

**OneRobotics (Shenzhen) Co., Ltd.**

**Articles of Association  
(Draft)**

## CONTENTS

<b>Chapter 1</b>	<b>General Provisions. . . . .</b>	<b>4</b>
<b>Chapter 2</b>	<b>Objectives and Scope of Business. . . . .</b>	<b>6</b>
<b>Chapter 3</b>	<b>Shares, Registered Capital and Share Transfers. . . . .</b>	<b>6</b>
Section 1	Issuing of Shares . . . . .	6
Section 2	Increase, Decrease and Buy-back of Shares . . . . .	10
Section 3	Share Transfer . . . . .	12
<b>Chapter 4</b>	<b>Shareholders and Shareholders' General Meeting. . . . .</b>	<b>13</b>
Section 1	Shareholders . . . . .	13
Section 2	Controlling Shareholders and De Facto Controllers . . . . .	17
Section 3	General Provisions on Shareholders' General Meeting . . . . .	18
Section 4	Convening of Shareholders' General Meeting. . . . .	22
Section 5	Proposals and Notices of Shareholders' General Meetings. . . . .	24
Section 6	Holding of Shareholders' General Meetings. . . . .	27
Section 7	Voting at and Resolutions of Shareholders' General Meetings . .	31
<b>Chapter 5</b>	<b>Board of Directors. . . . .</b>	<b>36</b>
Section 1	General Provisions on Directors. . . . .	36
Section 2	Board of Directors . . . . .	42
Section 3	Independent Non-executive Directors . . . . .	47
Section 4	Special Committees under the Board. . . . .	51
<b>Chapter 6</b>	<b>Senior Management. . . . .</b>	<b>53</b>
<b>Chapter 7</b>	<b>Financial and Accounting Systems, Profit Distribution and Audit. . . .</b>	<b>56</b>
Section 1	Financial and Accounting Systems . . . . .	56
Section 2	Internal Audit . . . . .	58
Section 3	Appointment of Accounting Firm. . . . .	59

<b>Chapter 8</b>	<b>Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation . . . . .</b>	<b>59</b>
Section 1	Merger, Division, Capital Increase and Capital Reduction . . . .	59
Section 2	Dissolution and Liquidation. . . . .	62
<b>Chapter 9</b>	<b>Amendment to the Articles of Association . . . . .</b>	<b>64</b>
<b>Chapter 10</b>	<b>Notices and Announcements . . . . .</b>	<b>65</b>
Section 1	Notices . . . . .	65
Section 2	Announcements . . . . .	67
<b>Chapter 11</b>	<b>Supplementary Provisions . . . . .</b>	<b>67</b>

## CHAPTER 1 GENERAL PROVISIONS

**Article 1** In order to safeguard the legitimate rights and interests of the shareholders, employees and creditors of OneRobotics (Shenzhen) Co., Ltd. (hereinafter referred to as the “**Company**”) and to regulate the organization and conduct of the Company, these Articles of Association are formulated in accordance with the provisions of 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 “Trial Measures for the Administration of Securities Issuance and Listing by Domestic Enterprises Overseas” (hereinafter referred to as the “**Trial Measures for Administration**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Listing Rules**”) and other relevant regulations with reference to the “Guidelines on Articles of Association of Listed Companies” (hereinafter referred to as the “**Guidelines on Articles of Association**”).

**Article 2** The Company is a joint stock limited company established in accordance with the Company Law and other relevant regulations of the People’s Republic of China (hereinafter referred to as the “**PRC**”).

The Company is a joint stock limited company established by way of promotion. It was registered with the Shenzhen Administration For Market Regulation on 25 April 2025 and has obtained the business license (unified social credit code: 91441900MA52D3F379).

**Article 3** The Company’s initial public offering of [ • ] ordinary shares (the “**H Shares**”) was filed with the China Securities Regulatory Commission (the “**CSRC**”) on [ • ] and approved by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on [ • ], which were listed on the Stock Exchange on [ • ].

**Article 4** The registered name of the Company: 臥安機器人(深圳)股份有限公司.

English name: OneRobotics (Shenzhen) Co., Ltd.

Domicile of the Company: Domicile of the Company: Unit 1706, Qiancheng Commercial Center

No. 5 Haicheng Road, Mabu Community, Xixiang Street

Bao’an District, Shenzhen

Postal code: 518000

**Article 5** The registered capital of the Company amounts to RMB[ • ].

**Article 6** The Company is a company limited by shares existing in perpetuity.

**Article 7** The legal representative of the Company shall be the chairman of the Board.

If the director serving as the legal representative resigns, he shall be deemed to have resigned from the position of legal representative at the same time.

Upon resignation by such legal representative, the Company shall identify a new legal representative within 30 days from the date of the resignation of such legal representative.

**Article 8** The Company shall bear the legal consequences arising from civil acts conducted by the legal representative on behalf of the Company.

Any restrictions on the powers of the legal representative stipulated in this Articles of Association or by the shareholders' general meeting shall not be enforceable against bona fide third parties.

If a legal representative incurs damage on another person through the performance of his duties, the Company shall bear the civil liability. After the Company has assumed the civil liability, it may seek indemnity from the legal representative at fault in accordance with applicable laws or the provisions of this Articles of Association.

**Article 9** Each shareholder is responsible to the Company up to his subscribed shares, and the Company is responsible for its debts up to its total properties.

**Article 10** The Articles of Association has been approved by the shareholders' general meeting of the Company and shall become effective from the date on which the ordinary shares issued by the Company are listed for trading on The Stock Exchange of Hong Kong Limited and replace the Articles of Association of the Company previously registered and filed with the competent market regulatory authority and the amendments thereto.

From the effective date hereof, the Articles of Association shall become a legally binding document governing the organization and activities of the Company, and the relationship of rights and obligations between the Company and its shareholders and among the shareholders and be legally binding on the Company and its shareholders, directors and senior management. A shareholder may bring an action against another shareholder or any director and senior management of the Company, or the Company, and the Company may bring an action against any of its shareholders, directors or senior management, in each case, in accordance with the Articles of Association.

**Article 11** For the purpose of these Articles of Association, Senior Management includes the General Manager, Deputy General Managers, Chief Financial Officer and other personnel expressly appointed by the Board as Senior Management of the Company.

**Article 12** The Company shall, in accordance with the provisions of the Constitution of the Communist Party of China (the “CPC”), establish CPC organizations and carry out Party activities. The Company shall provide necessary conditions for the activities of the Party organization.

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

**Article 13** Business objectives of the Company is to enhance life through technology and innovation.

**Article 14** As registered in accordance with laws, the business scope of the Company includes: general business clauses: technology development and sales of network equipment, computer software and hardware, instrumentation and electronic products; network technology development; domestic trade agency; sales of artificial intelligence hardware; sales of intelligent robot; R&D of intelligent robot; manufacturing of service consumer robots; sales of smart home consumer devices; sales of smart home consumer device; import and export of goods (excluding import and export of goods prohibited by the state or subject to administrative approval). Licensed business clauses: None.

The above scope of business shall be subject to the clauses approved by the competent Administration for Market Regulation. The Company may, based on the changes in domestic and international markets, business development and its own capabilities, adjust its scope of business and complete the relevant formalities for changes in accordance with law.

## **CHAPTER 3 SHARES, REGISTERED CAPITAL AND SHARE TRANSFERS**

### **Section 1 Issuing of Shares**

**Article 15** The shares of the Company shall take the form of share certificates. The share certificates of the Company shall be in registered form. In addition to the matters required by the Company Law, the share certificates of the Company shall also contain other matters required by the stock exchange on which the shares are listed.

The overseas listed shares issued by the Company may take the form of overseas depository receipts or other derivative forms of shares in accordance with the laws of the place where the Company’s shares are listed and the norms of securities registration and depository. Where the share capital of the Company includes shares that do not carry voting rights, the designation of such shares must include the words “no voting rights”. Where the share capital includes shares with different voting rights, the designation of each class of shares, other than those with the most privileged voting rights, must include the words “restricted voting rights” or “limited voting rights”.

**Article 16** The Company shall issue shares pursuant to the principles of openness, fairness and impartiality. Each share of the same class shall have equal rights.

For shares of the same class issued at the same time, each share shall be issued on the same conditions and at the same price. The subscribers subscribing for shares shall pay the same price for each share.

**Article 17** All shares issued by the Company shall be par value shares, with a par value of RMB0.10 per share stated in Renminbi.

**Article 18** The shares of the Company listed on the Stock Exchange are referred to as “H Shares”, which are shares listed on the Stock Exchange upon approval, with par value stated in RMB, and subscribed for and traded in RMB or Hong Kong dollars. The H Shares issued by the Company are deposited with the custodian under Hong Kong Securities Clearing Company Limited (HKSCC).

Shares that have been issued by the Company but have not been listed or traded on any overseas trading venue are referred to as “domestic unlisted shares” (including unlisted shares held by the shareholders of the Company before overseas listing and additional unlisted shares issued domestically after overseas listing). Domestic unlisted shares issued by the Company shall be centrally deposited with China Securities Depository and Clearing Corporation Limited.

Holders of domestic unlisted shares and holders of H Shares are both ordinary shareholders and shall have the same rights and fulfill the same obligations.

**Article 19** Upon approval by the Hong Kong Stock Exchange and filing with the CSRC, holders of the domestic unlisted shares of the Company may apply for the conversion of the domestic unlisted shares held by them into H Shares and for the listing and trading of such shares on the Hong Kong Stock Exchange.

The conversion of such shares shall be conducted in compliance with the relevant regulations of the CSRC and the relevant shareholders shall entrust the Company to file with the CSRC for the listing and trading of such shares on overseas stock exchanges. A shareholders’ general meeting or board meeting is not required to be convened for the conversion of such shares and their listing and trading on overseas stock exchanges.

**Article 20** The Company has 18 promoters in total. They are Li Zhichen, Pan Yang, Wande Innovation Technology (Shenzhen) Partnership Enterprise (Limited Partnership), Shenzhen Longke Investment Co., Ltd. (深圳市朗科投資有限公司), Dongguan Songshan Lake International Robot Research Institute Co., Ltd., Yinghu Intelligent Technology Co., Ltd., Dongguan Yunhe Equity Investment Co., Ltd., Tianjin Yuntai Innovation Technology Partnership Enterprise (Limited Partnership), Nanjing Qingke Letai Venture Capital Partnership Enterprise (Limited Partnership) (南京清科樂鈦創業投資合夥企業 (有限合夥)), Suzhou Yuanming Venture Capital Center (Limited Partnership), VENTECH CHINA ASIA SICAR, Shanghai Hillhouse Chenjun Equity Investment Partnership Enterprise (Limited Partnership), Shenzhen Dachen Chuanghong Private Equity Investment Fund (Limited Partnership), Shenzhen Dachen Caizhi Venture Capital Co. Ltd. (深圳市達晨財智創業投資管理有限公司), Guodiao Innovation Private

Equity Investment Fund (Nanchang) Partnership Enterprise (Limited Partnership), Zhuhai Ansheng Investment Center (Limited Partnership), Shenzhen Caizhi Chuangying Private Equity Investment Enterprise (Limited Partnership) and Sensethink (BVI) Limited. The shares subscribed by, the shareholding percentage of, and the method of capital contribution by, the promoters are as follows:

No.	Name of promoter	Number of shares held ( <i>ten thousand shares</i> )	Shareholding percentage (%)	Method of capital contribution	Time of capital contribution
1	Li Zhichen	55.8332	22.40	Net assets converted into shares	2025.04.08
2	Pan Yang	37.2221	14.94	Net assets converted into shares	2025.04.08
3	Suzhou Yuanming Venture Capital Center (Limited Partnership)	21.0174	8.43	Net assets converted into shares	2025.04.08
4	Wande Innovation Technology (Shenzhen) Partnership Enterprise (Limited Partnership)	20.8333	8.36	Net assets converted into shares	2025.04.08
5	Sensethink (BVI) Limited	19.5959	7.87	Net assets converted into shares	2025.04.08
6	Dongguan Songshan Lake International Robot Research Institute Co., Ltd.	17.2152	6.91	Net assets converted into shares	2025.04.08
7	Shanghai Hillhouse Chenjun Equity Investment Partnership Enterprise (Limited Partnership)	11.0763	4.44	Net assets converted into shares	2025.04.08
8	Shenzhen Dacheng Chuanghong Private Equity Investment Fund (Limited Partnership)	11.0763	4.44	Net assets converted into shares	2025.04.08
9	Yinghu Intelligent Technology Co., Ltd.	10.6647	4.28	Net assets converted into shares	2025.04.08



No.	Name of promoter	Number of shares held ( <i>ten thousand shares</i> )	Shareholding percentage (%)	Method of capital contribution	Time of capital contribution
10	Guodiao Innovation Private Equity Investment Fund (Nanchang) Partnership Enterprise (Limited Partnership)	9.6918	3.89	Net assets converted into shares	2025.04.08
11	Tianjin Yuntai Innovation Technology Partnership Enterprise (Limited Partnership)	7.3530	2.95	Net assets converted into shares	2025.04.08
12	VENTECH CHINA ASIA SICAR	5.3720	2.16	Net assets converted into shares	2025.04.08
13	Shenzhen Langke Investment Co., Ltd.	5.2820	2.12	Net assets converted into shares	2025.04.08
14	Nanjing Qingke Letai Venture Capital Partnership Enterprise (Limited Partnership)	5.1162	2.05	Net assets converted into shares	2025.04.08
15	Dongguan Yunhe Equity Investment Co., Ltd.	4.9454	1.98	Net assets converted into shares	2025.04.08
16	Zhuhai Ansheng Investment Center (Limited Partnership)	4.1536	1.67	Net assets converted into shares	2025.04.08
17	Shenzhen Dachen Caizhi Venture Capital Co. Ltd. (深圳市達晨財智創 業投資管理有限公 司)	2.5337	1.02	Net assets converted into shares	2025.04.08

No.	Name of promoter	Number of shares held (ten thousand shares)	Shareholding percentage (%)	Method of capital contribution	Time of capital contribution
18	Shenzhen Caizhi Chuangying Private Equity Investment Enterprise (Limited Partnership)	0.2354	0.09	Net assets converted into shares	2025.04.08
<b>Total</b>		249.2175	100.00	—	—

The total number of shares issued upon the establishment of the Company was 2,492,175 shares with a par value of RMB1 per share.

**Article 21** The Company has a total of [ • ] shares in issue, comprising [ • ] ordinary shares with a par value of RMB0.10 per share.

Among which, [ • ] are domestic unlisted shares and [ • ] are H Shares.

**Article 22** The Company or its subsidiaries (including affiliates of the Company) shall not provide financial assistance to acquire shares of the Company or its parent company by way of gift, advance, guarantee, borrowings and other forms, except when the Company implements an employee stock ownership plan.

The Company may, for the benefit of the Company, provide financial assistance for the acquisition of shares of the Company or its parent company by a resolution of the shareholders' general meeting or a resolution of the board of directors adopted pursuant to the authority granted by these Articles of Association or by the shareholders' general meeting, provided that the aggregate amount of financial assistance does not exceed 10% of the total issued share capital.

## **Section 2 Increase, Decrease and Buy-back of Shares**

**Article 23** Based on the needs of operation and development, the Company may increase capital by the following means in accordance with laws, regulations, securities regulatory rules of the place where the shares of the Company are listed and upon resolution of the shareholders' general meeting:

- (1) issuance of shares to non-specific investors;
- (2) issuance of shares to specific investors;
- (3) Bonus shares to existing shareholders;

- (4) Capitalization of capital reserves;
- (5) Other methods as stipulated by laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and required by CSRC.

**Article 24** The Company may reduce its registered capital. Such reduction shall be made in accordance with the procedures set out in the Company Law, the Listing Rules and other relevant requirements and the Articles of Association.

**Article 25** The Company shall not purchase its own shares, except in any of the following circumstances:

- (1) to reduce the registered capital of the Company;
- (2) to merge with another company that holds its shares;
- (3) to use the shares in the employee share ownership plan or as share incentives;
- (4) the shareholders disagreeing with the merger or division resolution made by the shareholders' general meeting ask the Company to acquire their shares;
- (5) to use the shares in the conversion of the convertible corporate bonds issued by the Company;
- (6) necessary for the Company to protect its value and the shareholders' equity;
- (7) any other circumstances permitted by laws, administrative regulations, listing rules of the place where the shares of the Company are listed.

**Article 26** Where the Company acquires its own shares, it may conduct by way of open and concentrated transactions or other ways permitted by laws and administrative regulations and recognized by the CSRC.

Where the Company acquires its own shares under circumstances as mentioned in clauses (3), (5) or (6) of the first paragraph of Article 25 herein, it shall be conducted by way of open and concentrated transactions.

In the event of acquiring its own shares by the Company under the circumstances as mentioned in clauses (1) or (2) under the first paragraph of Article 25 herein, the acquisition shall be approved by a resolution at a shareholders' general meeting. In the event of acquiring its own shares by the Company under the circumstances as mentioned in clauses (3), (5) or (6) under the first paragraph of Article 25 herein, the acquisition may be performed in accordance with the requirements as stated in these Articles of Association or pursuant to the mandate granted by a meeting of shareholders and approved by a resolution at a meeting of the Board attended by more than two-thirds of the directors.

After the Company has acquired its own shares pursuant to the first paragraph of Article 25 herein, in the circumstances under item (1), such shares shall be cancelled within ten days from the date of acquisition; in the circumstances under clauses (2) or (4), such shares shall be transferred or cancelled within six months; in the circumstances under clauses (3), (5) or (6), the total number of its own shares held by the Company shall not exceed ten percent of the total number of issued shares of the Company and shall be transferred or cancelled within three years.

Where it is otherwise specified in provisions of the applicable laws, administrative regulations, departmental rules, other regulatory documents and the relevant provisions of the securities regulator where the Company's shares are listed on the handling of the matters involved in the aforementioned share repurchase, such provisions shall prevail.

### **Section 3 Share Transfer**

**Article 27** The shares of the Company shall be transferred in accordance with law. All transfers of H Shares shall be effected by instruments of transfer in writing in a usual or common form or in any other form accepted by the Board (including the standard transfer form or form of transfer specified by the Stock Exchange from time to time). Where the transferor or transferee of the shares of the Company is a recognized clearing house (hereinafter referred to as the "Recognized Clearing House") or its nominee as defined by the relevant ordinances of the laws in Hong Kong in force from time to time, the written instruments of transfer may be signed by hand or by way of machine imprinted signature. All instruments of transfer shall be maintained at the legal address of the Company or such other place as the Board may designate from time to time.

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

**Article 29** Shares issued prior to the Company's public offering of shares shall not be transferred within one year from the date on which the Company's shares are listed for trading on the relevant stock exchange.

The directors and the senior management of the Company shall declare to the Company the numbers of the Company's shares held by them and the changes in the shares they hold, and the number of the Company's shares transferred by each of them each year during their term of office (as determined at the time of taking office) shall not exceed 25% of the total number of the Company's shares of the same class held by them; and the Company's shares held by them shall not be transferred within one year from the date on which the Company's shares are listed for trading. Within half a year after their departure from office, the aforesaid personnel shall not transfer the shares of the Company held by them.

If listing rules of the place(s) in which the shares of the Company are listed provide otherwise on restrictions on transfers of H Shares, such rules shall prevail.

## **CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING**

### **Section 1 Shareholders**

**Article 30** The Company shall maintain a register of shareholders based on the evidence provided by the securities registration and clearing institution, and the register of shareholders shall be conclusive evidence of the shareholders' shareholdings in the Company. Shareholders shall enjoy rights and have obligations according to the class of shares held. Holders of shares of the same class shall enjoy equal rights and have equal obligations.

The register of shareholders holding domestic unlisted shares shall be governed by the data recorded in the securities bookkeeping system of China Securities Depository and Clearing Corporation Limited. The register of shareholders holding H Shares shall be based on the data provided by the nominee companies under the custody of Hong Kong Securities Clearing Company Limited.

If a share certificate is lost, any shareholder whose name appears on the register of shareholders or any person who claims to be entitled to have his/her name entered in the register of shareholders may apply to the Company for the issuance of a replacement certificate in respect of such shares.

Where a holder of overseas-listed foreign shares loses his/her share certificate and applies for a replacement, such application may be handled in accordance with the laws, the rules of the stock exchange and other relevant regulations of the place where the original register of holders of overseas-listed foreign shares is maintained.

**Article 31** When the Company convenes a shareholders' general meeting, distributes dividends, commences liquidation and participates in other activities requiring the identification of shareholders, the Board or conveners of a shareholders' general meeting shall decide the record date. The shareholders whose names appear on the register of shareholders at the close of trading on the record date shall enjoy the relevant rights.

**Article 32** Holders of shares of the Company shall enjoy the following rights:

- (1) To receive dividends and other profit distributions on the basis of the number of shares held by them;
- (2) To request, convene, preside over, participate in or appoint a proxy to attend the shareholders' general meeting in accordance with law, and exercise the corresponding voting rights (except where it is necessary to waive voting rights on specific matters pursuant to the securities regulatory rules of the place where the Company's shares are listed);
- (3) To monitor, make suggestions or question the Company's operation;

- (4) To transfer, donate or pledge shares in his/her possession in accordance with the law, administrative regulations as well as provisions of these Articles of Association;
- (5) To inspect and copy these Articles of Association, register of shareholders (including register of holders of H Shares), minutes of shareholders' general meetings, resolutions of the Board meetings, and financial and accounting reports; shareholders meeting the prescribed requirements may inspect the Company's accounting books and accounting vouchers;
- (6) When the Company terminates or liquidates, receive its share of remaining assets of the Company according to the shares held;
- (7) If a shareholder dissents from the merger or demerger of the Company at a shareholders' general meeting, he may request the Company to buy back his shares;
- (8) Other rights under the laws, administrative regulations, departmental regulations and these Articles of Association.

**Article 33** When shareholders of the Company inspect and copy relevant materials, they shall comply with the provisions of the Company Law, the Securities Law and other laws and administrative regulations.

**Article 34** A resolution of the Company's shareholders' general meeting or Board meeting may be declared void by the People's Court upon application from shareholders if the content contravenes the law or administrative regulations. If the convening procedures or voting methods of a shareholders' general meeting or the Board contravene laws, administrative regulations or these Articles of Association, or if the content of the resolution contravenes these Articles of Association, the shareholders shall have the right to request the People's Court to revoke the resolution within sixty days from the date of its adoption. However, this shall not apply where the convening procedures or voting methods of the shareholders' general meeting or the Board have only minor irregularities that do not substantially affect the resolution.

Where the Board, shareholders and other relevant parties have disputes over the validity of shareholders' general meeting resolutions, they shall promptly file a lawsuit with the People's Court. Before the People's Court makes a judgment or ruling such as revocation of resolution, relevant parties shall execute the shareholders' general meeting resolution. The Company, directors and senior management shall earnestly perform their duties to ensure normal operation of the Company.

Where the People's Court makes a judgment or ruling on relevant matters, the Company shall fulfill its information disclosure obligations in accordance with laws, administrative regulations, the CSRC and listing rules of the stock exchange where shares of the Company are listed, fully explain the impact, and actively cooperate with execution after the judgment or ruling takes effect. Where correction of previous matters is involved, timely handling shall be conducted and corresponding information disclosure obligations fulfilled.

**Article 35** The resolution of the Company's shareholders' general meeting or the Board shall be deemed not to have been formed under any of the following circumstances:

- (1) The resolution is adopted without convening a shareholders' general meeting or Board meeting;
- (2) The shareholders' general meeting or Board meeting did not vote on the resolution matters;
- (3) The number of persons attending the meeting or the voting rights held did not reach the number of persons or voting rights prescribed by the Company Law or these Articles of Association;
- (4) The number of persons or voting rights held agreeing to the resolution matters did not reach the number of persons or voting rights prescribed by the Company Law or these Articles of Association.

**Article 36** If directors (other than members of the Audit Committee) or senior management contravene laws, administrative regulations or these Articles of Association when performing their duties, resulting in losses to the Company, shareholders who individually or jointly hold one percent or more of the Company's shares for one hundred and eighty consecutive days or more may request the Audit Committee in writing to institute legal proceedings with the People's Court. If the Audit Committee contravenes the law, administrative regulations or these Articles of Association when carrying out its duties resulting in losses to the Company, the shareholders may request the Board in writing to commence litigation at the People's Court.



If the Audit Committee or Board refuses to commence litigation upon receipt of the shareholder's written request under the preceding paragraph, or does not commence litigation within thirty days upon receipt of the request, or the situation is so urgent that without an immediate litigation it will cause irreparable losses to the Company, the shareholders so entitled under the previous paragraph may commence litigation directly at the People's Court under their own names for the interest of the Company.

If any person intervenes with the lawful interests of the Company and result in losses suffered by the Company, a shareholder so entitled under the first paragraph may commence litigation at the People's Court in accordance with the two preceding paragraphs.

Where directors, supervisors and senior management of the Company's wholly-owned subsidiaries violate the provisions of laws, administrative regulations or these Articles of Association in performing their duties and cause losses to the Company, or where others infringe upon the legitimate rights and interests of the Company's wholly-owned subsidiaries and cause losses, shareholders who individually or jointly hold one percent or more of the Company's shares for one hundred and eighty consecutive days or more may, in accordance with the provisions of the first three paragraphs of Article 189 of the Company Law, make a written request to the supervisory board or Board of the wholly-owned subsidiary to file a lawsuit with the People's Court or directly file a lawsuit with the People's Court in their own name.

**Article 37** If a director or senior management contravenes laws, administrative regulations or these Articles of Association, thereby damaging shareholders' interests, the shareholders shall have the right to institute legal proceedings with the People's Court.

**Article 38** Holders of ordinary shares of the Company shall have the following obligations:

- (1) Comply with law, administrative regulations and these Articles of Association;
- (2) Pay for the shares based on the shares subscribed and the method of subscription;
- (3) Shall not request the Company to withdraw their subscribed capital except as prescribed by laws and administrative regulations;
- (4) Cannot abuse his rights as a shareholder to harm the Company's or other shareholders' interests; cannot abuse the legal personality of the Company and the limited liability of the shareholders to harm the interests of creditors;
- (5) Other responsibilities required by the law, administrative regulations and these Articles of Association.



**Article 39** A shareholder who abuses his shareholders' rights resulting in losses to the Company and other shareholders shall compensate according to the law. Shareholders who abuse the legal personality of the Company and limited liability of shareholders in order to escape from liability, thereby seriously damaging the interests of creditors of the Company, shall jointly and severally be responsible for the Company's debts.

## **Section 2 Controlling Shareholders and De Facto Controllers**

**Article 40** The Company's controlling shareholders and de facto controllers shall exercise their rights and fulfill their obligations in accordance with the provisions of laws, administrative regulations, and regulations of the CSRC and the stock exchange where shares of the Company are listed, and safeguard the interests of the listed company.

**Article 41** The Company's controlling shareholders and de facto controllers shall comply with the following provisions:

- (1) Exercise shareholder rights in accordance with law, and shall not abuse control rights or use related party relationships to harm the legitimate rights and interests of the Company or other shareholders;
- (2) Strictly fulfill public statements and commitments made, and shall not change or waive them without authorization;
- (3) Strictly fulfill information disclosure obligations in accordance with relevant regulations, actively and proactively cooperate with the Company in information disclosure work, and timely inform the Company of major events that have occurred or are intended to occur;
- (4) Shall not misappropriate the Company's funds in any manner;
- (5) Shall not compel, instruct or require the Company and related personnel to provide guarantees in violation of laws and regulations;
- (6) Shall not use the Company's undisclosed material information to seek benefits, shall not disclose undisclosed material information related to the Company in any way, and shall not engage in insider trading, short-swing trading, market manipulation or other illegal or irregular activities;
- (7) Shall not harm the legitimate rights and interests of the Company and other shareholders through unfair related party transactions, profit distribution, asset restructuring, external investment or any other means;

- (8) Shall ensure the Company's asset completeness, personnel independence, financial independence, organizational independence and business independence, and shall not affect the Company's independence in any manner;
- (9) Other provisions of laws, administrative regulations, CSRC regulations, stock exchange business rules and these Articles of Association.

Where the Company's controlling shareholders and de facto controllers do not serve as Company directors but actually execute Company affairs, the provisions of these Articles of Association regarding directors' fiduciary duties and diligence duties shall apply.

Where the Company's controlling shareholders and de facto controllers instruct directors and senior management to engage in conduct that harms the interests of the Company or shareholders, they shall bear joint and several liability with such directors and senior management.

**Article 42** Where controlling shareholders and de facto controllers pledge Company shares they hold or actually control, they shall maintain the stability of control of the Company and its production and business operations.

**Article 43** Where controlling shareholders and de facto controllers transfer Company shares they hold, they shall comply with restrictive provisions on share transfers in laws, administrative regulations, and regulations of the CSRC and the stock exchange where the Company's shares are listed, and commitments they have made regarding restrictions on share transfers.

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

**Article 44** The Company's shareholders' general meeting is composed of all shareholders. The shareholders' general meeting shall be the organ of authority of the Company and shall exercise the following functions and powers in accordance with law:

- (1) Elect and replace directors and make decisions on matters relating to the remuneration of such directors;
- (2) Review and approve the reports of the Board;
- (3) Review and approve the profit distribution plan and plan for making up losses of the Company;
- (4) Decide on increasing or reducing the registered capital of the Company;
- (5) Make resolutions on the issuance of corporate bonds;
- (6) Decide on merger, demerger, winding up, liquidation or changing the form of the Company;

- (7) Amend these Articles of Association;
- (8) Pass resolutions on the appointment and dismissal of accounting firms that undertake audits of the Company;
- (9) Review and approve the guarantee matters as prescribed in Article 45 of these Articles of Association;
- (10) Review and approve the connected (related) party transactions which as prescribed in Article 46 of these Articles of Association;
- (11) Consider the material asset purchase or sale of the Company within one year with an amount exceeding 30% of the audited total assets of the Company for the latest period;
- (12) Review and approve proposals for changing the use of raised funds;
- (13) Review share incentive plans and employee share ownership plans;
- (14) Review other matters to be approved at the shareholders' general meeting as prescribed by the law, administrative regulations, department regulations or the listing rules of the stock exchange where shares of the Company are listed or these Articles of Association.

The shareholders' general meeting may authorize the Board to make resolutions on the issuance of corporate bonds.

**Article 45** The following external guarantees of the Company must be subject to consideration and passing at the shareholders' general meeting:

- (1) Any single guarantee whose amount exceeds 10% of the audited net assets for the latest period;
- (2) Any guarantee provided after the total amount of external guarantees provided by the Company and its controlled subsidiaries exceeds 50% of the Company's latest audited net assets;
- (3) The guarantee provided to the guaranteed party with a debt-to-asset ratio of more than 70%;
- (4) A guarantee provided after the total external guarantees of the Company exceed 30% of the latest audited total assets;
- (5) A guarantee provided to others with an amount exceeding 30% of the latest audited total assets of the Company within one year;
- (6) Any guarantee provided to shareholders, the de facto controller and their connected (related) parties;

- (7) Other external guarantees that should be considered and approved by the shareholders' general meeting as stipulated by laws, regulatory documents or the listing rules of the place where the Company's shares are listed.

Where a guarantee is provided by the Company to a wholly-owned subsidiary or a guarantee is provided to a controlling subsidiary and other shareholders of such controlling subsidiary provide guarantees in proportion to their rights and interests, and such guarantees fall within the scope of clauses (1) to (4) of this Article, they may be exempted from being submitted to the shareholders' general meeting for consideration.

When considering the guarantee in clause (5) at the shareholders' general meeting, it shall be approved by more than two-thirds of the voting rights held by shareholders attending the meeting.

When the proposal for providing guarantees for a shareholder, actual controller or its related party (connected person) is considered by the shareholders' general meeting, the relevant shareholder or the shareholders controlled by the actual controller shall not participate in the voting, and this proposal shall be adopted by the majority votes of other shareholders present at the meeting. If a guarantee is provided to the controlling shareholders, the de facto controller or its connected (related) parties, the controlling shareholders, the de facto controller or its connected (related) parties shall provide a counter-guarantee.

**Article 46** The following connected (related party) transactions of the Company shall be considered and approved by the shareholders' general meeting:

- (1) Any connected (related) party transactions between the Company and its connected parties (excluding guarantees) where the transaction amount exceeds RMB30,000,000 and accounts for more than 5% of the Company's latest audited total assets;
- (2) Connected transactions that are required to be approved by the Company's shareholders' general meeting under the Listing Rules (the definition of connected transactions shall be as defined in the Listing Rules as amended from time to time), unless such approval is exempted under the Listing Rules.

**Article 47** Shareholders' general meetings shall be classified into annual shareholders' general meeting and extraordinary shareholders' general meeting. The annual shareholders' general meeting shall be convened once a year, and shall be held within six months after the conclusion of the previous accounting year.

**Article 48** An extraordinary shareholders' general meeting shall be convened within two months of the occurrence of any of the following circumstances:

- (1) The number of directors is less than the number specified in the Company Law or two-thirds of the number as required by the Articles of Association;
- (2) When the Company's accumulated losses not yet made up have reached one-third of its total share capital;
- (3) When shareholders who individually or jointly hold 10% or more of the Company's voting shares (on a one-vote-per-share basis) request in writing to convene an extraordinary shareholders' general meeting;
- (4) When the Board deems it necessary to convene the meeting;
- (5) When the Audit Committee proposes to convene a meeting;
- (6) When more than two independent non-executive directors propose to hold a meeting;
- (7) Any other circumstance required by the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are listed or the Articles of Association.

**Article 49** The place for convening shareholders' general meeting of the Company shall be the Company's domicile or other specific locations specified in the notice issued by the convener of the shareholders' general meeting.

A venue shall be set for the shareholders' general meeting which shall be convened on site or by other forms as permitted by laws and regulations. The Board may, in light of specific circumstances and in accordance with applicable laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed, or the provisions of these Articles of Association, adopt other methods to facilitate shareholder participation in the shareholders' general meeting, as applicable. After the notice of the shareholders' general meeting is issued, the venue of the on-site shareholders' general meeting shall not be changed without valid reasons. If a change is indeed necessary, the convener shall publish an announcement of such change at least two working days prior to the date of the on-site meeting and explain the reasons therefor.

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

**Article 50** A shareholders' general meeting shall be convened by the Board. The publication of shareholders' general meeting notices (including supplementary notices) shall comply with relevant laws, regulations and securities regulatory rules of the place where the shares of the Company are listed.

**Article 51** The Board shall convene shareholders' general meetings on time within the prescribed time limit. With the consent of more than half of all independent non-executive directors, independent non-executive directors shall be entitled to propose to the Board to convene an extraordinary shareholders' general meeting. Concerning the proposal of convening an extraordinary shareholders' general meeting requested by the independent non-executive directors, the Board shall, in accordance with the requirements of the laws, administrative regulations and the Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary shareholders' general meeting within ten days upon receipt of the proposal. When agreeing to convene an extraordinary shareholders' general meeting, the Board shall, within five days after the Board resolution is made, issue a notice calling for the meeting. Where the Board does not agree to convene such meeting, the reasons shall be stated and announced.

Unless it is otherwise stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange in the place where the Company's shares are listed.

**Article 52** The Audit Committee shall be entitled to make a proposal in writing to the Board on convening an extraordinary shareholders' general meeting. The Board shall, in accordance with the law, administrative regulations and the Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary shareholders' general meeting within 10 days upon receipt of the written proposal.

Where the Board agrees to convene the extraordinary shareholders' general meeting, it shall serve a notice of convening the shareholders' general meeting within five days after the date of the resolution of the Board. Any change to the original proposal in the notice shall require the consent of the Audit Committee.

Where the Board disagrees to convene the extraordinary shareholders' general meeting upon receipt of such written proposal or fails to make a response within ten days upon receipt of the proposal, it shall be deemed that the Board fails to perform or is unable to perform its obligation to convene a shareholders' general meeting, and the Audit Committee may convene and preside over the meeting by itself. The procedures for convening such meeting should follow those for convening a meeting of shareholders by the Board as closely as practicable.

Unless it is otherwise stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange in the place where the Company's shares are listed.

**Article 53** When shareholders who individually or jointly hold 10% or more shares with voting rights of the Company request the Board to convene an extraordinary shareholders' general meeting, they shall make a written request to the Board. The Board shall, in accordance with laws, administrative regulations and these Articles of Association, provide a written response indicating whether it agrees or disagrees to convene an extraordinary shareholders' general meeting within 10 days upon receipt of the request.

If the Board agrees to convene the extraordinary shareholders' general meeting, it shall send a notice of convening a shareholders' general meeting within 5 days after the resolution of the Board is made and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Board does not agree to convene an extraordinary shareholders' general meeting or fails to respond within ten days after receiving the request, shareholders who individually or jointly hold 10% or more of the Company's voting shares and propose to the Audit Committee to convene an extraordinary shareholders' general meeting shall submit a written request to the Audit Committee.

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

If the Audit Committee fails to issue a notice of the shareholders' general meeting within the prescribed period, the Audit Committee will be deemed not to convene and preside over the shareholders' general meeting. Shareholders who individually or jointly have held more than ten percent of the Company's shares with voting rights for more than ninety consecutive days may convene and preside over the meeting on their own.

Unless it is otherwise stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange in the place where the Company's shares are listed.

**Article 54** Where the Audit Committee or shareholders convene and hold a meeting on its/their own initiative as provided in this section, they shall notify the Board in writing and file for record with the securities regulatory authority of the Company's place of registration and the stock exchange where the Company's shares are listed in accordance with applicable regulations.

The shareholding proportion of convening shareholders shall be no less than ten percent prior to the announcement of the resolutions of such meetings.



The Audit Committee or the convening shareholders shall, when issuing the notice of the shareholders' general meeting and the announcement of the resolutions of the shareholders' general meeting, submit relevant certification materials to the securities regulatory authority in the place where the Company is registered and the stock exchange in the place where the Company's shares are listed in accordance with applicable regulations.

**Article 55** For shareholders' general meetings convened by the Audit Committee or the shareholders, the Board and the Company Secretary shall cooperate with the meeting accordingly. The Board shall provide the register of members on the record date.

**Article 56** All necessary and reasonable expenses incurred by the Audit Committee or the shareholders to convene the shareholders' general meeting shall be assumed by the Company.

Unless it is otherwise stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange in the place where the Company's shares are listed.

## **Section 5 Proposals and Notices of Shareholders' General Meetings**

**Article 57** The content of a proposal shall be within the scope of the duties and powers of the shareholders' general meeting, with explicit topics and specific matters for resolution, and shall be in compliance with laws, administrative regulations and the relevant requirements set forth in the Articles of Association.

**Article 58** The Board, the Audit Committee and shareholders individually or jointly holding 1% or more of the shares in the Company shall have the right to submit proposals to the Company for consideration at the shareholders' general meeting.

Shareholders individually or jointly holding 1% or more of the Company's shares may submit provisional proposals in writing to the convener ten days prior to the date of the shareholders' general meeting.

The convener shall, within 2 days after receipt thereof, issue a supplementary notice of the shareholders' general meeting and announce the contents of such provisional proposals and submit them to the shareholders' general meeting for consideration, unless the provisional proposals violate the provisions of laws, administrative regulations or the Articles of Association, or are not within the scope of functions and powers of the shareholders' general meeting.

Except as provided by the preceding paragraph, the convener of the shareholders' general meeting shall not amend the proposals already specified in the notice of the shareholders' general meeting or add new proposals subsequent to the issue of the notice of the shareholders' general meeting.



Any proposal that is not stated in the notice of the shareholders' general meeting or not in compliance with these Articles of Association shall not be voted on or resolved by the shareholders' general meeting.

**Article 59** When the Company convenes an annual shareholders' general meeting, a written notice shall be given to the registered shareholders 21 days prior to the date of said meeting, to notify all the registered shareholders of the matters to be considered at the meeting, as well as the date and venue of the meeting. An extraordinary shareholders' general meeting shall give notice to shareholders 15 days prior to the date of the meeting.

When calculating the time period for issuing the notice, the date of the meeting shall be excluded.

**Article 60** Notice of a shareholders' general meeting shall include the following contents:

- (1) the time, place and duration of the meeting;
- (2) the matters and proposals to be considered at the meeting; details of all proposals shall be fully and completely disclosed in the notice of the shareholders' general meeting and its supplementary notice. In the event that independent non-executive directors are required to express their opinions on the matters to be discussed, a notice of shareholders' general meeting or a supplementary notice shall, when given, also disclose the opinions and reasons of the independent non-executive directors;
- (3) any information and explanations necessary to be made available to the shareholders for such shareholders to make sound decisions about the matters to be discussed. This principle includes (but not limited to) the provision of the specific terms and contract(s), if any, of the proposed transaction(s) and thorough explanations about the reasons and effects when the Company proposes mergers, repurchase of shares, equity restructuring or other restructuring;
- (4) in the event that any of the directors, general manager and other senior management members has material interests in matters to be discussed, the nature and extent of the interests shall be disclosed. If the matters to be discussed affect any director, general manager and other senior management member as a shareholder in a manner different from the manner they affect other shareholders of same class, the difference shall be explained;

- (5) the full text of any special resolution to be proposed for approval at the meeting;
- (6) the time and venue for lodging a proxy form for voting at the meeting;
- (7) a prominent statement that all holders of ordinary shares shall be entitled to attend the shareholders' general meeting and may appoint proxies in writing to attend and vote at such meeting, and such proxies need not be shareholders of the Company;
- (8) the record date, the name and telephone number of the convener of the meeting and the permanent contact person of the meeting, of which, the interval between the record date and the meeting date shall not exceed seven (7) trading days, and shall be later than the disclosure time of the announcement; there shall be at least two (2) trading days between the record date of the shareholders' general meeting and the start date of online voting; once the record date is determined, it cannot be changed; the notice of the shareholders' general meeting shall fully and completely disclose the specific content of all proposals, as well as all information and explanations necessary to enable shareholders to make reasonable judgments on the proposed matters;
- (9) if the shareholders' general meeting is held online or by other means, the notice shall clearly specify the voting time and voting procedure for such online voting or other voting means.

the notice and supplementary notice of the shareholders' general meeting shall contain information as required by the Listing Rules and the Articles of Association and shall fully, completely and accurately disclose the specific contents of all proposals and all information or explanations necessary for the shareholders to make reasonable judgment on the proposed matters. Where the opinions of independent non-executive directors (as defined in the Listing Rules) are necessary for matters to be discussed, the opinions and reasons given by independent non-executive directors (as defined in the Listing Rules) shall be disclosed simultaneously when the shareholders' general meeting notice or supplementary notice is issued.

**Article 61** In the event that matters in relation to the election of directors are proposed to be discussed at a shareholders' general meeting, the notice of the meeting shall fully disclose the detailed information on the candidates for directors, which shall at least include the following:

- (1) personal particulars, including educational background, work experience and concurrent positions;
- (2) whether or not he/she is connected with the Company or the controlling shareholders and de facto controllers of the Company;
- (3) number of shares held in the Company;

- (4) whether he/she has been subject to any penalties by the CSRC and other relevant authorities and sanctions by stock exchanges;
- (5) information in relation to candidates for directors as required to be disclosed under the Listing Rules.

Unless the cumulative voting system is adopted for the election of directors, a separate proposal shall be submitted for the election of each candidate for director.

**Article 62** After the notice of the shareholders' general meeting is issued, without valid reasons, the shareholders' general meeting shall not be postponed or canceled, and proposals listed in the notice shall not be withdrawn. If a postponement or cancellation occurs, the convener shall make an announcement and explain the reasons at least two business days prior to the originally scheduled meeting date.

Where the listing rules of the stock exchange in the place where the Company's shares are listed have other provisions on the aforesaid matter, such provisions shall prevail.

## **Section 6 Holding of Shareholders' General Meetings**

**Article 63** The Board and other conveners shall take necessary measures to ensure the proper order of the shareholders' general meeting. For any acts of interfering with the shareholders' general meeting, creating disturbances or infringing upon the legitimate rights and interests of shareholders, measures shall be taken to stop such acts, which shall be promptly reported to the relevant authorities for investigation and punishment.

**Article 64** All shareholders whose names appear on the register of members on the record date or their proxies are entitled to attend the shareholders' general meeting and exercise their rights to speak and vote in accordance with relevant laws, regulations and the Articles of Association. Any shareholder entitled to attend and vote at a meeting of shareholders shall be entitled to appoint one or more persons (such persons need not be shareholders) as his/her proxies to attend and vote on his/her behalf.

**Article 65** An individual shareholder who attends the meeting in person shall produce his/her identification card or other valid documents or proof evidencing his/her identity. If a proxy is appointed to attend the meeting, such proxy shall produce his/her own valid proof of identity and the proxy form.

A corporate shareholder shall attend the meeting through its legal representative or a proxy appointed by the legal representative. Where the legal representative attends the meeting, he/she shall produce his/her own identification card and a valid certificate evidencing his/her status as the legal representative. Where a proxy is appointed to attend the meeting, he/she shall produce his/her own identification card and the written proxy form issued by the legal representative of the corporate shareholder.

If such shareholder is a recognized clearing house (or its nominee) as defined in laws in Hong Kong, such shareholder may authorize one or more persons as he/she deems appropriate to act on his/her behalf at any shareholders' general meeting; however, if more than one persons are authorized, the power of attorney which is signed by a person authorized by the recognized clearing house shall specify the number and class of shares in respect of which each of such persons is so authorized. The person so authorized may represent the recognized clearing house (or its nominee) to exercise its rights without the need for such person to produce share certificates or notarized authorization and/or further evidence to prove that he/she has been duly authorized as if such person were an individual shareholder of the Company and may enjoy equal legal rights with other shareholders, including the rights to speak and vote.

**Article 66** A shareholder shall appoint his/her proxy in writing, and the proxy form shall be signed by him/her or his/her attorney duly authorized in writing. If the principal is a legal person, the proxy form shall bear the seal of the legal person or be signed by its director or a duly authorized officer.

The power of attorney issued by a shareholder authorizing another person to attend the meeting of shareholders shall state the following information:

- (1) The name or title of the shareholder, the class and number of shares held in the Company;
- (2) The name or title of the proxy;
- (3) Specific instructions from shareholders, including instructions on whether to vote in favor, against or abstain from voting on each matter to be resolved on the agenda of the shareholders' general meeting;
- (4) Date of signing and term of validity of the proxy form;
- (5) Signature (or seal) of the principal; where the appointing shareholder is a legal person, such appointment shall be affixed with its seal or signed by its director or attorney duly authorized;
- (6) Number of shares of the principal represented by the proxy;
- (7) Where several persons are appointed as proxies, the proxy form should specify the number of shares represented by each proxy.

The proxy form issued by the Board to the shareholders to appoint proxies shall be in such format that allows the shareholders to freely instruct the proxies to cast a vote of consent, opposition, or abstention, and to provide separate instructions for each matter that needs to be voted upon.

Where the listing rules of the stock exchange where the Company's shares are listed have other provisions on the aforesaid matter, such provisions shall prevail.

**Article 67** If the power of attorney for proxy voting is signed by the authorized person of the principal, the letter of authority for signing or other authorization documents shall be notarized. The notarized letter of authority or other authorization documents and the power of attorney for proxy voting shall be maintained at the domicile of the Company or other places specified in the meeting notice at least 24 hours before the holding of the relevant meeting or 24 hours before the time designated for voting.

Where a person is appointed to attend the meeting on behalf of a recognized clearing house or its nominee, he/she shall present his/her personal identification and shall not be required to present a power of attorney signed by the principal or the principal's legal representative, or a notarized copy of the authorization document or other certified copy permitted by the Company.

**Article 68** The register of the persons attending the meeting shall be prepared by the Company. The register shall set out the names of the persons attending the meeting (or the names of the entities they represent), their identification numbers, the number of voting shares held or represented by them, and the names of the principals (or the names of the entities they represent), among other matters.

**Article 69** The convener and the lawyer (if applicable) engaged by the Company shall jointly verify the legality of the shareholders' qualifications in accordance with the register of shareholders provided by the securities registration and clearing institution, and register the name of each shareholder and the number of shares with voting rights they hold. The meeting registration shall be terminated by the time the meeting presider announces the number of shareholders and proxies present in person at the meeting as well as the total number of shares with voting rights they hold.

**Article 70** If the shareholders' general meeting requires directors and senior management to be in attendance, such directors and senior management shall be in attendance and answer inquiries from shareholders.

**Article 71** The shareholders' general meeting shall be presided over by the chairman of the Board. If the chairman of the Board is incapable of performing or fails to perform his/her duties, the meeting shall be presided over by the vice chairman of the Board (if there are two or more vice chairmen, the one elected by more than one half of the directors shall preside). Where the position of vice chairman does not exist, or where the vice chairman is incapable of performing or fails to perform his/her duties, the meeting shall be presided over by a director jointly elected by more than half of directors.

The shareholders' general meeting convened by the Audit Committee on its own initiative shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is incapable of performing or fails to perform his/her duties for certain reasons, the meeting shall be presided over by a member of Audit Committee jointly elected by more than half of members of Audit Committee.

The shareholders' general meeting convened by shareholders on their own initiative shall be presided over by the conveners or their designated representative.

In the event that the chairman of the meeting violates the rules of procedure during the meeting which results in the shareholders' general meeting being unable to continue, upon approval by more than half of the shareholders with voting rights present at the meeting, a person may be nominated to preside over the shareholders' general meeting and the meeting may continue.

**Article 72** The Company shall stipulate the rules of procedures for the shareholders' general meeting and specify in detail the procedures for convening, holding and voting at the shareholders' general meeting, including notification, registration, review of proposals, voting, vote counting, announcement of voting results, formation of meeting resolutions, minutes of the meeting and their signing, announcements, and the principles for the shareholders' general meeting to authorize the Board. The content of the authorization should be clear and specific. The rules of procedures for the shareholders' general meeting, which serves as an appendix to the Articles of Association, shall be stipulated by the Board and approved by the shareholders' general meeting.

**Article 73** The Board shall report on its work during the past year to the shareholders' general meeting. Each independent non-executive director shall also present a report on his/her duties.

**Article 74** Directors and senior management shall explain and answer the enquiries and suggestions from shareholders at the shareholders' general meeting.

**Article 75** The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting in person and the total number of voting shares held by them, which shall be determined as per the meeting registration.

**Article 76** The shareholders' general meeting shall have minutes. The minutes shall state the following contents:

- (1) time, venue and agenda of the meeting and name of the convener;
- (2) the name of the chairman of the meeting and the names of the directors and senior management members in attendance;
- (3) the number of shareholders (including holders of domestic unlisted shares and H Shareholders, if any) and proxies attending the meeting, the total number of voting shares held by them, and the proportion of such shares to the Company's total issued voting shares;
- (4) the deliberation process, key points of speeches and voting results of each proposal;



- (5) Shareholders' questions, opinions or suggestions and corresponding answers or explanations;
- (6) Names of vote counters and scrutinizer of the voting;
- (7) Other contents to be included as specified in the Articles of Association.

**Article 77** The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors in attendance, the convener or its representative, and the chairman of the meeting shall sign the minutes. The minutes shall be kept together with the registration record of attending shareholders, authorization letters of proxies, valid data on internet voting and other means of voting for a period of not less than ten years.

**Article 78** The convener shall ensure that the shareholders' general meeting be conducted continuously until final resolutions are made. If the shareholders' general meeting is suspended or resolutions cannot be made because of force majeure or other special circumstances, the convener shall take necessary measures to resume the meeting as soon as possible or directly terminate the meeting followed by a timely public announcement and report in accordance with the laws, regulations or listing rules of the stock exchange of the place where the Company's shares are listed.

## **Section 7 Voting at and Resolutions of Shareholders' General Meetings**

**Article 79** Resolutions of shareholders' general meetings include ordinary resolutions and special resolutions.

Ordinary resolutions at a shareholders' general meeting shall be passed by shareholders in attendance holding more than half of the voting rights.

Special resolutions at a shareholders' general meeting shall be passed by shareholders in attendance holding at least two-thirds of the voting rights.

The Company's own shares shall have no voting rights and shall not be included in the total number of voting shares held by shareholders present at the shareholders' general meeting. When the shareholders' general meeting considers matters concerning connected transactions, the relevant shareholders shall not participate in the voting if so specified in the applicable law, regulations or listing rules of the stock exchange of the place where the Company's shares are listed, and their voting shares shall not be counted towards the total number of valid votes. The announcement of the shareholders' general meeting resolution shall fully disclose the voting results of non-connected shareholders.

When voting, shareholders (including proxies) shall exercise their voting rights based on the number of voting shares they represent, and each share shall have one vote. When voting, a shareholder (including a proxy) entitled to two or more votes need not cast all his/her voting rights as affirmative, negative or abstention.

**Article 80** In accordance with the applicable laws, regulations and listing rules of the stock exchange of the place where the Company's shares are listed, where any shareholder shall abstain from voting for any particular resolution, or is restricted to vote only for or against such resolution, any votes in violation of such requirement or restriction by the shareholders shall not be counted in the voting results. The following matters shall be resolved by an ordinary resolution at a shareholders' general meeting:

- (1) work reports of the Board;
- (2) the profit distribution plan and plan for making up losses formulated by the Board;
- (3) appointment and removal of directors who are not employee representatives and their remuneration and payment methods;
- (4) balance sheets, income statements and other financial statements of the Company;
- (5) annual reports of the Company;
- (6) engagement and dismissal of the Company's accounting firm and the remuneration of the accounting firm engaged;
- (7) issuance of bonds or other securities;
- (8) the deliberation and approval of the guarantee matters stipulated in Article 45 of these Articles of Association and the connected (related) transactions stipulated in Article 46;
- (9) any matters other than those required to be approved by special resolution by the laws, administrative regulations, the listing rules of the stock exchange in the place where the Company's shares are listed or the Articles of Association.

The term "shareholder" as used in this Article includes a shareholder who attends the shareholders' general meeting through a proxy.

**Article 81** The following matters shall be approved by special resolutions at a shareholders' general meeting:

- (I) the increase or reduction of the Company's registered capital and the issuance of any class of shares, warrants and other similar securities;
- (2) division, split, merger, dissolution and liquidation of the Company or changes of corporate form;
- (3) amendments to the Articles of Association;



- (4) the purchase or sale of significant assets or provision of guarantees by the Company within one year where the total transaction amount exceeds 30% of the Company's latest audited total assets;
- (5) equity incentive schemes;
- (6) any other matters prescribed by the laws, administrative regulations, the listing rules of the stock exchange in the place where the Company's shares are listed or the Articles of Association, and other matters that are confirmed by ordinary resolution at a shareholders' general meeting as having a material impact on the Company and are required to be approved by a special resolution.

**Article 82** Unless the Company is in danger or under other special circumstances, the Company shall not, without the approval of shareholders' general meeting by way of a special resolution, make and enter into contracts with persons other than directors or senior management members granting such persons the responsibility for managing all or part of the Company's material business.

**Article 83** The name list of director candidates shall take the form of proposal and be submitted to the shareholders' general meeting for vote.

When the shareholders' general meeting votes upon the election of directors in accordance with the provisions of these Articles or the resolution adopted by the shareholders' general meeting, the cumulative voting system may be adopted.

A cumulative voting system shall be adopted if two or more independent non-executive directors are to be elected at a shareholders' general meeting.

A cumulative voting system shall be adopted if a single shareholder of the Company and its concert parties hold 30% or more of the Company's shares.

In addition to the cumulative voting system, the shareholders' general meeting shall resolve all the proposals separately. If there are different proposals for the same matter, they shall vote in the order of time when the proposals are submitted. Unless the shareholders' general meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the shareholders' general meeting.

Where the listing rules of the stock exchange in the place where the Company's shares are listed have other provisions on the aforesaid matter, such provisions shall prevail.

**Article 84** The methods and procedures for the nomination of directors are:

- (1) the Board and shareholders individually or jointly holding more than three percent of the Company's shares shall be entitled to submit the nomination of candidates for non-independent non-executive directors to the Board. The Board shall submit the proposal to the shareholders' general meeting after asking for opinions of the nominees and examining their qualifications;
- (2) The employee representative(s) on the Board (if applicable) shall be elected by the Company's employees through a democratic process;
- (3) The Board, the Audit Committee, or shareholder(s) individually or jointly holding one percent or more of the Company's issued shares shall have the right to nominate candidates for independent non-executive directors.

**Article 85** Specific processes of cumulative voting system are as follows:

- (1) the election of and votes on the independent non-executive directors and non-independent non-executive directors shall be conducted separately;
- (2) in the election of the independent non-executive directors, each shareholder shall be entitled to such number of votes that is equal to the number of shares held by him/her multiplied by the number of available positions of the independent non-executive directors; such votes may only be allocated to the independent non-executive director candidates, and the candidates with the most votes will be elected;
- (3) in the election of the non-independent non-executive directors, each shareholder shall be entitled to such number of votes that is equal to the number of shares held by him/her multiplied by the number of available positions of the non-independent non-executive directors; such votes may only be allocated to the non-independent non-executive director candidates, and the candidates with the most votes will be elected;
- (4) if the number of candidates exceeds the number specified herein, the number of the independent non-executive directors and non-independent non-executive directors elected by each shareholder shall not exceed the respective number of the independent non-executive directors and non independent non-executive directors specified herein, and the total number of votes cast by him/her shall not exceed the number of votes that he/she is entitled to. Otherwise, the votes cast by such shareholder shall be invalid;
- (5) the scrutineer(s) and teller(s) at the shareholders' general meeting shall carefully examine the compliance with the foregoing provisions, to ensure the fairness and validity of the cumulative voting.

**Article 86** When the shareholders' general meeting deliberates on proposals, it will not amend the proposals; otherwise, the relevant changes shall be deemed as a new proposal and cannot be voted on at the current shareholders' general meeting.

**Article 87** The same voting right may only be exercised by one means, either in person, via online voting or other methods. Where the same vote is cast for two or more times, the first cast shall hold.

Where the listing rules of the stock exchange in the place where the Company's shares are listed have other provisions on the aforesaid matter, such provisions shall prevail.

**Article 88** The shareholders' general meeting shall vote by poll.

**Article 89** Before voting on a proposal at the shareholders' general meeting, two shareholder representatives shall be elected to participate in vote counting and scrutinizing. If any shareholder is connected with the matters to be considered, such shareholder and its proxy shall not participate in the counting or scrutinizing of votes.

When voting on a proposal at the shareholders' general meeting, the shareholders' representative shall be responsible for counting and scrutinizing the votes, and the voting results of the resolutions shall be announced on the spot and recorded in the minutes.

The shareholders of the Company or their proxies who cast votes by online voting or other means shall be entitled to check their own voting results through corresponding voting systems or with other methods.

**Article 90** The in-person session of the shareholders' general meeting shall not conclude earlier than the online or other voting sessions. The chairman of the shareholders' general meeting shall announce details and poll results on each proposal, and whether a proposed resolution has been passed based on such results.

Prior to the formal announcement of poll results, the Company, vote counters, vote scrutineers, shareholders, network service provider and other related parties involved in the physical shareholders' general meeting, internet and other voting methods shall have an obligation to keep confidential details of the voting.

**Article 91** Shareholders attending the shareholders' general meeting shall express one of the following opinions on the proposal submitted for voting: affirmative, negative or abstention. save for the securities registration and clearing institution acting as the nominal holder of shares under the Stock Connect Scheme between the Mainland and Hong Kong Stock Markets, makes a declaration in accordance with the intention of the actual holder.

A ballot paper that is incomplete, incorrectly filled out, illegible or left unmarked shall be deemed to represent a waiver of voting rights by the voter and the voting result for his/her shares shall be deemed as an "abstention".

**Article 92** If the chairman of the meeting has any doubt as to the result of any resolution put to vote, he/she may have the votes counted. If the chairman of the meeting has not counted the votes, any attending shareholder or proxy thereof who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the announcement of the poll result, and the chairman of the meeting shall have the votes counted immediately.

**Article 93** The resolution of the shareholders' general meeting shall be promptly announced. The announcement shall state the number of shareholders and proxies attending the meeting, the total number of voting shares held by them and the proportion of these shares to the total number of voting shares of the Company, the form of voting, the poll results of each proposal, and the details of each resolution passed.

**Article 94** In the event that a proposal is not passed, or a resolution passed at a previous shareholders' general meeting is modified at the shareholders' general meeting, a special note shall be made in the announcement on resolutions of the shareholders' general meeting.

**Article 95** If the shareholders' general meeting passes a proposal concerning the election of directors, the new directors shall take office on the day the resolution is made by the shareholders' general meeting.

**Article 96** If the shareholders' general meeting passes a proposal concerning dividend distribution, bonus share issuance, or capitalization of capital reserves into share capital, the Company will implement the specific plan within two months after the end of the shareholders' general meeting.

## **CHAPTER 5 BOARD OF DIRECTORS**

### **Section 1 General Provisions on Directors**

**Article 97** Directors include executive directors and non-executive directors. Executive directors refer to the directors who participate in the daily operation and management of the Company or its holding subsidiaries; non-executive directors refer to the directors who do not participate in the daily operation and management of the Company or its holding subsidiaries, and non-executive directors include independent non-executive directors.

The Board shall include one employee representative. The employee representative on the Board shall be democratically elected by the Company's employees through the staff and workers' representative congress, employee assembly, or other forms, without the need to be submitted to the shareholders' general meeting for deliberation.

The Company shall not appoint a person who does not meet the qualifications for the position as a Director, nor authorize an unqualified person to actually perform his/her duties in violation of the relevant provisions.

**Article 98** The directors shall be natural persons. A person in any of the following categories may not serve as a director:

- (1) persons without capacity or with limited capacity for civil conduct;
- (2) persons who were sentenced for crimes of corruption, bribery, encroachment or embezzlement of property or disruption of the social and economic order, or persons who were deprived of their political rights for committing a crime, where five years have not lapsed following the serving of the sentence, or in case of a suspended sentence, not more than two years have elapsed since the date of expiration of the probation period;
- (3) persons who acted as directors, or factory managers or managers of bankrupt or liquidated companies or enterprises who bear personal liability for the bankruptcy or liquidation of such companies or enterprises, where three years have not lapsed following the date of completion of such bankruptcy or liquidation;
- (4) persons who were legal representatives of a company or enterprise, which had its business license revoked due to a violation of the law and were ordered to close down, and who were personally liable for the revocation of business license of such company or enterprise, where less than three years have elapsed since the date of the revocation of business license of such company or enterprise;
- (5) persons who have been listed by the People's Court as dishonest judgment debtors because they have incurred debts of a large amount that have not been settled by the due date;
- (6) Persons who are imposed by the CSRC a ban from entering into the securities market for a period which has not yet expired;
- (7) Persons who have been publicly determined by the stock exchanges to be not suitable to serve as a director or senior management personnel of a listed company, and the period has not elapsed;
- (8) other requirements stipulated in the laws, administrative regulations, departmental rules, listing rules of the stock exchange in the place where the Company's shares are listed.

Election, appointment or employment of directors in violation of this Article shall be invalid. In the event that the circumstances as stipulated in this Article arise during the term of office of any director, the Company shall dismiss the appointment and cease his/her fulfillment of duties.

**Article 99** Directors shall be elected or replaced by the shareholders' general meeting and may be removed from office by the shareholders' general meeting before the expiration of their term of office. The directors have a tenure of three years and can be reelected upon the expiry of the tenure, unless otherwise provided by the relevant laws, regulations, the Articles of Association and the listing rules of the stock exchange in the place where the Company's shares are listed.

The term of office of directors shall last from the date on which the directors take office to the expiration of the term of office of the current Board. Where a new director is not yet available upon expiration of a director's term, the director shall, before the newly elected director takes office, continue the performance of his/her duties in accordance with the provisions of laws, administrative regulations, departmental rules, the Articles of Association and the listing rules of the stock exchange in the place where the Company's shares are listed.

The senior management members may concurrently serve as directors, provided that the total number of directors who concurrently serve as senior management members shall not exceed half of the total number of directors of the Company.

Any new director appointed by the Board to fill a casual vacancy or as an additional director shall hold office until the first shareholders' general meeting of the Company following his/her appointment. Such director is eligible for, and may offer himself/herself for re-election by shareholders at the first shareholders' general meeting after his/her appointment.

A director is not required to hold any shares in the Company.

**Article 100** Directors shall observe the laws, administrative regulations, the Articles of Association and the listing rules of the stock exchange in the place where the Company's shares are listed, and fulfill the obligations of loyalty to the Company, take measures to avoid conflicts of interest between their own interests and those of the Company, and not use their powers to seek undue benefits.

Directors shall fulfill the following obligations of loyalty to the Company:

- (1) not to embezzle the Company's property or misappropriate the Company's funds;
- (2) not to deposit funds of the Company in any accounts under their names or in the names of other persons;
- (3) not to take advantage of their positions to accept bribes or other illegal income;
- (4) not to directly or indirectly enter into a contract or conduct a transaction with the Company without reporting to the Board or shareholders' general meeting and approving by a resolution passed by the Board or shareholders' general meeting in accordance with the provisions of the Articles of Association;

Preceding paragraph shall apply equally to the contracts or transactions between the Company and any close relatives of a director or senior management, any company that is directly or indirectly controlled by such close relative and any associate who is otherwise connected with a director or senior management;

- (5) not to take advantage of their positions to seek business opportunities belonging to the Company for themselves or others, except where such business opportunity has been reported to the Board or the shareholders' general meeting and approved by a resolution of the shareholders' general meeting, or where the Company is unable to utilize such business opportunity pursuant to laws, administrative regulations or these Articles of Association;
- (6) not to engage in the same type of business as the Company on their own account or for others without reporting to the Board or the shareholders' general meeting and being approved by a resolution of the Board or the shareholders' general meeting in accordance with the provisions of these Articles of Association;
- (7) not to accept commissions arising from transactions between the Company and other parties and appropriate such commissions for their own use;
- (8) not to disclose any secret of the Company without authorization;
- (9) not to prejudice the interests of the Company by taking advantage of their related party (connected) relationship;
- (10) other obligations of loyalty as stipulated by the laws, administrative regulations, departmental rules, the Articles of Association and the listing rules of the stock exchange in the place where the Company's shares are listed.

The income received by directors in breach of this Article shall belong to the Company. Where losses are incurred to the Company, such directors shall be liable for compensation.

When the Board votes on matters stipulated in items (4), (5) and (6) of this Article, connected directors shall not participate in the voting, and their voting rights shall not be included in the total number of voting rights. If the number of non-connected directors present at the Board meeting is less than three, such matters shall be submitted to the shareholders' general meeting for deliberation.



**Article 101** Directors shall collectively and individually fulfill their fiduciary duties and the duty to act with due skill, care and diligence. In performing such duties, they shall at least meet the standards established under the laws of Hong Kong and exercise the due care generally expected of a manager, acting in the best interests of the Company. That is, each director, in performing their directorial duties, shall:

- (1) to act honestly and in good faith in the interests of the Company as a whole;
- (2) to act for proper purposes;
- (3) to be accountable to the Company for the application or misapplication of its assets;
- (4) to avoid actual and potential conflicts of interest and duty;
- (5) to make full and fair disclosure of their interests in any contracts entered into with the Company;
- (6) to exercise the degree of skill, care and diligence that may reasonably be expected of a person with their knowledge and experience holding the office of director in the Company;
- (7) to prudently, conscientiously and diligently exercise the rights granted by the Company, so as to ensure that the business practices of the Company comply with the national laws, administrative regulations and the requirements of various national economic policies, and that its commercial activities are within the scope of business specified in the business license;
- (8) to treat all shareholders impartially;
- (9) to keep informed of the operation and management conditions of the Company;
- (10) to sign a written confirmation opinion on the Company's regular reports and ensure that the information disclosed by the Company is true, accurate and complete;
- (11) to truthfully provide the Audit Committee with relevant information and data and not to obstruct the Audit Committee from exercising its powers;
- (12) other obligations of diligence as stipulated by the laws, administrative regulations, departmental rules, the Articles of Association and the listing rules of the stock exchange in the place where the Company's shares are listed.



**Article 102** A written notice to the Company indicating the intention to nominate a director candidate, and a written notice to the Company from the candidate indicating their willingness to accept the nomination, shall be submitted to the Company within a minimum period of seven days. The commencement date of such period shall be no earlier than the day after the notice for convening the shareholders' general meeting for this purpose is issued, and the deadline shall be no later than seven days prior to the date of such shareholders' general meeting.

Subject to compliance with relevant laws, regulations, and the listing rules of the stock exchange where the Company's shares are listed, the shareholders' general meeting may, by ordinary resolution, remove any director whose term has not expired. The removal of a director shall not affect such director's right to make any claim pursuant to any contract.

**Article 103** If a director fails to attend two consecutive Board meetings in person and also fails to appoint another director to attend on his/her behalf, he/she shall be deemed unable to perform his/her duties, and the Board shall propose to the shareholders' general meeting the removal of such director.

**Article 104** Directors may resign before expiry of their terms of office. A director who resigns shall submit a written resignation report to the Company, and the resignation shall take effect on the date on which the Company receives the resignation report.

If the resignation of a director causes the number of Board members to fall below the statutory minimum, the resigning director shall continue to perform his or her duties as a director in accordance with laws, administrative regulations, departmental rules, these Articles of Association and the listing rules of the stock exchange where the Company's shares are listed until the newly elected director takes office.

**Article 105** The Company shall establish a director resignation management system, specifying safeguard measures for holding accountable and recovering compensation for unfulfilled public commitments and other outstanding matters. A director shall duly carry out all handover procedures with the Board on resignation or expiration of term. His/Her fiduciary obligations to the Company and the shareholders shall not, as a matter of course, terminate at the end of his/her term of office, and shall survive two years. Their obligation to maintain the confidentiality of the Company's trade secrets shall remain in full force and effect after their resignation takes effect or upon the expiration of their term of office, and shall continue until such trade secrets become publicly available. The duration of other obligations shall be determined based on the principle of fairness, taking into account the length of time between the occurrence of the event and their departure, as well as the circumstances and conditions under which their relationship with the Company ended. The liability of a director arising from the performance of duties during his/her term of office shall not be exempted or terminated upon resignation.

**Article 106** The shareholders' general meeting may remove any director through resolutions, effective as of the date when the resolutions take effect. Where a director is terminated before expiration of his term of office without justifiable reasons, the director may demand indemnification from the Company.

**Article 107** No directors shall act, in their personal capacity, on behalf of the Company or the Board in contravention of provisions of this Articles of Association or without appropriate authorization by the Board. A director shall, when acting in his/her personal capacity, state his/her position and identity in advance if a third party would reasonably believe that the director is acting on behalf of the Company or the Board.

**Article 108** Where a director causes damage to others in the performance of his/her duties to the Company, the Company shall be liable for such damage; if the director acts with intent or gross negligence, he/she shall also be liable for compensation.

A director who causes the Company to sustain a loss as a result of a violation of laws, administrative regulations, departmental rules, this Articles of Association and the listing rules of the stock exchange in the place where the Company's shares are listed during the performance of his duties shall be liable for the damages.

## **Section 2 Board of Directors**

**Article 109** The Company shall establish a Board of Directors, which shall consist of nine directors, including three independent non-executive directors. Independent non-executive directors shall account for one-third or more of the total number of directors of the Board. Among the independent non-executive directors, at least one must possess appropriate professional qualifications, and one independent non-executive director must be ordinarily resident in Hong Kong.

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

- (1) to convene the shareholders' general meeting and report on its work to the shareholders' general meeting;
- (2) to implement resolutions of the shareholders' general meetings;
- (3) to decide on the Company's business plans and investment programs;
- (4) to formulate the Company's profit distribution plans and plans on making up losses;
- (5) to formulate proposals for the Company to increase or decrease its registered capital, issue corporate bonds or other securities and pursue any listing thereof;
- (6) to formulate plans for the merger, division, dissolution and alteration of corporate form of the Company;

- (7) to formulate plans for the Company's substantial asset acquisitions or disposals and share repurchases;
- (8) within the scope authorized by the shareholders' general meeting, to decide, among others, the Company's external investment, purchase and sale of assets, charge of assets, external guarantees, wealth management entrustment, connected transactions and donations;
- (9) to decide on establishment of internal management organizations of the Company;
- (10) to decide on the establishment of special committees under the Board and to appoint or remove the chairman (convenor) of each special committee under the Board;
- (11) upon the nomination of the Chairman, to decide on the appointment or removal of the Company's General Manager and other senior management personnel, and determine matters relating to their remuneration, incentives and penalties; and, based on the recommendations of the general manager, to decide on the appointment or removal of the deputy general manager(s) and other senior management members such as the chief financial officer, and decide on their remuneration and incentives and disincentives matters;
- (12) to formulate the Company's basic management system;
- (13) to formulate proposals for any amendment of the Articles of Association;
- (14) to formulate proposals of the equity incentive scheme of the Company;
- (15) to manage information disclosure matters of the Company;
- (16) to propose to the shareholders' general meeting the engagement or replacement of the accounting firm that provides audit services to the Company;
- (17) to hear the work report of the Company's General Manager and supervise his/her work;
- (18) to decide on major matters and administrative affairs of the Company and authorize the signing of other important agreements, except for matters that shall be resolved by the Company's shareholders' general meeting in accordance with laws, administrative regulations, departmental rules, these Articles of Association and the listing rules of the stock exchange where the Company's shares are listed;

(XIX) to exercise any other powers prescribed by the laws, administrative regulations, department rules, the listing rules of the stock exchange in the place where the Company's shares are listed and the Articles of Association and conferred by shareholders' general meetings.

For the matters falling under the authority of the Board as described above, or for any transaction or arrangement entered into by the Company, if, according to the listing rules of the stock exchange where the Company's shares are listed, they are required to be submitted to the shareholders' general meeting for deliberation, then they shall be submitted accordingly.

When the Board makes decisions on the matters specified in the preceding paragraph, except for items (5), (6) and (13), which must be approved by more than two-thirds of the directors, the remaining items may be approved by a simple majority of the directors.

The Company's Board shall establish an Audit Committee, a Nomination Committee, and a Remuneration and Appraisal Committee, and may establish other special committees such as a Strategy Committee as needed. These special committees are responsible to the Board and shall perform their duties in accordance with these Articles of Association and the authorization granted by the Board. Proposals from these committees shall be submitted to the Board for deliberation and decision. All members of the special committees shall be directors. Among them, the Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee shall have a majority of independent non-executive directors, who shall serve as conveners. The convener of the Audit Committee shall be an accounting professional. The Board is responsible for formulating the working procedures of the special committees to regulate their operations.

Matters exceeding the scope authorized by the shareholders' general meeting shall be submitted to the shareholders' general meeting for deliberation.

**Article 111** The Board shall provide an explanation to the shareholders' general meeting regarding the non-standard audit opinions issued by certified public accountants on the Company's financial reports.

**Article 112** The Board shall formulate the Rules of Procedure for the Board of Directors to ensure the implementation of the resolutions of the shareholders' general meeting, the improvement of work efficiency and reasonable decision-making. The procedural rules for the Board meeting provide for the convening and voting procedures of Board meetings. The procedural rules for the Board meeting, which serves as an annex of the Articles of Association, shall be formulated by the Board and approved at the shareholders' general meetings.

**Article 113** The Board shall define the authority limits for external investments, acquisition and disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected (related-party) transactions, external donations and other matters, and establish strict review and decision-making procedures. The Board shall arrange for relevant experts and professionals to conduct evaluations on significant investment projects and submit such projects to the shareholders' general meeting for approval.

**Article 114** The Board shall have one chairman and may have a vice chairman. The chairman and vice chairman shall be elected by a simple majority of all directors on the Board.

**Article 115** The chairman of the Board shall exercise the following powers:

- (1) to preside over shareholders' general meetings and to convene and preside over meetings of the Board;
- (2) to urge and check on the implementation of resolutions passed by the Board;
- (3) to exercise other powers stipulated by laws, administrative regulations, departmental rules, the Articles of Association and the listing rules of the stock exchange of the place where the Company's shares are listed and conferred by the Board.

The vice chairman of the Board shall assist the chairman in his work. If the chairman is unable to perform or fails to perform his duties, the vice chairman shall assume such duties (if there are 2 or more vice chairmen, a vice chairman of the Board nominated by more than half of the directors shall perform such duties); if there is no vice chairman or the vice chairman of the Board is unable or fails to perform his duties, a director nominated by more than half of the directors shall perform such duties.

**Article 116** Board meetings include regular Board meetings and extraordinary Board meetings. Notices shall be sent by mail.

Meetings of the Board shall be held at least four times a year, at approximately quarterly intervals, and shall be convened by the chairman of the Board. Written notice shall be provided to all directors at least 14 days before a regular meeting and at least 10 days before an extraordinary meeting.

The notice period specified in the preceding paragraph may be waived with the unanimous consent of all directors of the Company. In urgent circumstances requiring the prompt convening of an extraordinary Board meeting, notice may be given at any time by telephone or other oral means, provided that the convener explains the reasons at the meeting.

**Article 117** Shareholder(s) representing one-tenth or more of the voting rights, one-third or more of the directors, or the Audit Committee may propose the convening of an extraordinary Board meeting. The chairman shall convene and preside over a Board meeting within ten days of receiving such a proposal and shall provide written notice to all directors at least 10 days before the meeting is held.

**Article 118** A written notice on the meeting of the Board shall include:

- (1) the time and place of the meeting;
- (2) the duration of the meeting;
- (3) subject matters and agenda;
- (4) the date when the notice is given.

**Article 119** Save as otherwise stipulated by other clauses hereof, the meeting of the Board can only be convened when more than half of the directors attend. A resolution of the Board shall be passed by more than half of the members of the Board.

Each director shall have one vote.

**Article 120** The Board meeting shall be attended by the directors in person. If a director cannot attend a meeting for any reason, he may entrust in writing another director with attending the meeting on his behalf. The instrument of entrustment shall specify the name of the alternative, matters entrusted, the scope and validity period of authority, and shall be signed or stamped by the entrusting director.

A director who attends a meeting on behalf of another director shall exercise the rights of a director within the scope of authority granted. If a director fails to attend a Board meeting and has not appointed a representative to attend on his behalf, he shall be deemed to have waived his voting rights in respect of that meeting.

Reasonable expenses incurred by directors for attending Board meetings shall be borne by the Company. These expenses include travel costs from the director's location to the meeting location (if different from the director's location), as well as accommodation, meals, and local transportation costs during the meeting period.

**Article 121** If a director has a connected (affiliated) relationship with any enterprise or individual involved in the matters to be resolved at a Board meeting, such director shall promptly report the same to the Board in writing. Any director with a connected (affiliated) relationship may not exercise his own voting rights in respect of such resolution, nor act as proxy for other directors to exercise their voting rights. The meeting of the Board may be held once more than half of the unaffiliated (connected) directors will be present. The resolution made by the meeting of the Board shall be



adopted by more than half of all such unaffiliated (connected) directors. Where there are less than three unaffiliated (connected) directors present at a Board meeting, the relevant matters shall be forwarded to the shareholders' general meeting for deliberation.

**Article 122** Board meetings and votes at Board meetings shall be conducted by open ballot/recorded vote.

**Article 123** The Board shall prepare minutes regarding the resolutions on the matters discussed at the meeting, which shall be signed by the directors present at the meeting.

The directors shall be liable for the resolutions of the Board. If a resolution of the Board violates the law, administrative regulation, the Articles of Association or the listing rules of the stock exchange in the place where the Company's shares are listed, and the Company suffers serious losses as a result thereof, the directors who participated in the passing of such resolution shall compensate the Company therefor. However, if it can be proven that a director expressly objected to the resolution when the resolution was being voted, and that such objection was recorded in the minutes of the meeting, such director shall be released from such liability.

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

**Article 124** The minutes of the Board meeting shall include the following:

- (1) time and place of the meeting and name of the convener;
- (2) name of directors present at the meeting and name of director (agent) appointed to attend the meeting of the Board on behalf of others;
- (3) agenda;
- (4) essentials of speeches delivered by directors;
- (5) the voting method and results for each matter to be deliberated (the voting results shall specify the number of votes in favor, against and abstentions).

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

**Article 125** Independent non-executive directors shall diligently perform their duties as required by laws, administrative regulations, the CSRC, the securities regulatory institution where the shares of the Company are listed and the Articles of Association, and shall play their roles in participating in decision-making, checks and balances, and providing professional advice within the Board, while safeguarding the interests of the Company as a whole and protecting the legitimate rights and interests of small and medium shareholders.



**Article 126** An independent non-executive director shall be independent. None of the following persons shall serve as an independent non-executive director:

- (1) persons who work at the Company or its affiliates and their spouses, parents, children or major social relations;
- (2) persons who directly or indirectly hold more than 1% of the issued shares of the Company or individual shareholders among the top ten shareholders of the Company and their spouses, parents or children;
- (3) persons who directly or indirectly hold more than 5% of the issued shares of the Company or individual shareholders among the top five shareholders of the Company and their spouses, parents or children;
- (4) persons who work at the affiliates of the controlling shareholder or de facto controller of the Company and their spouses, parents or children;
- (5) persons who have significant business dealings with the Company and its controlling shareholder, de facto controller, or affiliates, or persons who work at organizations which have significant business dealings with the Company, or at their controlling shareholders or de facto controllers;
- (6) persons who provide financial, legal, consulting, sponsorship and other services to the Company and its controlling shareholder, de facto controller, or their respective affiliates, including but not limited to all members of the project team of the intermediary institutions providing such services, review personnel at all levels, signatories to the report, partners, directors, senior management members, and persons in charge;
- (7) persons who fell within the categories described in items (1) to (6) within the past twelve months;
- (8) other persons who do not possess the independence as stipulated by laws, administrative regulations, provisions of the CSRC, rules of the stock exchange and the Articles of Association.

The affiliates of the Company's controlling shareholder or de facto controller as referred to in Items (4) to (6) of the preceding paragraph shall not include enterprises that are under the common control of the same state-owned assets supervision and administration authority as the Company and that do not constitute a connected relationship with the Company in accordance with relevant provisions.

Independent non-executive directors shall carry out an annual self-inspection of their independence and submit the results of such self-inspection to the Board. The Board shall conduct an annual evaluation on the independence of the incumbent independent non-executive directors and issue a special opinion, which shall be disclosed together with the annual report.

**Article 127** A person holding the position of independent non-executive director shall satisfy the basic qualifications set forth below:

- (1) to possess the qualifications to hold office as a director of a listed company under laws, administrative regulations and other relevant provisions;
- (2) to possess the independence as required by the Articles of Association;
- (3) to have the basic knowledge of the operations of a listed company, and to be familiar with relevant laws, regulations and rules;
- (4) to have at least five years of legal, accounting, or economic work experience necessary to fulfill the duties of an independent non-executive director;
- (5) to have good personal characters, with no negative records such as severe dishonesty;
- (6) other conditions as stipulated by laws, administrative regulations, provisions of the CSRC, rules of the stock exchange and the Articles of Association.

**Article 128** Independent non-executive directors, as members of the Board, shall fulfill the obligations of loyalty and diligence to the Company and all shareholders, and shall prudently perform the following duties:

- (1) to participate in the decision-making of the Board and express clear opinions on the matters discussed;
- (2) to oversee potential major conflicts of interest between the Company and its controlling shareholder, de facto controller, directors and senior management personnel, and protect the legitimate rights and interests of small and medium-sized shareholders;
- (3) to provide professional and objective suggestions for the Company's operation and development, and promote the improvement of the decision making of the Board;
- (4) other duties as stipulated by laws, administrative regulations, provisions of the CSRC and the Articles of Association.

**Article 129** Independent non-executive directors shall perform the following special duties and powers:

- (1) to independently engage intermediary agencies to audit, consult or verify specific matters of the Company;
- (2) to propose to the Board for convening an extraordinary shareholders' general meeting;

- (3) to propose for convening a Board meeting;
- (4) to publicly solicit shareholders' rights in accordance with laws;
- (5) to express independent opinions on matters that may harm the rights and interests of the Company or small and medium shareholders;
- (6) other duties and powers as stipulated by laws, administrative regulations, provisions of the CSRC and the Articles of Association.

Independent non-executive directors shall obtain the consent of a majority of all independent non-executive directors prior to exercising the duties and powers as set out in items (1) to (3) in the preceding paragraph.

The Company shall promptly disclose the exercise of the duties and powers as set out in the first paragraph by independent non-executive directors. If the above-mentioned duties and powers cannot be exercised in a normal manner, the Company shall disclose the particulars and reasons.

**Article 130** The following matters shall be approved by a majority of all independent non-executive directors of the Company before being submitted to the Board for review:

- (1) related party transactions that are required to be disclosed;
- (2) plans for the Company and its related parties to change or waive commitments;
- (3) decisions and measures taken by the board of directors of the listed company to be acquired regarding the acquisition;
- (4) other matters as stipulated by laws, administrative regulations, provisions of the CSRC and the Articles of Association.

**Article 131** The Company shall establish a special meeting mechanism composed exclusively of independent non-executive directors. For related party transactions and other matters subject to the Board's review, prior approval shall be obtained from the special meetings of independent non-executive directors.

The Company shall convene regular or extraordinary meetings of independent non-executive directors. The matters set out in items (1) to (3) of Paragraph 1 of Article 129 and Article 130 of these Articles of Association shall be reviewed and approved by the special meetings of independent non-executive directors before submission to the Board.

The extraordinary meetings of independent non-executive directors may discuss other matters of the Company as necessary.

The extraordinary meetings of independent non-executive directors shall be convened and presided over by an independent non-executive director jointly elected by a majority of the independent non-executive directors. When the convener fails or is unable to perform his/her duties, two or more independent non-executive directors may convene such meeting on their own and elect a representative to preside.

Minutes for the extraordinary meetings of independent non-executive directors shall be made in accordance with regulations, and the opinions of independent non-executive directors shall be recorded in such minutes. Independent non-executive directors shall sign and confirm such minutes.

The Company shall facilitate and support the extraordinary meetings of independent non-executive directors.

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

**Article 132** The Board shall establish an Audit Committee, which shall exercise the functions and powers of the supervisory board as prescribed by the Company Law.

**Article 133** The Audit Committee shall be composed of 3 members, who shall be non-executive directors who are not senior management of the Company, including a majority of independent non-executive directors. At least one independent non-executive director must possess appropriate accounting or related financial management expertise. The Audit Committee shall have an accounting professional from among the independent non-executive directors serve as its convener.

**Article 134** The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, overseeing and evaluating internal and external audits as well as internal controls. The following matters shall be approved by a majority of all members of the Audit Committee before being submitted to the Board for review:

- (1) disclosure of the financial accounting report, financial information in regular reports, and the internal control evaluation report;
- (2) appointment or dismissal of the accounting firms which provide audit services to the Company;
- (3) appointment or dismissal of the chief financial officer of the Company;
- (4) changes in accounting policies or estimates, or rectifications of material accounting errors, except those due to changes in accounting standards;
- (5) other matters as stipulated by laws, administrative regulations, the CSRC and the Articles of Association.

**Article 135** The Audit Committee shall convene at least one meeting every quarter. An extraordinary meeting may be held as proposed by two or more members or when the convener deems it necessary. The meetings of the Audit Committee shall be held only if more than two-thirds of the members are present.

A resolution of the Audit Committee shall be passed by a majority of the members of the Audit Committee.

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

Minutes for the resolutions of the meetings of the Audit Committee shall be made in accordance with regulations, which shall be signed by the members of the Audit Committee present at the meeting.

The terms of reference of the Audit Committee shall be formulated by the Board.

**Article 136** The Board shall establish the Nomination Committee, Remuneration and Appraisal Committee, and other special committees, which shall perform their duties in accordance with the Articles of Association and the authorization of the Board. The proposals of special committees shall be submitted to the Board for consideration and approval. The terms of reference of special committees shall be formulated by the Board.

**Article 137** The Nomination Committee shall be responsible for formulating the selection criteria and procedures for directors and senior management, as well as evaluating and reviewing candidates for such positions and their qualifications, and shall make recommendations to the Board on the following matters:

- (1) nomination, appointment or dismissal of directors;
- (2) appointment or dismissal of senior management;
- (3) other matters as stipulated by laws, administrative regulations, the CSRC 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 opinions of the Nomination Committee and the specific reasons for not adopting them in the resolution of the Board, and disclose accordingly.

**Article 138** The Remuneration and Appraisal Committee shall be responsible for establishing performance appraisal criteria and conducting appraisals for directors and senior management, as well as formulating and reviewing remuneration determination mechanisms, decision-making processes and payment/recovery arrangements and other remuneration policies and schemes, and shall make recommendations to the Board on the following matters:

- (1) remuneration of directors and senior management;
- (2) formulation or modification of stock incentive plans or employee share ownership plans, including the granting of entitlements to incentive participants and the fulfillment of conditions for exercising such entitlements;
- (3) arrangements for directors and senior management to participate in share ownership plans of subsidiaries proposed to be spun off;
- (4) other matters as stipulated by laws, administrative regulations, the CSRC 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 accordingly.

## **CHAPTER 6 SENIOR MANAGEMENT**

**Article 139** The Company shall have one general manager and may have deputy general manager(s), and one chief financial officer. The general manager and chief financial officer shall be appointed or dismissed by the Board. The Company's general manager, deputy general manager(s), chief financial officer, and any other persons explicitly appointed by the Board as senior management personnel of the Company shall constitute the senior management of the Company.

**Article 140** The provisions regarding the circumstances under which a person may not serve as a director and the resignation management system in the Articles of Association shall apply equally to senior management.

The provisions regarding the obligations of loyalty and diligence of directors in the Articles of Association shall apply equally to senior management.

**Article 141** Persons serving administrative posts other than directors and supervisors at the Company's controlling shareholder unit are not allowed to serve as senior management of the Company.

The senior management of the Company shall receive remuneration solely from the Company and shall not be paid through the controlling shareholder.

**Article 142** The general manager's term of office is three years and may be renewed upon re-appointment.

The general manager may resign before the expiration of his term of service. The specific procedures and measures for the resignation of the general manager shall be stipulated in the labor contract entered into between the general manager and the Company. If the general manager is unable to perform his/her duties due to special reasons, the Board shall designate a deputy general manager to act on his/her behalf.

Directors may concurrently serve as general manager or other senior management personnel.

**Article 143** The general manager shall be accountable to the Board and shall exercise the following functions and powers:

- (1) to preside over the Company's production, operation and management, organize the implementation of the Board's resolutions, and report on his/her work to the Board;
- (2) to organize the implementation of the Company's annual business plan and investment proposals formulated by the Board;
- (3) to draft plans for the establishment of the Company's internal management structure;
- (4) to draft the Company's basic management system;
- (5) to formulate specific rules and regulations for the Company;
- (6) to propose the appointment or dismissal by the Board of the Company's chief financial officer and other senior management personnel;
- (7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board;
- (8) other powers conferred by the Articles of Association or the Board.

**Article 144** The general manager of the Company may be present at meetings of the Board.

**Article 145** The general manager shall formulate working rules of the general manager and submit them to the Board for approval and implementation.



**Article 146** The working rules of the general manager shall include the following contents:

- (1) conditions and procedures of convening general manager meetings as well as the participants;
- (2) specific obligations and division of work of the general manager and other senior management;
- (3) authorities with respect to the utilization of the Company's funds or assets and the execution of major contracts, systems on reporting to the Board;
- (4) other matters deemed necessary by the Board.

**Article 147** The Company has a company secretary responsible for preparation of shareholders' general meetings and Board meetings of the Company, keeping documents, managing data about the Company's shareholders and dealing with information disclosure activities, among others.

The company secretary shall comply with applicable provisions of laws, regulations, departmental rules, these Articles of Association and the listing rules of the stock exchange in the place where the Company's shares are listed.

**Article 148** The Company shall be liable for any damages caused to others by a senior management member in the performance of his/her duties. The relevant senior management member shall also be liable for compensation if he/she acted with intent or gross negligence. Where a senior management member violates laws, administrative regulations, departmental rules, these Articles of Association or the listing rules of the stock exchange where the Company's shares are listed in the course of performing his/her duties, and such violation causes losses to the Company, the senior management member shall be liable for compensation.

**Article 149** The senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If senior management fails to faithfully perform their duties or breaches their fiduciary duties, thereby causing damage to the interests of the Company and public shareholders, they shall be liable for indemnity in accordance with the law.

## **CHAPTER 7 FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDIT**

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

**Article 150** The Company shall formulate its financial and accounting systems in accordance with the laws, administrative regulations and requirements of Chinese accounting standards formulated by the competent fiscal department under the State Council.

**Article 151** The financial year of the Company shall coincide with the calendar year, i.e. from January 1 to December 31 on the Gregorian calendar.

At the end of each financial year, the Company shall prepare a financial report which shall be audited and certified in compliance with the laws.

The Company shall submit, disclose and/or present to shareholders documents such as annual reports, interim reports and preliminary results announcements in accordance with the laws and regulations of the listing jurisdiction, the listing rules of the stock exchange where the Company's shares are listed, and other regulatory documents.

**Article 152** The financial statements of the Company shall be prepared in accordance with not only the PRC accounting standards and regulations, but also the international accounting standards or the accounting standards of the overseas place where the Company's shares are listed. If there are significant discrepancies between the financial statements prepared under the two sets of accounting standards, such discrepancies shall be disclosed in the notes to the financial statements. For purposes of the Company's distribution of after-tax profits of a given financial year, the lesser of the amounts of after-tax profits shown in the aforementioned two kinds of financial statements shall prevail.

**Article 153** The interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as the international accounting standards or the accounting standards of the overseas place where the Company's shares are listed.

**Article 154** The Company shall not establish account books other than the statutory account books. The funds of the Company shall not be deposited in any personal account.

**Article 155** When allocating the after-tax profits of the current year, the Company shall allocate 10% of its profit to the statutory common reserve fund. In the event that the accumulated statutory common reserve fund of the Company has reached at least 50% of the registered capital of the Company, no further allocation is required.

In the event that the statutory common reserve fund of the Company is insufficient to make up for the losses of the Company for the previous year, before allocating the statutory common reserve fund in accordance with the provision of the preceding paragraph, the Company shall first make up for the losses by using the profits for the current year.

After allocating the statutory common reserve fund from the after-tax profits of the Company, the Company may allocate the discretionary reserve fund according to the resolution of the shareholders' general meeting.

The after-tax profits of the Company, after covering the losses and making allocation to the common reserve fund, shall be distributed to the shareholders in accordance with their proportion of shareholdings, unless otherwise stipulated in the Articles of Association.

Where the shareholders' general meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return the profits so distributed to the Company. Shareholders, responsible directors and senior management shall be liable for compensation if losses are incurred by the Company.

The shares of the Company held by the Company shall not be entitled to any profit distribution.

**Article 156** The common reserve fund of the Company shall be used to cover the Company's losses, expand its production and operation, or be converted to increase the Company's registered capital.

When using reserve funds to cover the Company's losses, the discretionary reserve fund and statutory reserve fund shall be utilized first; if such funds are still insufficient to cover the losses, the capital reserve fund may be used in accordance with applicable laws and regulations.

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

**Article 157** The dividends (or shares) distribution must be completed within two months after the shareholders' general meeting has resolved on the profit distribution plan, or after the Board has formulated a specific plan in accordance with the conditions and upper limits of profit distribution for the following year's interim period as considered and approved by the shareholders' general meeting.

**Article 158** The Company shall appoint agents for receiving payment in respect of holders of H Shares. Such receiving agents shall receive dividends distributed by the Company in respect of H Shares and other payables on such shareholders' behalf.

The receiving agents appointed by the Company shall meet the requirements of the laws or relevant stock exchange rules of the place(s) where the shares are listed.

## **Section 2 Internal Audit**

**Article 159** The Company implements an internal audit system, which specifies the leadership system, responsibilities and authorities, staffing, funding security, use of audit results, and accountability in relation to internal audit work.

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

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

The internal audit agency shall maintain independence and be staffed with designated full-time audit personnel. It shall not be placed under the leadership of financial department, or share offices with the financial department.

**Article 161** The internal audit agency is accountable to the Board.

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

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

**Article 163** When the Audit Committee communicates with external audit units such as accounting firms and national audit agencies, the internal audit agency shall proactively cooperate with them and provide necessary collaboration.

**Article 164** The Audit Committee shall participate in the appraisal of the head of internal audit.

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

**Article 165** The Company shall engage an independent accounting firm that complies with the Securities Law and relevant national regulations to audit the Company's annual financial reports and review the Company's other financial reports. The engagement term shall be one year and may be renewed.

**Article 166** The engagement and termination of the accounting firm by the Company are subject to the decisions of the shareholders' general meeting, while the Board must not appoint any accounting firms before the resolution of the shareholders' general meeting.

**Article 167** The Company warrants that it will provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information, and it shall not refuse to provide or conceal or falsify such documents.

**Article 168** The audit fee payable to the accounting firm shall be determined by the shareholders' general meeting.

**Article 169** Prior to the removal or the non-reappointment of the accounting firm, notice of such removal or non-reappointment shall be given 30 days in advance to the accounting firm who shall be entitled to make representations at the shareholders' general meeting.

Where the accounting firm resigns, it shall make clear to the shareholders' general meeting whether there has been any impropriety on the part of the Company.

## **CHAPTER 8 MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION**

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

**Article 170** The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

Merger by absorption means that a company merges with another company, and the company being merged will dissolve. Merger by the establishment of a new company means that more than two companies are integrated to incorporate a new company, and all parties integrated will dissolve.

**Article 171** Where the price paid by the Company for combination is no more than ten percent of the Company's net assets, the combination may be made without resolutions of the shareholders' general meeting, except as otherwise set forth herein.

Where the Company makes combined payment without shareholders' general meeting resolutions according to the preceding provisions, the Board resolutions shall be required.

**Article 172** In the event of merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and an inventory of assets. The Company shall, under the provisions of the Company Law, notify its creditors within ten days of the date of the Company's resolution on merger and shall make an announcement in newspaper(s) recognized by the stock exchange where the Company's shares are listed or the National Enterprise Credit Information Publicity System within thirty days of the date of the Company's resolution on merger.

Creditors may, within thirty days after receiving such notice from the Company, or within forty-five days of the announcement date for those not notified, demand that the Company repay their debts or provide a corresponding guarantee for such debts.

**Article 173** In a merger, claims and rights and obligations of parties to the merger shall be taken over by the continuing company or the newly established company after the merger.

**Article 174** In a division, the assets shall be split in an appropriate manner.

In case of a division of the Company, the parties concerned shall prepare balance sheets and an inventory of assets. The Company shall notify all creditors within ten days under the provisions of the Company Law after adoption of the resolution on division and shall make an announcement in newspaper(s) recognized by the stock exchange where the Company's shares are listed or the National Enterprise Credit Information Publicity System within 30 days.

The debts of the Company before the division shall be borne by the companies established after division jointly and severally, save as otherwise agreed in writing between the Company and the creditors in respect of debt settlement before division.

**Article 175** The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within ten days from the date of the shareholders' general meeting making the resolution on reduction in registered capital and shall publish an announcement on newspaper(s) recognized by the stock exchange where the Company's shares are listed or the National Enterprise Credit Information Publicity System within thirty days from the date of such resolution. A creditor has the right, within thirty days after receipt of such notice from the Company, or within forty-five days as of the date of the announcement for those who do not receive such notice, demand that the Company repay their debts to that creditor or provide a corresponding guarantee for such debts.

The Company shall reduce contributed amounts or shares according to shareholding ratios of shareholders when reducing its registered capital, except as otherwise prescribed by laws or these Articles of Association.

**Article 176** In the event that the Company still records losses after making up for the losses in accordance with paragraph 2 of Article 156 of the Articles of Association, it may reduce its registered capital to make up such losses. In the event of making up for losses by reducing registered capital, the Company shall not make profit distribution to its shareholders, nor exempt shareholders from their obligations to make capital contributions or share payment.

Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of paragraph 2 of Article 175 shall not apply. However, the Company shall announce the reduction through newspaper recognized by the stock exchange where the Company's shares are listed or on the National Enterprise Credit Information Publicity System within thirty days from the date on which the shareholders' general meeting passes a resolution to reduce the registered capital.

After the Company reduces its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits until the accumulated amount of the statutory reserve and the discretionary reserve reach fifty percent of the Company's registered capital.

**Article 177** Where the registered capital is reduced in violation of the Company Law or other relevant provisions, shareholders shall return funds received and the original state shall be restored if capital contributions from shareholders are reduced or exempted; in case of any losses caused to the Company, shareholders and directors and senior management held responsible shall be liable for damages.

**Article 178** When the Company issues new shares for increasing its registered capital, shareholders shall have no preemptive rights, except as otherwise set forth herein or where the shareholders' general meeting resolution decides that shareholders are entitled to preemptive rights.

**Article 179** When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, its establishment shall be registered in accordance with the law.

When the Company increases or reduces its share capital, such changes shall be registered with the company registration authority in accordance with the law.



## **Section 2   Dissolution and Liquidation**

**Article 180**   The Company shall be dissolved and liquidated in accordance with laws upon the occurrence of any of the following events:

- (1) expiration of the term of business provided in the Articles of Association or other cause of dissolution as specified therein;
- (2) a special resolution on dissolution is passed at the shareholders' general meeting;
- (3) dissolution is required due to the merger or division of the Company;
- (4) the Company has its business license revoked or is ordered to close down or dissolved in accordance with laws; or
- (5) the Company suffers significant hardships in operation and management that cannot be resolved through other means, and its continuation may cause substantial loss in shareholders' interests, shareholders representing 10% or above of voting rights may petition the People's Court to dissolve the Company.

In case of the occurrence of any cause of dissolution as specified in the preceding paragraph, the Company shall announce such cause of dissolution through the National Enterprise Credit Information Publicity System within ten days.

**Article 181**   Where the situation set forth in item (1) or item (2) of Article 180 of these Articles of Association occurs, the Company may continue to exist by amending these Articles of Association or through a shareholders' general meeting resolution if properties have not yet been distributed to shareholders.

Amendments to these Articles of Association or the shareholders' general meeting resolution in accordance with preceding paragraph shall be passed by a vote representing two-thirds or more of the voting rights of the shareholders present at the shareholders' general meeting.

**Article 182**   Where the Company is dissolved pursuant to items (1), (2), (4) or (5) of Article 180 of these Articles of Association, it shall be liquidated. The directors shall be the liquidation obligors and shall establish a liquidation committee within 15 days as of the dissolution circumstance arises.

The liquidation committee shall be composed of directors, unless otherwise provided in the Articles of Association or the shareholders' general meeting resolves to another composition.

Liquidation obligors shall be liable for losses caused to the Company or the creditors if they fail in performing their duties in a timely manner.

**Article 183** As of the date of its establishment, the liquidation committee shall notify the creditors within 10 days and make public announcement in newspaper(s) recognized by the stock exchange where the Company's shares are listed or the National Enterprise Credit Information Publicity System within 60 days. Creditors shall, within 30 days after receipt of the notice, or for those who do not receive the notice, within 45 days as of the date of the announcement, declare their claims to the liquidation committee.

Creditors shall provide explanations on and evidence for their claims upon their declarations of such claims. The liquidation committee shall record the creditors' claims.

The liquidation committee shall not pay off any debts to any creditors during the period of credit declaration.

**Article 184** The liquidation committee shall perform the following duties during the liquidation period:

- (1) checking the Company's assets and preparing a balance sheet and an inventory of assets, respectively;
- (2) notifying the creditors by notice or announcement;
- (3) dealing with the outstanding liquidation-related business of the Company;
- (4) paying off outstanding taxes as well as taxes arising in the course of liquidation;
- (5) claiming credits and paying off debts;
- (6) distribution of the remaining assets of the Company after the settlement of debts; and
- (7) representing the Company in any civil proceedings.

**Article 185** After checking the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit it to the shareholders' general meeting or the People's Court for confirmation.

After the payment of liquidation charges, staff salary, social insurance, statutory compensation, outstanding tax and the debts of the Company, the remaining assets of the Company shall be distributed to shareholders in proportion to their shareholdings.

During the liquidation period, the Company survives, but it may not commence operational activities irrelevant to the liquidation. The Company's assets shall not be distributed to its shareholders before they are used for settlement in accordance with the foregoing provisions.

**Article 186** If the liquidation committee, after checking the Company's assets and preparing a balance sheet and an inventory of assets, finds that the Company's assets are insufficient to pay off its debts, it shall promptly file an application to the people's court for bankruptcy liquidation in accordance with the law.

After the people's court accepts the application for bankruptcy, the liquidation committee shall transfer all liquidation affairs to bankruptcy administrators appointed by the people's court.

**Article 187** After the completion of liquidation, the liquidation committee should prepare a liquidation report and submit the same to the shareholders' general meeting or the people's court for confirmation and submit it to the company registration authority for deregistration of the Company.

**Article 188** The members of the liquidation committee shall fulfill the liquidation duties and owe a duty of faith and diligence.

Where a member of the liquidation committee causes loss to the Company by reason of neglect in performing liquidation duties, he shall be liable for damages; the member shall be liable for damages if he causes losses to its creditors due to intentional misconduct or gross negligence.

**Article 189** Where the Company is declared bankrupt in accordance with law, the Company shall carry out bankruptcy liquidation according to the law concerning corporate bankruptcy.

## **CHAPTER 9 AMENDMENT TO THE ARTICLES OF ASSOCIATION**

**Article 190** The Articles of Association may be amended in accordance with the laws, administrative regulations, the provisions of the Articles of Association and the listing rules of the stock exchange where the Company's shares are listed.

**Article 191** The Company will revise the Articles of Association in any of the following cases:

- (1) Any conflict between those matters specified by the Articles of Association and the provisions of laws, administrative regulations or the listing rules of the stock exchange where the Company's shares are listed after any revision of the Company Law or relevant laws, administrative regulations or the listing rules of the stock exchange where the Company's shares are listed;
- (2) Any change in the Company's conditions which is not consistent with those matters recorded in the Articles of Association; or
- (3) Any amendment of the Articles of Association resolved by a special resolution at the shareholders' general meeting.

**Article 192** Amendment to Articles of Association passed by resolution at the shareholders' general meeting which should be reviewed by the competent authorities shall be submitted to competent authorities for approval; if there is any change relating to the registered particulars of the Company, application shall be made for change in registration in accordance with the laws.

**Article 193** The Board shall amend these Articles of Association in accordance with the resolution of the shareholders' general meeting on amending and the approval opinions of the relevant competent authorities.

**Article 194** Amendment to Articles of Association constitutes information required to be disclosed by laws, regulations and the listing rules in the place where shares are listed, and shall be announced as provided.

## **CHAPTER 10 NOTICES AND ANNOUNCEMENTS**

### **Section 1 Notices**

**Article 195** A notice of the Company may be sent as follows:

- (1) by hand;
- (2) by post;
- (3) by fax or email;
- (4) subject to compliance with the laws, regulations and the listing rules of the stock exchange where the Company's shares are listed, by posting on the websites designated by the Company and stock exchanges;
- (5) by public announcement;
- (6) by other ways as the Company and the notified party agreed in advance or any other way which is recognized by the notified party upon receipt of the notice; or
- (7) by other ways which are recognized by the relevant regulatory authority of the place where the Company's shares are listed or stipulated in the Articles of Association.

Notwithstanding any other provisions contained in the Articles of Association in respect of the publishing or giving notice of any documents, circulars or other communications, the Company may choose to announce such corporate communications by means provided under item (4) of the paragraph 1 of this Article in place of delivering written documents by hand or by post to each shareholder of H Shares, subject to relevant requirements of the stock exchange of the place where the shares of the Company are listed. The above-mentioned corporate communications refer to any documents issued or to be issued by the Company for shareholders' reference or action, including but not limited to annual reports (including annual financial reports), interim reports (including interim financial reports), Board reports (together with balance sheets and income statements), notices of shareholders' general meetings, circulars and other communication documents.

If authorized to issue notices in the form of advertisements, such advertisements may be published in newspapers, and there is no prohibition against issuing notices to shareholders whose registered addresses are outside Hong Kong.

**Article 196** Unless the Articles of Association otherwise requires, the requirements of the preceding article in relation to the ways of notice are applicable to the notices convening shareholders' general meetings and Board meetings by the Company.

**Article 197** For notice served by hand, the receiver shall sign (or seal) on the reply slip with the receiving date as the delivery date; for notice sent by mail, the 48th hour from the posting in the post office is the delivery date; for notice sent by fax or email or published on websites, the date of sending or publishing is the delivery date; for notice notified by announcement, the first publishing date is the delivery date.

**Article 198** The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

**Article 199** In the event that the listing rules of the place where the Company's shares are listed require the Company to provide the relevant files in English version and Chinese version by delivery, mail, distribution, issuance, publishing or other manners, where the Company has made appropriate arrangement to confirm its shareholders' intent to receive the English version only or the Chinese version only, and within the permissible scope of the applicable laws and regulations and pursuant to the applicable laws and regulations, the Company may (based on the intent stated by the shareholders) deliver the English version only or the Chinese version only to the relevant shareholders.

## **Section 2 Announcements**

**Article 200** Company announcements and disclosures required by the Stock Exchange shall be published on the website of the Stock Exchange and the official website of the Company. The Company designates the website of the Stock Exchange as the medium for publishing corporate announcements and other information that requires disclosure.

## **CHAPTER 11 SUPPLEMENTARY PROVISIONS**

### **Article 201 Definitions**

- (1) “Controlling shareholder” mentioned in these Articles of Association shall mean a shareholder whose shareholdings account for more than 50% of the total share capital of a company limited by shares; or a shareholder whose shareholding ratio is no more than 50% but whose voting power pursuant to his shareholdings is sufficient to produce material effects on the resolutions of the shareholders’ general meeting.
- (2) “Actual controller” mentioned in these Articles of Association shall refer to a natural person, legal person or other organization who can actually dominate the Company’s actions through investment relationship, agreements or other arrangements.
- (3) “Affiliated (connected) relations” mentioned in these Articles of Association shall refer to the relationship between the Company’s controlling shareholders, actual controller, directors, officers and those enterprises which are directly or indirectly controlled by the foregoing parties and such other relationship which may cause the interests of the Company to be transferred. However, the state-controlled enterprises do not have affiliated (connected) relations with each other merely because they are all being controlled by the State.

**Article 202** The Board may prepare detailed rules and regulations for the Articles of Association according to the provisions herein. The detailed rules shall not conflict with the regulations of the Articles of Association.

**Article 203** In the Articles of Association, the terms “no less than”, “within” and “on or before” shall include the given figure, and the terms “over”, “no more than”, “beyond”, “exceeding”, “lower than”, “less than”, “fewer than”, “higher than” shall not include the given figure.

**Article 204** In the Articles of Association, “accounting firm” shall bear the same meaning as “auditors”.

**Article 205** The appendix(es) to these Articles of Association include(s) Rules of Procedures for shareholders’ general meetings, and Rules of Procedures for the Board of Directors.

**Article 206** These Articles of Association are written in Chinese. In case of any inconsistency between these Articles of Association and the articles of association in any other language or of different version, the latest Chinese version of these Articles of Association filed and registered with competent administration for market regulation shall prevail.

**Article 207** Matters not covered by these Articles of Association shall be handled in accordance with laws, administrative regulations, and the relevant provisions of the securities regulatory authorities in the place where the Company's shares are listed, taking into account the actual circumstances of the Company. In the event of any conflict between these Articles of Association and the laws, administrative regulations, other relevant regulatory documents, or the listing rules of the stock exchange where the Company's shares are listed as issued from time to time, the provisions of the laws, administrative regulations, other relevant regulatory documents, and the listing rules of the stock exchange where the Company's shares are listed shall prevail.

**Article 208** The Board shall be responsible for the interpretation of these Articles of Association.