's periodic reports, ensuring disclosed information is truthful, accurate and complete;
- (5) Shall faithfully furnish relevant information and materials to the Audit Committee without impeding its functions;
- (6) Other due diligence obligations stipulated under laws, administrative regulations, departmental rules, the securities regulatory requirements of the Company's listing jurisdiction, and the Articles of Association.

**Article 107** A director who fails to attend two consecutive meetings of the Board of Directors in person or to delegate other directors to attend the meetings on his/her behalf shall be deemed to be incapable of performing his/her duties, and the Board of Directors shall propose to the Shareholders' Meeting to remove such director.

Subject to compliance with the securities regulatory rules of the jurisdiction where the Company's shares are listed, a director who attends or participates in the meeting through internet, video conferencing, telephone connections or other methods of equivalent effect shall also be deemed to be attending the meeting in person.

**Article 108** A director may resign before the expiration of their term by submitting a written resignation notice to the Company. The resignation shall take effect on the date the Company receives the notice, and the Company shall disclose the relevant details within two trading days or within the period required by the securities regulatory rules of the jurisdiction where the Company's shares are listed.

If the resignation of a director results in the board falling below the statutory minimum number of directors, or if the resignation of an independent director causes the number of independent directors to be less than one-third of the board members; or if there is no independent director with the appropriate professional qualifications, accounting expertise, or relevant financial management expertise; or if there is no independent director who is ordinarily resident in Hong Kong, the outgoing director shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules, the securities regulatory requirements of the Company's listing jurisdiction, and the Articles of Association until a successor director is elected and assumes office. In the circumstances stipulated in this paragraph, the director's resignation shall only take effect after a successor has been appointed to fill the vacancy arising from the resignation. Except for the circumstances listed in this paragraph, a director's resignation shall take effect upon the Company's receipt of the resignation notice.

**Article 109** The Company shall establish a director departure management system, specifying safeguard measures for enforcing accountability and indemnification regarding unfulfilled public commitments and other outstanding matters. Upon the effective date of a director's resignation or expiration of their term, the director shall complete all handover procedures with the Board of Directors, but the fiduciary obligations owed to the Company and shareholders are not discharged after the term of office expires. Their obligation of preserving commercial confidentiality subsists after the expiration of their term of office until such trade secrets become public information. The duration of other obligations shall be determined based on principles of fairness, considering the time elapsed between the occurrence of relevant events and departure and the circumstances and conditions under which the relationship with the Company ended. Liability arising from the execution of official duties during the director's tenure shall neither be discharged nor terminated upon departure.

**Article 110** Save as provided in the Articles of Association or duly authorized by the Board of Directors, no director shall act on behalf of the Company or the Board of Directors in his own name. A director shall, when acting in his own name, make a prior statement of his standpoint and capacity whenever a third party may reasonably believe that the said director is acting on behalf of the Company or the Board of Directors.

**Article 111** The Shareholders' Meeting may remove any director by a resolution in accordance with laws, regulations and security regulatory rules of the Company's listing jurisdiction, which shall come into effect from the date on which such resolution is made. Where a director is removed from office prior to expiration of his/her term of office without justifiable cause, the director may demand compensation from the Company.

**Article 112** If a director causes damage to others in the course of performing his/her duties in the Company, the Company shall be liable for compensation; the director shall also be liable for compensation if there is intentionality or gross negligence on his/her part. A director who violates any laws, administrative regulations, department rules, the rules of the securities regulatory authorities of the Company's listing jurisdiction or the Articles of Association in performing his/her duties shall be liable for indemnifying the Company against any loss so caused.

## SECTION 2 BOARD OF DIRECTORS

**Article 113** The Company shall establish a Board of Directors, which shall be accountable to the Shareholders' Meeting. The Board of Directors shall consist of no fewer than 7 Directors, including: no fewer than 3 Executive Directors (including the Employee Representative Director); no fewer than 1 Non-Executive Director; no fewer than 3 Independent Directors, who shall constitute at least one-third of the total Board membership. The Board of Directors shall have 1 Chairman.

**Article 114** The Board of Directors shall exercise the following authorities and responsibilities:

- (1) Convening Shareholders' Meeting and reporting work to Shareholders' Meeting;
- (2) Implementing resolutions adopted by Shareholders' Meeting;
- (3) Determining the Company's business plans and investment schemes;
- (4) Formulating the Company's profit distribution plans and loss recovery plans;
- (5) Developing plans for increasing or reducing registered capital, issuing bonds or other securities, and listing arrangements;
- (6) Subject to compliance with the securities regulatory rules of the place where the Company's shares are listed, drafting proposals for major acquisitions, repurchase of company shares, mergers, divisions, dissolution, or changes to the Company's organizational form;
- (7) Determining the establishment of the Company's internal management structure;
- (8) Appointing or dismissing the Company's general manager, board secretary and other senior management personnel, determining their compensation and incentive/disciplinary matters; and appointing or dismissing deputy general managers, financial officers and other senior executives based on the general manager's nomination, while determining their compensation and incentive/disciplinary matters;
- (9) Establishing the Company's fundamental management systems;
- (10) Subject to compliance with the securities regulatory rules of the place where the Company's shares are listed and within the scope authorized by Shareholders' Meeting, deciding on matters including external investments, asset acquisitions/disposals, asset mortgages, external guarantees, entrusted wealth management, connected transactions, and external donations;
- (11) Formulating amendments to the Articles of Association;

- (12) Managing the Company's information disclosure matters;
- (13) Proposing to Shareholders' Meeting the appointment or replacement of auditing accounting firms;
- (14) Reviewing work reports from the general manager and supervising the general manager's performance;
- (15) Other authorities granted by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The authority of the Board over transactions, connected transactions, external guarantees, and other matters of the Company is as follows:

- (1) Transactions conducted by the Company that meet any of the following criteria shall be submitted to the Board for approval:
  1. The total assets involved in the transaction account for more than 10% of the Company's most recently audited total assets. If both book value and appraised value exist for the assets involved, the higher value shall prevail;
  2. The net assets involved in the subject of the transaction (e.g., equity) account for more than 10% of the Company's most recently audited net assets, with an absolute amount exceeding RMB10 million. If both book value and appraised value exist for the net assets involved, the higher shall prevail;
  3. The revenue related to the subject of the transaction (e.g., equity) in the most recently accounting year accounts for more than 10% of the Company's audited revenue in the most recently accounting year, with an absolute amount exceeding RMB10 million;
  4. The net profit related to the subject of the transaction (e.g., equity) in the most recently accounting year accounts for more than 10% of the Company's audited net profit in the most recently accounting year, with an absolute amount exceeding RMB1 million;
  5. The transaction amount (including assumed liabilities and expenses) accounts for more than 10% of the Company's most recently audited net assets, with an absolute amount exceeding RMB10 million;
  6. The profit generated from the transaction accounts for more than 10% of the Company's audited net profit in the most recently accounting year, with an absolute amount exceeding RMB1 million;
  7. Other circumstances required by the securities regulatory rules of the place where the Company's shares are listed.

For any negative values involved in the calculation of the above criteria, their absolute values shall be taken.

The term transactions in this Article includes the following types of activities occurring outside the Company's ordinary course of business: asset purchases; asset sales; external investments (including entrusted wealth management, investments in subsidiaries, etc.); provision of financial assistance (including entrusted loans, etc.); provision of guarantees (including guarantees for controlled subsidiaries, etc.); asset leasing in or out; entrusted or accepting management of assets and business; donation or acceptance of donated assets; debt or liability restructuring; transfer or acceptance of R&D projects; licensing agreements; waiver of rights (including pre-emptive rights, priority subscription rights, etc.); and other transactions recognized by the stock exchange where the Company's shares are listed.

(2) Connected Transactions

1. Connected transactions between the Company and a connected natural person with a transaction amount exceeding RMB300,000 and connected transactions between the Company and a connected legal person (or other organization) with a transaction amount exceeding RMB3 million and accounting for more than 0.5% of the absolute value of the Company's most recently audited net assets, shall be considered and approved by the Board of the Company. However, if the number of non-connected directors attending the board meeting is less than three, such matter shall be submitted to the Company's Shareholders' Meeting for consideration and approval.
2. Other circumstances required by the securities regulatory rules of the place where the Company's shares are listed.

(3) External Guarantees

1. The Board of the Company shall consider and approve external guarantees other than those required to be considered and approved by the Shareholders' Meeting as stipulated in the Articles of Association or laws, regulations, rules, and other normative documents. When considering external guarantees, the Board shall obtain the consent of more than two-thirds of the directors present at the board meeting.
2. Other circumstances required by the securities regulatory rules of the place where the Company's shares are listed.

(4) Other Matters

Matters other than those required to be considered and approved by the Shareholders' Meeting as stipulated in the Articles of Association, laws and regulations, departmental rules, and other normative documents, shall be considered and approved by the Board of the Company.

Matters exceeding the approval authority of the Board of the Company as stipulated in this Article, and matters required to be submitted to the Shareholders' Meeting for consideration according to laws, administrative regulations, and relevant provisions of the securities regulatory authority and stock exchange of the place where the Company's shares are listed, shall be reported by the Board to the Shareholders' Meeting for consideration and approval.

The following matters shall be submitted to the Board for consideration after obtaining the consent from more than half of all the Company's independent directors:

- (1) Connected transactions required to be disclosed;
- (2) Proposals for the Company and relevant parties to alter or waive commitments;
- (3) Decisions and measures taken by the Board in response to an acquisition if the Company is acquired;
- (4) Other matters stipulated by laws, administrative regulations, the securities regulatory authority of the place where the Company's shares are listed, and the Articles of Association.

**Article 115** The Board of the Company shall provide explanations to the Shareholders' Meeting regarding any non-standard audit opinions issued by the certified public accountants on the Company's financial reports.

**Article 116** The Board shall formulate rules of procedure for the Board to ensure the implementation of resolutions of the Shareholders' Meeting, improve work efficiency, and ensure scientific decision-making.

The Rules of Procedure for the Board shall be an appendix to the Articles of Association, formulated by the Board and approved by the Shareholders' Meeting.

**Article 117** The Board shall determine the authority limits for external investments, purchase and sale of assets, asset mortgages, matters concerning external guarantees, entrusted wealth management, connected transactions, external donations, etc., and establish strict review and decision-making procedures; major investment projects shall be evaluated by relevant experts and professionals and submitted to the Shareholders' Meeting for approval.

**Article 118** The Company shall not provide external guarantees without approval of the Board or the Shareholders' Meeting.

When external guarantees are submitted to the Board for consideration, the consent of more than two-thirds of the directors present at the board meeting shall be obtained.

If losses are caused to the Company due to providing external guarantees in violation of the approval authority limits and consideration procedures stipulated in the Articles of Association, the Company shall investigate the liability of the relevant responsible personnel.

**Article 119** The Board shall have one chairman elected by more than half of all directors of the Board.

**Article 120** The chairman shall exercise the following powers:

- (1) Preside over Shareholders' Meetings and convene and preside over board meetings;
- (2) Supervise and inspect the implementation of board resolutions;
- (3) Except as otherwise stipulated by the securities regulatory rules of the place where the Company's shares are listed, sign documents of the Board and other documents that shall be signed by the legal representative of the Company;
- (4) Other powers and authorities conferred by the Board of Directors, laws, administrative regulations, or the securities regulatory rules of the place where the Company's shares are listed.

**Article 121** If the chairman is unable or fails to perform his/her duties, a director shall be recommended and elected by more than half of the directors to perform such duties.

**Article 122** The Board shall convene at least four regular meetings each year convened by the chairman, with written notice to all directors at least 14 days prior to the meeting. Regular meetings of the Board do not include obtaining Board approval by means of circulation of written resolutions. The chairman shall hold at least one meeting each year with the independent non-executive directors without the presence of other directors.

**Article 123** Shareholders representing more than 1/10 of the voting rights, more than 1/3 of the directors, or the Audit Committee may propose to convene an interim board meeting. The chairman shall convene and preside over the board meeting within 10 days upon receipt of such proposal.

**Article 124** For convening an interim board meeting, a notice shall be given by means of personal delivery, email or postal delivery, telephone, or any other method prescribed in the Articles of Association; such notice shall be provided to all directors at least 3 days prior to the meeting. In the event of emergency, an interim board meeting may be convened without being subject to the aforementioned notice period, provided that all directors unanimously agree, and such circumstances shall be recorded in the minutes of the board meeting and signed by all attending directors.

The first meeting of a newly elected Board of Directors may be held on the same day as the election, and the convening of such meeting shall not be subject to the notice method and notice period stipulated in the first paragraph.

**Article 125** The notices of the board meetings shall include the following:

- (1) the date and venue of the meeting;
- (2) the duration of the meeting;
- (3) the subject matters and topics of the meeting;
- (4) the date of the notice.

**Article 126** A board meeting shall be held in the presence of more than half of the directors. Resolutions of the Board of Directors must be passed by more than half of all directors. Voting on Board of Directors resolutions shall be made on a one-person-one-vote basis.

**Article 127** Where a director has an affiliated relationship with any enterprise or individual involved in matters subject to a board resolution, such director shall promptly submit a written explanation to the Board of Directors. The affiliated director shall neither vote on such matter nor exercise voting rights as proxy for other directors. Such board meeting shall be valid only if attended by a majority of non-affiliated directors, and the relevant resolution shall require approval by a majority of non-affiliated directors. If fewer than three non-affiliated directors are present at the meeting, the matter shall be submitted to the Shareholders' Meeting for deliberation. Where laws and regulations or securities regulatory rules in the Company's listing jurisdiction impose additional restrictions regarding directors' participation and voting, such provisions shall prevail.

**Article 128** Resolutions of the board meetings shall be passed by written voting.

Unless otherwise stipulated by laws and regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, Board resolutions shall be voted on by means of a recorded vote, upon which a written resolution of the Board shall be formed.

Board meetings may be convened and voted upon by means of physical meetings, communication methods, or a combination thereof. If a substantial shareholder (as defined in the applicable Hong Kong Stock Exchange Listing Rules in force from time to time) or a director has a material conflict of interest, as determined by the Board, in a matter to be considered by the Board, the relevant matter shall be dealt with by convening a Board meeting (rather than by way of a written resolution).

The extraordinary board meetings may be held and the resolution may be voted by video conference, teleconference, facsimile and e-mail on the basis that directors' opinions can be expressed adequately and shall be signed by directors attending the meeting.

**Article 129** Directors shall attend board meetings in person. If a director cannot attend the meeting for any reason, he/she may authorize in writing another director to act on his/her behalf. The power of attorney shall set out the name of the proxy, the matters represented, the scope of authorization and the validity period, and shall be signed or sealed by the appointing director. The appointed director who attends the meeting shall exercise the director's rights within the scope of authorization. If a director does not attend a board meeting in person and does not appoint a proxy to attend the meeting, he/she shall be deemed to have waived the voting rights at the meeting.

One director shall not accept appointment by more than two directors to attend one board meeting on his/her behalf.

**Article 130** The Board shall keep minutes of the decisions on the matters discussed at the meeting, which shall be signed by the directors present at the meeting. Any director present at the meeting shall have the right to require that a statement in explanation of his speech at the meeting be recorded in the minutes. The minutes of board meetings shall be kept as company files for a period of not less than 10 years.

**Article 131** The minutes of the board meeting shall include the following particulars:

- (1) date, venue and name of the convener of the meeting;
- (2) names of directors attending the meeting in person and directors (proxy) who has been appointed by other directors to attend the meeting;
- (3) agenda of the meeting;
- (4) summary of opinions expressed by the directors; and
- (5) the manner and result of voting of each resolution, (with the number of votes for, against and abstained recorded clearly).

### SECTION 3 INDEPENDENT DIRECTORS

**Article 132** Independent directors shall diligently perform their duties in accordance with laws, administrative regulations, securities regulatory authorities, the securities regulatory rules of the place where the Company's shares are listed, and the provisions of the Articles of Association. They shall play a role in decision-making, oversight, checks and balances, and professional consultation within the Board of Directors, safeguarding the overall interests of the Company and protecting the legitimate rights and interests of minority shareholders.

The number of independent directors shall not be fewer than three and shall constitute no less than one-third of the total number of directors. Among them, at least one independent director must possess appropriate professional qualifications as required by the securities regulatory rules of the place where the Company's shares are listed or have expertise in accounting or related financial management. One independent director shall ordinarily reside in Hong Kong. All independent directors must meet the independence requirements stipulated by the securities regulatory rules of the place where the Company's shares are listed.

**Article 133** Independent directors must maintain independence. The following individuals shall not serve as independent directors:

- (1) persons working for the Company or its subsidiaries, as well as their spouses, parents, children, or close social relations;
- (2) natural person shareholders who directly or indirectly hold more than 1% of the Company's issued shares or are among the top ten shareholders, as well as their spouses, parents, or children;
- (3) persons working for shareholders who directly or indirectly hold more than 5% of the Company's issued shares or for the Company's top five shareholders, as well as their spouses, parents, or children;
- (4) persons working for subsidiaries of the Company's controlling shareholder or actual controller, as well as their spouses, parents, or children;
- (5) persons who have significant business dealings with the Company, its controlling shareholder, actual controller, or their respective subsidiaries, or who work for entities (or their controlling shareholders or actual controllers) that have significant business dealings with the Company;
- (6) persons who provide financial, legal, consulting, sponsorship, or other services to the Company, its controlling shareholder, actual controller, or their respective subsidiaries, including but not limited to all members of the project team, reviewers at all levels, signatories, partners, directors, senior management, and key personnel of the intermediary institutions providing such services;

- (7) persons who, within the past 12 months, fell under any of the circumstances listed in items (1) to (6) above;
- (8) persons who meet any of the conditions set out in Rules 3.13(1) to (8) of the Hong Kong Stock Exchange Listing Rules;
- (9) other persons deemed non-independent under laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

For the purposes of items (4) to (6) above, subsidiaries of the Company's controlling shareholder or de facto controller shall not include enterprises controlled by the same state-owned assets regulatory authority as the Company, provided that such enterprises are not deemed related parties under relevant regulations.

Independent directors shall conduct an annual self-assessment of their independence and submit the results to the Board of Directors. The Board shall annually evaluate the independence of incumbent independent directors, issue a specific opinion, and disclose it together with the annual report.

**Article 134** An individual serving as an independent director of the Company shall satisfy the following requirements:

- (1) possess the qualifications for serving as a company director in accordance with laws, administrative regulations, securities regulatory authorities, securities regulatory rules of the Company's listing jurisdiction, and other relevant provisions;
- (2) meet the independence requirements stipulated in the Articles of Association;
- (3) have fundamental knowledge of listed company operations and be familiar with relevant laws, regulations and rules;
- (4) possess no less than five years of professional experience in law, accounting, economics or other fields necessary for performing independent director duties;
- (5) maintain good personal integrity without any record of serious dishonesty or other misconduct;
- (6) satisfy other conditions stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 135** As members of the Board, the independent directors owe a duty of loyalty and diligence to the Company and all Shareholders, and will discharge the following duties prudently:

- (1) participating in the decision-making of the Board and express a clear opinion on the matters under consideration;
- (2) supervising potential material conflicts of interest between the Company and controlling Shareholders, de facto controllers, Directors and senior management, so as to protect the legitimate rights and interests of minority shareholders;
- (3) providing professional and objective advice on the Company's operation and development, and promoting the enhancement of the Board's decision-making level;
- (4) other duties prescribed by laws, administrative regulations, securities regulatory authorities, the securities regulatory requirements of the Company's listing jurisdiction and the Articles of Association.

**Article 136** The independent directors shall exercise the following special powers:

- (1) to independently engage intermediaries to audit, consult or verify specific matters of the Company;
- (2) to propose to the Board to convene an extraordinary shareholders' meeting;
- (3) to propose meetings of the Board;
- (4) to openly solicit shareholders' rights from shareholders in accordance with the law;
- (5) to express independent opinions on matters that may jeopardize the rights and interests of the Company or minority shareholders;
- (6) other powers and functions prescribed by laws, administrative regulations, securities regulatory authorities, the securities regulatory requirements of the Company's listing jurisdiction and the Articles of Association.

When an independent director exercises the powers and functions listed in items 1 to 3 of the preceding paragraph, he/she shall obtain the approval of a majority of all independent directors.

The Company will disclose in a timely manner any exercise of the powers and functions listed in the first paragraph by independent directors. If the above powers and functions cannot be exercised normally, the Company will disclose the details and reasons.

**Article 137** The following matters shall be submitted to the Board for review after obtaining the approval of more than half of all independent Directors:

- (1) Related-party transactions that require disclosure;
- (2) Proposals for the Company and related parties to change or waive commitments;
- (3) Decisions and measures taken by the Board of an acquired listed company in response to the acquisition;
- (4) Other matters stipulated by laws, administrative regulations, and securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

**Article 138** The Company shall establish a mechanism for special meetings composed entirely of independent Directors. Matters such as related-party transactions to be considered and approved by the Board shall first be approved by the special meeting of independent Directors.

The Company shall convene special meetings of independent Directors on a regular or ad hoc basis. Matters listed in items (1) to (3) of paragraph 1 of Article 136 and Article 137 of the Articles of Association shall be considered and approved by the special meeting of independent Directors.

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

The special meeting of independent Directors shall be convened and presided over by one independent Director jointly nominated by more than half of the independent Directors. If the convenor fails to perform their duties or is unable to do so, two or more independent Directors may convene the meeting and nominate one representative to preside.

Minutes of special meetings of independent Directors shall be prepared in accordance with the regulations, and the opinions of independent Directors shall be set out in the minutes. The independent Directors shall sign to confirm the minutes.

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

## SECTION 4 BOARD SPECIAL COMMITTEE

**Article 139** The Board shall establish an Audit Committee, a Remuneration and Appraisal Committee, a Nomination Committee, and a Strategy and ESG Committee. Each committee shall have an odd number of members, with no fewer than three. These special committees are responsible to the Board and shall perform their duties in accordance with the Company's Articles of Association and the Board's authorization. Proposals from these committees shall be submitted to the Board for review and approval. All members of the special committees shall be directors. Among them, independent directors shall constitute the majority and serve as conveners in the Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee. The convener of the Audit Committee shall possess the appropriate professional qualifications stipulated by the securities regulatory rules of the place where the Company's shares are listed, or appropriate accounting or related financial management expertise.

**Article 140** The Board Audit Committee shall exercise the powers and functions of a supervisory board as prescribed under the Company Law.

The Audit Committee shall consist of three members, all of whom shall be directors not serving as senior management of the Company and shall be non-executive directors. Among them, two shall be independent directors, with at least one independent director possessing the appropriate professional qualifications as stipulated by the securities regulatory rules of the place where the Company's shares are listed, or appropriate accounting or related financial management expertise.

**Article 141** The Audit Committee shall hold meetings at least once every quarter. An interim meeting may be convened upon the request of two or more members or when the convener deems it necessary. A meeting of the Audit Committee shall only be valid if at least two-thirds of its members are present.

Resolutions of the Audit Committee shall be passed by an affirmative vote of a majority of its members.

Each member of the Audit Committee shall have one vote in decision-making.

The Audit Committee shall prepare meeting minutes in accordance with applicable requirements, and all attending members shall sign the minutes.

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

**Article 142** The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audits, and internal controls. The following matters shall be submitted to the Board for review after obtaining the approval of more than half of all Audit Committee members:

- (1) Disclosure of financial accounting reports and financial information in periodic reports, as well as internal control evaluation reports;
- (2) Appointment or dismissal of the accounting firm responsible for auditing the Company;
- (3) Appointment or dismissal of the chief financial officer of the Company;
- (4) Changes in accounting policies, accounting estimates, or corrections of major accounting errors due to reasons other than changes in accounting standards;
- (5) Other matters stipulated by laws, administrative regulations, the CSRC and the Articles of Association.

**Article 143** The Nomination Committee shall be responsible for formulating criteria and procedures for the selection of Directors and senior management members, selecting and reviewing candidates for Directors and senior management members and their qualifications, and making recommendations to the Board on the following matters:

- (1) Nomination or removal of Directors;
- (2) Appointment or dismissal of senior management members;
- (3) Other matters provided for in laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association. If the Board 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 them in the resolution of the Board and disclose the same.

**Article 144** The Remuneration and Appraisal Committee shall be responsible for formulating appraisal criteria and conducting appraisals for Directors and senior management members, formulating and reviewing remuneration policies and packages such as remuneration determination mechanism, decision-making process, payment and claw back arrangements for Directors and senior management members, and making recommendations to the Board on the following matters:

- (1) Remuneration of policies and plans for Directors and senior management members; formulating remuneration plans or schemes based on the main scope of duties, responsibilities, importance of their management positions, and the remuneration levels of comparable positions in related enterprises (such plans or schemes primarily include, but are not limited to, performance evaluation criteria, procedures and main evaluation systems, key schemes and systems for rewards and penalties, etc.);
- (2) The standards for appraising directors and senior management members, conducting appraisals on their performance of duties, and making recommendations;
- (3) Supervising the implementation of the Company's remuneration system;
- (4) Formulation or change of equity incentive plans and employee stock ownership plans, and the granting of rights to incentive recipients and the fulfilment of conditions for exercising such rights;
- (5) Arrangement of shareholding plans by Directors and senior management members for subsidiaries to be spun off;
- (6) Other matters stipulated in the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

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

**Article 145** The major duties and authorities of the Strategy and ESG Committee include:

- (1) analyzing and making recommendations on the long-term development strategy plans of the Company;
- (2) analyzing and making recommendations on major investment and financing proposals that must be approved by the Board or Shareholders' Meeting as stipulated in the Articles of Association;
- (3) analyzing and making recommendations on major capital operation and asset management projects that must be approved by the Board or Shareholders' Meeting as stipulated in the Articles of Association;

- (4) analyzing and making recommendations on other major issues that would affect the development of our Company;
- (5) inspecting the implementation of the above matters;
- (6) other matters authorized by the Board.

**Article 146** The Board shall formulate the working system of the special committees and make specific provisions on the composition and responsibilities of the special committees.

## **CHAPTER 6 SENIOR MANAGEMENT**

**Article 147** The Company shall have one general manager, who shall be appointed or dismissed by the Board of Directors. The Company may have several deputy general managers, who shall also be appointed or dismissed by the Board of Directors. The general manager, deputy general managers, chief financial officer, and company secretary shall constitute the senior management of the Company.

**Article 148** The provisions of the Articles of Association regarding disqualifications for directors and departure management systems shall apply equally to senior management. The provisions of the Articles of Association concerning directors' fiduciary duties and duty of care shall likewise apply to senior management.

**Article 149** Persons who hold executive positions other than director in the entities of the controlling shareholder of the Company shall not serve as senior management of the Company. Senior management of the Company shall receive remuneration only from the Company and shall not have their salaries paid by the controlling shareholder on behalf of the Company.

**Article 150** The general manager shall serve a term of three years and may serve consecutive terms if re-employed.

**Article 151** The general manager shall be accountable to the Board of Directors and exercise the following functions and powers:

- (1) to lead the Company's production, operation and management, organize the implementation of the resolutions of the Board of Directors, and report to the Board of Directors;
- (2) to organize the implementation of the Company's annual operation plan and investment proposal;
- (3) to prepare the plan for the establishment of the Company's internal management department;
- (4) to prepare the basic management system of the Company;

- (5) to formulate the specific rules and regulations of the Company;
- (6) to propose to the Board of Directors the appointment or dismissal of the Company's deputy general manager and financial officer;
- (7) to decide on the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (8) other powers authorized by the Articles of Association or the Board of Directors.

The general manager shall attend meetings of the Board of Directors.

**Article 152** The general manager shall formulate detailed working rules for the general manager, which shall be implemented after approval by the Board of Directors.

**Article 153** The detailed working rules for the general manager shall include the following:

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

**Article 154** The general manager may resign before his/her term of office expires. The procedure and rules for resignation of the general manager shall be specified in the employment contract between the general manager and the Company.

The deputy general manager and chief financial officer shall be nominated by the general manager and appointed or removed by the Board of Directors. The deputy general manager and chief financial officer shall assist the general manager in his/her work, and shall be responsible to the general manager for his/her work and report to him/her.

**Article 155** The Company shall have a secretary to the Board of Directors, who is responsible for preparing the Shareholders' Meeting and the Board of Directors, keeping documents, managing the materials regarding the shareholders of the Company, and dealing with information disclosure and other matters.

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

**Article 156** The Company shall be liable for compensation if the senior management members cause damage to others in the performance of their duties; the senior management members shall also be liable for compensation if they are intentional or grossly negligent. Senior management members who violate laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed or the Articles of Association in the performance of their duties and cause losses to the Company shall be liable for compensation. Senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. Where a senior management member of the Company fails to faithfully perform his/her duties or breaches the obligation of integrity, thereby causing damage to the interests of the Company and public shareholders, he/she shall be liable for compensation in accordance with laws.

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

### **SECTION 1 FINANCIAL AND ACCOUNTING SYSTEM**

**Article 157** The Company shall develop its financial and accounting systems pursuant to laws, administrative regulations and the requirements of the competent authorities of China, and the securities regulatory rules of the place where the Company's shares are listed.

**Article 158** The Company shall submit and disclose its annual report to the local office of the CSRC and the stock exchange where the Company's shares are listed within four months from the end of each fiscal year, and its interim report within two months from the end of the first half of each fiscal year. If the securities regulatory authority in the listing jurisdiction has different requirements, such requirements shall prevail.

The aforementioned financial and accounting reports shall be prepared in accordance with the relevant laws, administrative regulations, and the securities regulatory rules of the listing jurisdiction.

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

**Article 160** When distributing after-tax profits, the Company shall allocate 10% of the profits to the Company's statutory reserve fund. Such allocation may cease when the Company's accumulated statutory reserve fund exceeds 50% of the Company's registered capital.

If the Company's statutory reserve fund is insufficient to cover accumulated losses from previous years, the Company shall first use current-year profits to offset such losses before making any statutory reserve allocations under the preceding paragraph.

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

After covering losses and allocating reserve funds, the remaining after-tax profits shall be distributed to shareholders in proportion to their shareholdings, unless otherwise provided by laws and regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

If the Shareholders' Meeting approves any profit distribution in violation of the Company Law, shareholders must return the unlawfully distributed amounts to the Company. Shareholders and liable directors/senior management shall compensate for any losses caused to the Company.

The Company shall not distribute any profits in respect of the shares held by it.

The Company shall appoint one or more receiving agents in Hong Kong for H-shareholders. The receiving agent(s) shall receive and hold on behalf of such shareholders of H shares any dividends allocated to H shares and other amounts payable by the Company, and transmit such payments to such shareholders of H shares. The receiving agent(s) appointed by the Company shall satisfy the requirements under laws and regulations and securities regulatory rules of the place where the shares of the Company are listed.

**Article 161** The Company's reserve funds shall be used to cover losses, expand production and operations, or increase registered capital through conversion.

When covering losses, the Company shall first utilize the discretionary reserve fund and statutory reserve fund. If these prove insufficient, the capital reserve fund may be used in accordance with applicable regulations.

If losses persist after applying these measures, the Company may reduce its registered capital to cover the remaining losses, provided that no distributions shall be made to shareholders during such reduction and shareholders' capital contribution obligations shall remain in full force.

Capital reductions under the Articles of Association shall be exempt from Article 187 (2) of the Articles of Association but require public announcement within 30 days from the shareholders' resolution on CSRC-designated media, the National Enterprise Credit Information Publicity System, the Shenzhen Stock Exchange website, and the HKEX NEWS website (<https://www.hkexnews.hk>).

Following such capital reduction, the Company shall not distribute profits until the aggregate amount of statutory and discretionary reserves reaches 50% of the registered capital.

When converting statutory reserve to capital, the retained portion shall not be less than 25% of the pre-conversion registered capital.

**Article 162** The Company implements an active profit distribution policy, and the details are as follows:

(1) Principles of profit distribution

The Company adopts a sustainable and steady profit distribution policy. And the Company shall fully regard reasonable returns to investors as an important matter in profit distribution, while taking into account the sustainable development of the Company.

(2) Methods of profit distribution

The Company may distribute dividends in the form of cash, shares or a combination of cash and shares. The Company shall give priority to cash dividends. If the Board deems it necessary, it may propose and implement a stock dividend distribution.

(3) Intervals of profit distribution

In principle, profit distribution shall be made once in each fiscal year, and interim cash profit distribution or bonus share may also be distributed where necessary.

(4) Conditions of profit distribution

1. Conditions of profit distribution in cash

If the Company satisfies the conditions for cash dividends, priority shall be given to profit distribution by means of cash dividends. The conditions of profit distribution in cash are as follows:

- (1) The distributable profit of the Company for the current year (i.e. profit after tax of the Company after offsetting losses and allocating to reserves) and its accumulated undistributed profit shall be a positive number;
- (2) The auditing body has issued a standard and unqualified audit report for the Company's annual financial report for the current year;
- (3) The Company does not expect there to be any circumstances where significant capital expenditure projects (excluding projects funded by raised capital) to be incurred in the next twelve months will, on an accumulated basis, amount to or exceed 30% of the Company's latest audited net assets;
- (4) The distribution of profits in cash will not affect the normal operations and sustainable development of the Company.

2. Conditions for distributing dividends in shares

Provided that the Company is in good operational conditions, the Board of Directors believes that the share prices of the Company do not match the scale of its share capital, that there are true and reasonable factors such as the growth of the Company and the dilution of net assets per share, and that the distribution of bonus shares is in line with the overall interests of the shareholders as a whole, and on the premise of complying with the aforesaid provisions on cash profit distribution, the Company may propose to distribute dividends in shares.

(5) Proportions of dividend distribution in cash

Under the conditions permitting cash dividend distribution, the Company shall distribute no less than 10% of the distributable profits realized in the current year as cash dividends, and the accumulated distribution of cash dividends over the last 3 years shall not be less than 30% of the average distributable profits for the last 3 years.

The Board of Directors of the Company shall comprehensively take into account factors including the characteristics of the industry of the Company, the Company's development stage, its own business model, profitability, and if there are any substantial capital expenditure arrangements, etc., to distinguish the following situations and propose a differentiated cash dividend distribution policy according to the procedures as stipulated in the Articles of Association:

- (1) If the Company's development is in maturity stage without any substantial capital expenditure arrangement, the proportion of cash dividends of the profit distribution shall not be less than 80%;
- (2) If the Company's development is in maturity stage and has substantial capital expenditure arrangements, the proportion of cash dividends of the profit distribution shall not be less than 40%;
- (3) If the Company's development is in growth stage and has substantial capital expenditure arrangements, the proportion of cash dividends of the profit distribution shall not be less than 20%;
- (4) If the development stage of the Company cannot be easily identified but there are substantial capital expenditure arrangements, it can be carried out in accordance with the preceding paragraph.

(6) Implementation of profit distribution

The distribution of dividends (or shares) shall be completed within two months after a resolution is made at the shareholders' meeting on the profit distribution plan, or after the Board of Directors of the Company has formulated a specific plan based on the conditions and maximum amount of interim dividends for the following year as considered and approved at the annual Shareholders' Meeting. If the specific plan cannot be implemented within 2 months due to the requirements of the laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, the implementation date of the specific plan may be adjusted accordingly in accordance with such regulations and the actual situations.

**Article 163** Decision-making procedure and mechanisms for profit distribution

(1) Formulation of profit distribution proposal

When formulating profit distribution proposal based on the operational condition of the Company, the Board of Directors shall fully listen to and adopt the opinions of independent directors, small and medium-sized shareholders, and the audit committee. Before deliberation on the specific distribution plan for cash dividend at the Shareholders' Meeting, the Company shall take the initiative to communicate and engage with shareholders, especially institutional investors and small and medium-sized shareholders, via channels such as telephone and the internet, and answer the questions which shareholders enquiry in a timely manner.

(2) Decision-making procedure

1. When considering the profit distribution proposal, the Board of Directors shall carefully consider and deliberate the timing, conditions, proportion and adjustments, etc. of the distribution of cash dividend by the Company, and shall fully solicit the opinions of the audit committee; and independent directors shall express their clear opinions.
2. The profit distribution plan shall be consideration and approval at the Shareholders' Meeting upon consideration and approval by the Board of Directors.

If profit distribution plan for the current year can not be decided in compliance with the established cash dividends policy or minimum cash dividend ratio under special circumstances, the Company shall disclose specific reasons and definite opinions of independent directors in the annual report for the current year. Profit distribution plan for the current year shall be passed by more than two-thirds of the voting rights held by shareholders attending the Shareholders' Meeting.

(3) Supervision on profit distribution

The audit committee shall supervise the implementation of the cash dividends policy and shareholders' return plan by the Board of Directors, as well as the execution of appropriate decision-making procedures and information disclosure. The audit committee shall express explicit opinions and urge the Board of Directors to make correction in a timely manner in case of any of the following circumstances:

1. Failure to strictly implement the cash dividends policy and shareholders' return plan;
2. Failure to strictly execute appropriate decision-making procedures for cash dividends;
3. Failure to make an authentic, accurate and complete disclosure of the cash dividends policy and its implementation.

**Article 164** Adjustment mechanism for profit distribution policies

- (1) If the profit distribution policy should be adjusted due to the production and operation conditions, investment plans and long-term development, or the changes in external operation environment, the adjusted profit distribution policy must not violate the relevant regulations of the securities regulatory authority and the stock exchange in the place where the Company's shares are listed.
- (2) Resolutions on adjusting profit distribution policy shall be formulated by the Board of Directors, and shall be approved by the audit committee and more than one-half of all independent directors respectively before submitting to the Board of Directors for consideration. Independent directors shall express independent opinions on the adjustments on profit distribution policy.
- (3) The proposal to adjust the profit distribution policy shall be submitted to the Board of Directors and the Shareholders' meeting for deliberation respectively. After being deliberated by the Board of Directors, it shall be submitted to the Shareholders' meeting for approval. The Company may arrange to provide facilities for the public shareholders to attend the Shareholders' meeting through online voting methods (such as stock exchange trading system and Internet voting system). The proposal to adjust the profit distribution policy by the Shareholders' meeting shall be approved by more than two-thirds of the voting rights held by the shareholders attending the Shareholders' meeting. The Company's independent directors may solicit the voting rights of the Company's social public shareholders at the Shareholders' Meeting before the Shareholders' Meeting is held. They shall obtain the consent of no less than one-half of all independent directors

before exercising the said functions and powers. When the independent directors consider that the specific plan of cash dividends might be detrimental to the interests of the Company or small and medium-sized shareholders, they shall have the right to express independent opinions. If the Board of Directors does not adopt or fully adopt the opinions of an independent directors, it shall record the opinions of the independent directors and the specific reasons for not adopting such opinions and disclose the same in the resolution of the Board of Directors.

## SECTION 2 INTERNAL AUDIT

**Article 165** The Company shall implement an internal audit system that clearly defines the leadership structure, responsibilities and authorities, staffing arrangements, funding mechanisms, utilization of audit findings, and accountability for internal audit work. The Company's internal audit system shall be implemented upon approval by the Board of Directors and shall be publicly disclosed.

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

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

In conducting its oversight of business activities, risk management, internal controls, and financial information, the internal audit department shall operate under the supervision and guidance of the Audit Committee.

The internal audit department must immediately report any relevant material issues or findings directly to the Audit Committee upon discovery.

**Article 167** The specific organization and implementation of the Company's internal control evaluation is the responsibility of the internal audit department. The Company shall issue an annual internal control evaluation report on the basis of the evaluation report issued by the internal audit department and considered by the Audit Committee, as well as relevant information.

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

The Audit Committee shall be involved in the appraisal of the person in charge of internal audit.

## SECTION 3 APPOINTMENT OF AN ACCOUNTING FIRM

**Article 169** The Company shall appoint an accounting firm (referred to as "auditor" under the Hong Kong Stock Exchange Listing Rules) that complies with the laws, regulations and securities rules of the Company's listing jurisdiction to conduct financial statement audits, net asset verification and other related advisory services. The engagement period shall be one year, subject to renewal.

**Article 170** The appointment or dismissal of the Company's accounting firm shall be submitted to the Board of Directors for deliberation upon obtaining the consent of more than half of all members of the Audit Committee, and shall be decided by the Shareholders' Meeting. The appointment, removal, and remuneration (or the method for determining the remuneration) of an accounting firm must be determined by the Shareholders' Meeting by way of an ordinary resolution. The Board of Directors is prohibited from engaging any accounting firm prior to the Shareholders' Meeting decision.

**Article 171** The Company shall ensure that its engaged accounting firm is provided with authentic and complete accounting vouchers, ledgers, financial reports and other accounting materials, and shall not refuse, conceal or misrepresent such information.

**Article 172** The audit fees for the accounting firm shall be determined by the Shareholders' Meeting.

**Article 173** When terminating or not renewing the engagement of an accounting firm, the Company shall provide 30 days' prior notice to the firm. The accounting firm shall have the right to present its views when the Shareholders' Meeting votes on its dismissal. If the accounting firm resigns, it must report to the Shareholders' Meeting whether there are any improper circumstances involving the Company.

## CHAPTER 8 NOTICES AND ANNOUNCEMENTS

### SECTION 1 NOTICES

**Article 174** Notices from the Company shall be given in the following form:

- (1) by hand;
- (2) by post, fax or email;
- (3) by way of announcement;
- (4) subject to compliance with laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, by way of an announcement on the websites designated by the Company and the Hong Kong Stock Exchange;
- (5) other forms agreed in advance by the Company and/or the notice recipient or acknowledged by the notice recipient upon receipt;
- (6) by any other means as approved by the relevant regulatory authorities in the places where the Company's shares are listed or as specified in the Articles of Association.

**Article 175** Subject to compliance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, a notice given by the Company by way of announcement shall be deemed to have been received by all persons concerned once the announcement has been made.

Unless the context otherwise requires, the term "announcement" means the publication of information on the website of the Shenzhen Stock Exchange and in the media that meet the requirements stipulated by the CSRC in respect of the announcements that are made to the shareholders of A Shares or that need to be made in China in accordance with the provisions of relevant regulations or the Articles of Association. In respect of the announcements that are made to the shareholders of H Shares or that need to be made in Hong Kong in accordance with relevant regulations or the Articles of Association, the announcements shall be made on the website of the Company, the website of the Hong Kong Stock Exchange and such other websites as may be prescribed by the Hong Kong Stock Exchange Listing Rules from time to time in accordance with the relevant requirements of the Hong Kong Stock Exchange Listing Rules.

Under the Company's compliance with the relevant listing rules of the place where the shares of the Company are listed, regarding the provision and/or distribution by the Company of corporate communications to the shareholders of H Shares in accordance with the requirements of such listing rules, the Company may also post such information electronically or at the Company's website or the website of the stock exchange where the shares of the Company are listed so as to transmit or provide the same to such H shareholders, in lieu of such delivery by hand or postage prepaid mail.

Corporate communications refer to any documents issued or to be issued by the Company for the reference or action of the holders of any securities of the Company, which include but are not limited to:

- (1) the directors' report, the annual accounts of the Company together with the auditors' report and (where applicable) the financial summary report;
- (2) interim reports and (where applicable) interim summary reports;
- (3) notices of meetings;
- (4) listing documents;
- (5) circulars; and
- (6) proxy forms.

Unless otherwise provided in the Articles of Association, notices sent by the Company to shareholders of H Shares by way of announcement shall be submitted electronically to the Hong Kong Stock Exchange on the same day via its electronic submission system for immediate publication on the Hong Kong Stock Exchange website, or shall be published by announcement (including advertisement) in newspapers in accordance with the requirements of the Hong Kong Stock Exchange Listing Rules. Such announcements shall also be simultaneously published on the Company's website.

Shareholders of H Shares of the Company may elect in writing to receive corporate communications that the Company is required to dispatch to shareholders either in electronic form or by post, and may elect to receive Chinese or English version only, or both. They may also, by providing written notice to the Company within a reasonable period in advance and following appropriate procedures, modify their method of receiving the aforementioned information and the language version(s).

**Article 176** Notice of a Shareholders' Meeting of the Company shall be given by announcement or the stock exchange where the shares of the Company are listed.

**Article 177** Notice of a board meeting of the Company shall be delivered by hand, post, announcement or email; notice of an extraordinary board meeting may be given by facsimile; in the event of an emergency, notice of an extraordinary board meeting may be given at any time through the telephone, facsimile or other communication means retained by the directors with the Company.

**Article 178** 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 fifth day from the date the notice is delivered to the post office. If the notice is delivered by facsimile, it shall be deemed to be served on the date of despatch. If the notice is delivered by email, it shall be deemed to be served on the date of despatch. 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 179** The accidental omission to give notice of meeting to, or non-receipt of notice of meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions adopted at the meeting.

## SECTION 2 ANNOUNCEMENT

**Article 180** The Company shall designate the following as the media for publishing corporate announcements and other information required to be disclosed: the officially appointed statutory information disclosure newspaper, the official website of the stock exchange on which the Company's securities are listed, CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)), the HKEXnews website of Hong Kong Exchanges and Clearing Limited (<https://www.hkexnews.hk>), and the Company's own website.

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

**SECTION 1 MERGER, DIVISION,  
CAPITAL INCREASE AND CAPITAL REDUCTION**

**Article 181** The Company mergers can be subject to the form of merger by absorption or merger by consolidation.

The absorption of other companies by a company is called as merger by absorption and the absorbed company is dissolved. The combination of two or more companies to establish a new company is called as merger by consolidation, and the parties are dissolved after merger.

**Article 182** Except as otherwise provided in the Articles of Association, if the price of combined payment by the Company does not exceed 10% of the Company's net assets, it may not be subject to the resolution of the shareholders' meeting.

If the Company merges based on the provisions of the preceding paragraph without the resolution of the shareholders' meeting, it shall be subject to the resolution of the Board.

**Article 183** The merging parties shall execute a merger agreement and prepare both a balance sheet and a detailed asset inventory. Within 10 days after the merger resolution is adopted, the Company shall notify its creditors, and within 30 days, make a public announcement in newspapers or on the National Enterprise Credit Information Publicity System, the website of the Shenzhen Stock Exchange, and the HKEX news website (<https://www.hkexnews.hk>). Creditors who receive notice may demand debt repayment or adequate guarantees within 30 days from receipt of such notice, while those not receiving notice may make such demands within 45 days from the announcement date. All parties shall comply with any additional requirements under the securities regulatory rules of the place where the Company's shares are listed.

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

**Article 185** In the event of a corporate division, the Company shall effect an appropriate division of its assets.

In the event of a corporate division, the Company shall prepare a balance sheet and detailed inventory of assets. Within 10 days after the merger resolution is adopted, the Company shall notify its creditors, and within 30 days, make a public announcement through media outlets satisfying the conditions stipulated by the China Securities Regulatory Commission or on the National Enterprise Credit Information Publicity System, the website of the Shenzhen Stock Exchange, and the HKEX news website (<https://www.hkexnews.hk>). All parties shall comply with any additional requirements under the securities regulatory rules of the place where the Company's shares are listed.

**Article 186** The new company resulting from the division shall be jointly liable for the debts of the existing company prior to the division, unless it is otherwise prescribed in a written agreement before the division between the company and its creditors with regard to the pay-off of debts.

**Article 187** The Company shall prepare a balance sheet and detailed inventory of assets when reducing its registered capital.

Within 10 days after the Shareholders' Meeting resolution on capital reduction is adopted, the Company shall notify its creditors, and within 30 days, make a public announcement through media outlets satisfying the conditions stipulated by the China Securities Regulatory Commission or on the National Enterprise Credit Information Publicity System, the website of the Shenzhen Stock Exchange, and the HKEX news website (<https://www.hkexnews.hk>). Creditors who receive notice may demand debt repayment or adequate guarantees within 30 days from receipt of such notice, while those not receiving notice may make such demands within 45 days from the announcement date. All parties shall comply with any additional requirements under the securities regulatory rules of the place where the Company's shares are listed.

The capital reduction shall be implemented proportionally based on shareholders' respective shareholdings, unless otherwise provided by law or the Articles of Association.

**Article 188** Any capital reduction conducted in violation of the Company Law or other applicable regulations shall require shareholders to return funds received, and any reduction in shareholders' capital contributions shall be restored to its original state. Shareholders and responsible directors, senior management shall be liable for compensation if such illegal capital reduction causes losses to the Company.

**Article 189** When the Company issues new shares to increase its registered capital, the Shareholders do not have pre-emptive right to subscribe for the new shares, except provided otherwise in the Articles of Association or it is determined by a resolution in the Shareholders' Meeting that the Shareholders shall have the pre-emptive right.

**Article 190** The Company shall complete registration formalities with the company registration authority in accordance with law when merger or division results in changes to registration matters; the Company shall complete cancellation of registration in accordance with law when the Company is dissolved; the Company shall also complete incorporation registration in accordance with law when a new company is established.

The Company shall complete change registration procedures for any increase or decrease in registered capital with the company registration authority in accordance with law.

## SECTION 2 DISSOLUTION AND LIQUIDATION

**Article 191** The Company may be dissolved under any of the following circumstances:

- (1) expiration of the business term specified in the Articles of Association or occurrence of other dissolution events stipulated herein;
- (2) resolution by the Shareholders' Meeting to dissolve;
- (3) dissolution required due to merger or division;
- (4) revocation of business license, compulsory closure, or cancelation by administrative order in accordance with law;
- (5) when serious difficulties in the Company's operations make continued existence detrimental to shareholders' interests and no alternative solutions exist, shareholders holding 10% or more of the voting rights may petition the people's court for dissolution.

Within 10 days after the occurrence of any dissolution event specified above, the Company shall publicly announce the dissolution reason through the National Enterprise Credit Information Publicity System.

**Article 192** If the Company falls under the circumstances of Article 191 (1) or (2) of the Articles of Association and has not yet distributed assets to shareholders, it may continue operations by amending the Articles of Association or through a Shareholders' Meeting resolution.

Any amendment to the Articles of Association or any resolution to be passed at the Shareholders' Meeting pursuant to the preceding paragraph shall require approval by at least 2/3 of the voting rights held by the Shareholders present at the Shareholders' Meeting.

**Article 193** The Company shall undergo liquidation when dissolved under the requirements of Article 191(1), (2), (4), or (5) of the Articles of Association. The directors shall serve as the liquidation obligors and shall form a liquidation committee to carry out liquidation within 15 days after the dissolution event occurs. The liquidation committee shall consist of directors unless otherwise stipulated in the Articles of Association or resolved by the Shareholders' Meeting.

Liquidation obligors who fail to perform their duties promptly and thereby cause losses to the Company or creditors shall be liable for compensation.

**Article 194** The liquidation committee may exercise the following functions during the period of liquidation:

- (1) liquidating the property of the Company, preparing a balance sheet and an inventory of property, respectively;
- (2) giving notice and making announcement to the Company's creditors;
- (3) handling and liquidating the relevant unfinished business of the Company;
- (4) paying off the taxes overdue and the taxes incurred in the process of liquidation;
- (5) liquidation of claims and debts;
- (6) distributing the remaining property after all the debts of the Company are paid off;
- (7) representing the Company in civil litigation activities.

**Article 195** The liquidation committee shall notify creditors within 10 days of its establishment and publish an announcement within 60 days through media outlets satisfying the conditions stipulated by the China Securities Regulatory Commission, the National Enterprise Credit Information Publicity System, the website of the Shenzhen Stock Exchange, and the HKEX news website ([www.hkexnews.hk](http://www.hkexnews.hk)). Creditors shall submit their claims to the liquidation committee within 30 days after receiving notice or within 45 days after the announcement date if no notice was received. All parties shall comply with any additional requirements under the securities regulatory rules of the place where the Company's shares are listed.

When submitting claims, creditors shall specify all relevant details of their claims and provide supporting documentation. The liquidation committee shall maintain a register of all creditor claims.

During the creditor claims period, the liquidation committee shall not make any repayments to creditors.

**Article 196** The liquidation committee shall prepare a liquidation plan after reviewing the Company's assets and compiling a balance sheet and asset inventory, which shall be submitted to the Shareholders' Meeting or the people's court for approval.

The Company's remaining assets, after paying liquidation expenses, employee wages, social insurance contributions, statutory compensation, outstanding taxes, and company debts, shall be distributed to shareholders in proportion to their shareholdings.

During the liquidation period, the Company shall continue to exist but shall not engage in any business activities unrelated to the liquidation process. No distribution to shareholders shall be made prior to completing the aforementioned payments.

**Article 197** If the liquidation committee discovers the Company's assets are insufficient to repay its debts after reviewing the assets and preparing the balance sheet and inventory, it shall file for bankruptcy liquidation with the people's court in accordance with the law.

Upon the people's court's acceptance of the bankruptcy application, the liquidation committee shall transfer all liquidation matters to the court-appointed bankruptcy administrator.

**Article 198** Upon completion of the liquidation process, the liquidation committee shall prepare a liquidation report for approval by the Shareholders' Meeting or the people's court, and submit it to the company registration authority to apply for deregistration of the Company.

**Article 199** Members of the liquidation committee shall perform their duties with fiduciary care and diligence. Any member who fails to fulfill their obligations and thereby causes losses to the Company shall be liable for compensation; members who cause losses to creditors through intentional misconduct or gross negligence shall likewise be liable.

**Article 200** If the Company is declared bankrupt by law, bankruptcy liquidation shall be conducted in accordance with applicable bankruptcy legislation.

#### **CHAPTER 10 AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

**Article 201** The Company shall amend the Articles of Association in any of the following circumstances:

- (1) after amendments are made to the Company Law or other relevant laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, any term contained in the Articles of Association become conflicts with the provisions of amended laws, administrative regulations, or the securities regulatory rules of the place where the Company's shares are listed;
- (2) if certain changes to the Company occur resulting in inconsistency with certain terms specified in the Articles of Association;
- (3) the Shareholders' Meeting has resolved to amend the Articles of Association.

**Article 202** Where the amendments to the Articles of Association passed by resolutions of the Shareholders' Meeting require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the involved change shall be registered in accordance with the laws.

**Article 203** The Board of Directors shall amend the Articles of Association according to the resolution of the Shareholders' Meeting for amendments hereto and the approval opinions of relevant competent authority.

**Article 204** In the event that any item in the Articles of Association to be revised involves information which shall be disclosed as required by laws and regulations, proper announcement shall be made accordingly.

## CHAPTER 11 SUPPLEMENTARY PROVISIONS

### **Article 205** Definitions

- (1) Controlling shareholder refers to a shareholder who holds more than 50% of the total share capital of the Company, or a shareholder who holds not more than 50% of the shares but whose voting rights are sufficient to have a significant influence on resolutions of the Shareholders' Meetings, or a controlling shareholder as defined in the securities regulatory rules of the place where the Company's shares are listed.
- (2) Actual controller refers to a natural person, legal person or other organization, who can actually control the activities of the Company through investment relationship, agreement, or other arrangement.
- (3) Connected relationship refers to the relationship between the Company's controlling shareholder, actual controller, directors, senior management and the enterprises directly or indirectly controlled by them, as well as other relationships that may lead to the transfer of the Company's interests pursuant to the securities regulatory rules of the place where the Company's shares are listed.

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

**Article 207** The Articles of Association are written in Chinese. In case of any discrepancy between the Articles of Association in any other language or different versions and the Articles of Association, the Chinese version of the Articles of Association most recently filed by the Company with the Guangzhou Administration for Market Regulation shall prevail.

**Article 208** The terms "more", "within" and "not more than" as stated in the Articles of Association include the given figure; while the terms "more than", "outside", "less than" and "over" exclude the given figure.

**Article 209** The Board of Directors of the Company shall be responsible for the interpretation of the Articles of Association.

**Article 210** Annexes to the Articles of Association include the Rules of Procedure for the Shareholders' Meeting and the Rules of Procedure for the Board of Directors.

**Article 211** Matters not covered in the Articles of Association shall be handled in accordance with the relevant national laws and regulations, the Hong Kong Stock Exchange Listing Rules, and other securities regulatory rules of the place where the Company's shares are listed. In case of any conflict between the Articles of Association and the mandatory provisions of laws, regulations, departmental rules, normative documents and the provisions of the securities regulatory authority of the place where the Company's shares are listed subsequently promulgated, the laws, regulations, departmental rules, normative documents and the securities regulatory rules of the place where the Company's shares are listed shall prevail.

**Article 212** The Articles of Association are deliberated and approved by the Shareholders' Meeting, and shall come into force and be implemented from the day on which the overseas listed shares (H shares) in the Company's public offering are listed on the Main Board of the Hong Kong Stock Exchange. Upon the effectiveness of the Articles of Association, the Company's previous articles of association shall automatically become null and void.