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GENERAL PROVISIONS

The Company is a joint-stock company established for perpetual duration.

Shareholders shall have limited liability to the Company to the extent of their subscribed shares, and the Company shall be liable for its debts with all its assets.

From the date of its entry into force, these Articles of Association shall constitute a legally binding document governing the organisation and conduct of the Company, as well as the rights and obligations between the Company and its shareholders, and amongst the shareholders themselves. These Articles of Association are legally binding on the Company, its shareholders, directors and senior management. Pursuant to these Articles of Association, a shareholder may bring legal proceedings against another shareholder, against a director or member of the senior management of the Company, or against the Company itself; the Company may also bring legal proceedings against its shareholders, directors or senior management.

SCOPE OF BUSINESS

The Company’s scope of business as registered in accordance with the law is: engaging in technical development, technical services, technology transfer and technical consultancy services in the fields of electronics, telecommunications, network engineering and computer technology; the wholesale and retail (limited to branches only), import and export, and commission agency (excluding auctions) of electronic products and equipment, computer software and peripheral equipment; related ancillary services; and investment consultancy (excluding finance and securities). (Business activities requiring approval in accordance with the law may only be carried out after approval has been granted by the relevant authorities).

SHARES

Share Issuance

The Company’s shares shall take the form of share certificates.

The Company shall issue shares in accordance with the principles of fairness and impartiality. Each share of the same class shall carry equal rights.

For shares of the same class issued in the same issue, the terms and price per share shall be the same; subscribers shall pay the same price for each share subscribed for.

Par value shares issued by the Company shall have a par value denominated in Renminbi, with a par value of RMB1.00 per share.

A Shares issued by the Company shall be held in centralised custody at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited; H shares issued by the Company shall primarily be held in custody by a custodian company under [REDACTED], though shareholders may also hold them in their own names.

Increase, Reduction and Repurchase of Shares

The Company may, in accordance with its operational and development needs, and in compliance with laws, regulations and the securities regulatory rules of the jurisdiction where the Company’s shares are listed, increase its capital through the following methods, subject to a resolution passed by the General Meeting of Shareholders:

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- (i) issuing shares to the general public;
- (ii) Issuing shares to specific parties;
- (iii) distributing bonus shares to existing shareholders;
- (iv) capitalisation of reserves;
- (v) other methods prescribed by laws, administrative regulations and the securities regulatory rules of the jurisdiction where the Company’s shares are listed.

The Company may reduce its registered capital. Where the Company reduces its registered capital, it shall do so in accordance with the procedures set out in the Company Law, the securities regulatory rules of the place where the Company’s shares are listed, other relevant provisions and these Articles of Association.

The Company may acquire its own shares in accordance with the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are listed, and these Articles of Association under the following circumstances:

- (i) to reduce the Company’s registered capital;
- (ii) merging with another company that holds shares in the Company;
- (iii) to use the shares for an employee share ownership scheme or an equity incentive scheme;
- (iv) where a shareholder, objecting to a resolution of the general meeting regarding a merger or division of the Company, requests the Company to repurchase their shares;
- (v) to use the shares for the conversion of corporate bonds issued by the Company that are convertible into shares;
- (vi) where necessary to safeguard the Company’s value and the interests of its shareholders.

The Company may acquire its own shares through public centralised trading or by other means recognised by laws and regulations, the China Securities Regulatory Commission and the securities regulatory authorities of the jurisdiction where the Company’s shares are listed. Any acquisition of the Company’s shares pursuant to items (iii), (v) or (vi) above shall be conducted through public centralised trading.

Where the Company acquires its own shares in accordance with items (i) or (ii) above, such acquisition shall be subject to a resolution of the general meeting of shareholders. Where the Company acquires its own shares in accordance with items (iii), (v) or (vi) above, subject to compliance with the securities regulatory rules of the place where the Company’s shares are listed, such acquisition may be effected pursuant to the provisions of these Articles of Association or an authorisation by the general meeting of shareholders, following a resolution passed at a board meeting attended by at least two-thirds of the directors.

In respect of A shares, subject to compliance with the securities regulatory rules of the place where the Company’s shares are listed, shares of the Company acquired by the Company under item (i) above shall be cancelled within ten days of the date of acquisition. Shares of the Company acquired by the Company under circumstances (ii) or (iv) above shall be transferred or cancelled within six months. Where the Company acquires its own shares under circumstances set out in sub-clauses (iii), (v) or (vi)

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above, the aggregate number of the Company’s own shares held by it shall not exceed 10 per cent of the Company’s total number of issued shares, and such shares shall be transferred or cancelled within three years. About H-shares, where laws, regulations or the securities regulatory authority of the place where the Company’s shares are listed provide otherwise in relation to share buy-backs, such provisions shall prevail.

Where the Company repurchases its own shares, the Company shall fulfil its disclosure obligations in accordance with the Securities Law of the People’s Republic of China and the securities regulatory rules of the place where the Company’s shares are listed. Notwithstanding the foregoing, if applicable laws and regulations, other provisions of the Articles of Association, or the laws of the place where the Company’s shares are listed or the provisions of its securities regulatory authority provide otherwise regarding the matters relating to the repurchase of the Company’s shares, the Company shall comply with such provisions. The repurchase of the Company’s H shares shall comply with the Hong Kong Listing Rules and other relevant laws, regulations and regulatory provisions of the place where the Company’s H shares are listed.

Transfer of Shares

The Company’s shares shall be transferred in accordance with the law.

All transfers of H shares shall be effected by means of a written instrument of transfer in the usual or customary form or in any other form acceptable to the Board (including the standard transfer form or transfer certificate prescribed from time to time by the Stock Exchange). Where the transferor or transferee is a recognised clearing house, as defined in the relevant regulations in force from time to time under Hong Kong law, or its agent, the instrument of transfer may be signed by hand or by machine. All instruments of transfer shall be lodged at the Company’s registered office or at such other address as the Board may from time to time designate.

Shares issued before the Company’s public offering of A shares shall not be transferred within one year from the date on which the Company’s A shares are listed for trading on a stock exchange. Directors and senior management of the Company shall declare to the Company the shares they hold in the Company and any changes thereto. During the term of office determined upon their appointment, the number of shares transferred in any one year shall not exceed 25 per cent of the total number of shares of the same class held by them; shares held in the Company may not be transferred within one year from the date on which the Company’s shares are listed for trading. The aforementioned persons may not transfer the shares they hold in the Company within six months of leaving office. Should laws, administrative regulations or the securities regulatory rules of the place where the Company’s shares are listed provide otherwise regarding restrictions on the transfer of the Company’s shares and reporting requirements, such provisions shall prevail.

Where directors, senior management or shareholders holding 5 per cent or more of the Company’s shares sell the Company shares or other securities of an equity nature held by them within six months of purchase, or repurchase such shares or other securities of an equity nature within six months of sale, the profits therefrom shall belong to the Company, and the Board of Directors shall recover such profits. However, this shall not apply where a securities firm holds 5 per cent or more of the shares as a result of purchasing the remaining shares following an underwriting arrangement, or where other circumstances specified by the China Securities Regulatory Commission or the securities regulatory rules of the place where the Company’s shares are listed apply. The aforementioned shareholders holding 5 per cent or more of the Company’s shares shall not include recognised clearing houses and their agents as defined in the relevant regulations in force from time to time under Hong Kong law.

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The shares or other securities of an equity nature held by the aforementioned directors, senior management and individual shareholders include those held by their spouses, parents and children, as well as those held through the accounts of others.

The Company does not accept its own shares as the subject of a pledge.

SHAREHOLDERS AND THE SHAREHOLDERS’ MEETING

General Provisions Concerning Shareholders

The Company shall maintain a register of shareholders based on the certificates provided by the securities registration and clearing institution in the place where the Company’s shares are listed. The register of shareholders shall constitute sufficient evidence of a shareholder’s holding of shares in the Company. Shareholders shall enjoy rights and bear obligations in accordance with the class of shares they hold. Shareholders holding shares of the same class shall enjoy equal rights and bear the same obligations.

The original register of H-share shareholders shall be kept in Hong Kong and made available for inspection by shareholders, but the Company may suspend shareholder registration in accordance with applicable laws and regulations and the securities regulatory rules of the place where the Company’s shares are listed. When the Company convenes a general meeting, distributes dividends, proceeds with liquidation or undertakes other acts requiring the verification of shareholder identity, the Board of Directors or the convener of the general meeting shall determine the record date. Shareholders registered on the register at the close of trading on the record date shall be entitled to the relevant rights and interests.

Rights and Obligations of Shareholders

Shareholders of the company shall enjoy the following rights:

- (i) to receive dividends and other forms of profit distribution in proportion to their shareholding;
- (ii) to request the convening of, convene, chair, attend or appoint a proxy to attend general meetings in accordance with the law, and to exercise the corresponding voting rights at such meetings;
- (iii) to supervise the company’s operations, and to make suggestions or raise queries;
- (iv) To transfer, gift or pledge the shares held by them in accordance with the law, administrative regulations, the securities regulatory rules of the place where the company’s shares are listed, and the provisions of these Articles of Association;
- (v) To inspect and make copies of the Articles of Association, the register of shareholders, the minutes of shareholders’ meetings, the resolutions of the Board of Directors and the financial and accounting reports; shareholders who meet the prescribed requirements may inspect the Company’s accounting books and accounting vouchers;
- (vi) Upon the Company’s termination or liquidation, to participate in the distribution of the Company’s residual assets in proportion to the number of shares held;
- (vii) for shareholders who object to a resolution passed by the general meeting regarding a merger or division of the company, to request the company to repurchase their shares; and

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- (viii) other rights provided for by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the company’s shares are listed, or these Articles of Association.

These Articles of Association, resolutions of the general meeting of shareholders or resolutions of the board of directors shall comply with the law and relevant regulations. They shall not deprive or restrict shareholders’ statutory rights. The Company shall safeguard shareholders’ lawful rights and ensure they are treated fairly.

Resolutions of the Company’s general meeting of shareholders or board of directors shall be deemed not to have been adopted in any of the following circumstances:

- (i) A resolution has been adopted without a meeting of the shareholders’ meeting or the board of directors having been convened;
- (ii) No vote was taken on the matters under resolution at the meeting of the Shareholders’ General Meeting or the Board of Directors;
- (iii) the number of persons present at the meeting or the number of voting rights held does not meet the requirements set out in the Company Law or these Articles of Association;
- (iv) the number of persons or the number of voting rights held by those in favour of the resolution does not meet the requirements set out in the Company Law or these Articles of Association;

Where directors or senior management officers violate the provisions of laws, administrative regulations or these Articles of Association and thereby prejudice the interests of shareholders, the shareholders may bring an action before the People’s Court.

Shareholders of the Company shall bear the following obligations:

- (i) To comply with laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed, and these Articles of Association;
- (ii) To pay the subscription price in accordance with the shares subscribed for and the method of subscription;
- (iii) Not to withdraw their capital contribution, except in circumstances provided for by laws and regulations or the securities regulatory rules of the place where the Company’s shares are listed;
- (iv) Not to abuse their rights as shareholders to the detriment of the Company or other shareholders; nor to abuse the Company’s status as a separate legal entity and the limited liability of shareholders to the detriment of the Company’s creditors;
- (v) To fulfil such other obligations as may be prescribed by laws, administrative regulations, the securities regulatory rules of the jurisdiction where the Company’s shares are listed, and these Articles of Association.

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Controlling Shareholders and Persons with Actual Control

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

- (i) Exercise shareholder rights in accordance with the law; they shall not abuse their controlling power or exploit related-party relationships to prejudice the lawful rights and interests of the Company or other shareholders;
- (ii) Strictly fulfil any public statements and commitments made, and shall not alter or waive them without authorisation;
- (iii) Fulfil information disclosure obligations in strict accordance with relevant regulations, actively cooperate with the Company in carrying out information disclosure work, and promptly notify the Company of any material events that have occurred or are proposed to occur;
- (iv) They must not appropriate the company’s funds in any manner;
- (v) Must not compel, instruct or require the Company or relevant personnel to provide guarantees in breach of laws or regulations;
- (vi) Not to seek personal gain by exploiting the Company’s material undisclosed information; not to disclose, in any manner, material undisclosed information relating to the Company; and not to engage in illegal or non-compliant conduct such as insider dealing, short-swing trading or market manipulation;
- (vii) Must not, through unfair related-party transactions, profit distribution, asset restructuring, external investments or any other means, prejudice the legitimate rights and interests of the Company and other shareholders;
- (viii) To ensure the integrity of the Company’s assets and the independence of its personnel, finances, organisation and operations, and not to affect the Company’s independence in any way;
- (ix) Comply with laws, administrative regulations, provisions of the China Securities Regulatory Commission (CSRC), the securities regulatory rules of the jurisdiction where the Company’s shares are listed, and other provisions of these Articles of Association.

Where the Company’s controlling shareholder or actual controller does not serve as a director of the Company but actually manages the Company’s affairs, the provisions of these Articles of Association concerning the duties of loyalty and diligence of directors shall apply.

General Provisions on the Shareholders’ Meeting

The Company’s General Meeting of Shareholders shall consist of all shareholders. The General Meeting of Shareholders is the Company’s supreme decision-making body and shall exercise the following powers in accordance with the law:

- (i) To elect and remove directors, and to determine matters relating to directors’ remuneration;
- (ii) To consider and approve the reports of the Board of Directors;

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- (iii) To consider and approve the Company’s profit distribution scheme and loss compensation scheme;
- (iv) To pass resolutions on increasing or reducing the Company’s registered capital;
- (v) To pass resolutions on the issue of corporate bonds;
- (vi) To pass resolutions on the Company’s merger, division, dissolution, liquidation or change of legal form;
- (vii) to amend these Articles of Association;
- (viii) to pass resolutions on the appointment or dismissal of the accounting firm responsible for the Company’s audit;
- (ix) to consider and approve guarantee matters as provided for in Article 47 of these Articles of Association;
- (x) To consider matters concerning the Company’s purchase or sale of material assets within a one-year period, where the total value of the assets or the transaction amount exceeds 30 per cent of the Company’s total audited assets as at the most recent financial statement;
- (xi) To consider and approve changes to the use of funds raised through the A-share issue;
- (xii) To consider and approve transactions between the Company and related parties where the transaction amount (excluding guarantees provided by the Company) represents 1 per cent or more of the Company’s most recent audited total assets or market capitalisation, and exceeds 30 million yuan;
- (xiii) To consider equity incentive schemes and employee share ownership schemes;
- (xiv) To consider and approve proposals for the acquisition of the Company’s shares in accordance with the circumstances specified in items (i) and (ii) of the first paragraph of Article 25 of these Articles of Association;
- (xv) To consider and resolve on other matters which, pursuant to laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the Company’s shares are listed, or these Articles of Association, are required to be decided by the Company’s General Meeting of Shareholders.

The General Meeting of Shareholders may authorise the Board of Directors to pass resolutions on the issue of corporate bonds.

Statutory powers stipulated in the Company Law to be exercised by the General Meeting of Shareholders may not be exercised by the Board of Directors or any other body or individual by way of delegation. Where the General Meeting of Shareholders authorises the Board of Directors or any other body or individual to exercise other powers on its behalf, such authorisation shall comply with the principles of authorisation set out in laws, administrative regulations, departmental rules, normative documents and other relevant provisions. It shall specify the precise scope of the authorisation.

Shareholders’ meetings are divided into annual shareholders’ meetings and extraordinary shareholders’ meetings. The annual shareholders’ meeting shall be convened once a year and shall be held within six months of the end of the preceding financial year.

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Where any of the following circumstances arise, the company shall convene an extraordinary general meeting within two months of the date on which the event occurs:

- (i) Where the number of directors falls below the number prescribed by the Company Law or two-thirds of the number specified in these Articles of Association;
- (ii) where the Company’s unrecovered losses amount to one-third of the total paid-up share capital;
- (iii) upon the request of a shareholder or shareholders holding, individually or collectively, 10 per cent or more of the Company’s shares (including preference shares with restored voting rights, etc.);
- (iv) where the Board of Directors deems it necessary;
- (v) where the Audit Committee proposes that a meeting be convened;
- (vi) other circumstances as provided for by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are listed, or these Articles of Association.

The notice convening a general meeting of shareholders shall specify the meeting venue. Provided that this does not contravene applicable laws, administrative regulations, departmental rules, normative documents or the securities regulatory rules of the jurisdiction where the Company’s shares are listed, the Company may also convene a general meeting of shareholders by electronic means or by a hybrid method (i.e. shareholders may choose to attend in person or virtually using technology). The Company shall provide arrangements for electronic voting to enable shareholders to exercise their voting rights electronically. Shareholders participating in the general meeting via the aforementioned methods shall be deemed to be present. They shall enjoy the same rights to speak and vote as shareholders attending in person.

Once notice of a general meeting has been issued, the venue for the in-person meeting shall not be changed without cause. Where a change is necessary, the convener shall issue a public announcement at least two working days before the in-person meeting, stating the reasons therefor.

Convening of Shareholders’ Meetings

Shareholders’ meetings shall be convened by the Board of Directors and chaired by the Chairperson; where the Board of Directors is unable or fails to fulfil its duty to convene a shareholders’ meeting, the Audit Committee shall promptly convene and chair the meeting; where the Audit Committee fails to convene and chair the meeting, shareholders who, individually or collectively, have held 10 per cent or more of the Company’s shares (including preference shares with restored voting rights, etc.) for a continuous period of 90 days or more may convene and chair the meeting themselves.

The Board of Directors shall convene a general meeting of shareholders on time within the prescribed period. With the consent of a majority of all independent directors, independent directors shall have the right to propose to the Board of Directors that an extraordinary general meeting be convened. They shall submit such a proposal to the Board of Directors in writing. In response to a proposal by independent directors to convene an extraordinary general meeting, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations and these Articles of Association, provide written feedback within 10 days of receiving the proposal, stating whether it agrees or disagrees with the convening of the extraordinary general meeting.

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Where the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice convening the meeting within 5 days of the adoption of the Board resolution; where the Board of Directors does not agree to convene an extraordinary general meeting, it shall state the reasons and make a public announcement.

Proposals and Notices for Shareholders’ Meetings

The content of a proposal shall fall within the remit of the general meeting of shareholders, set out clear agenda items and specific matters for resolution, and comply with the relevant provisions of laws, administrative regulations and these Articles of Association.

The convener shall notify all shareholders by way of an announcement 21 days before the annual general meeting; notice of an extraordinary general meeting shall be given to all shareholders by way of an announcement 15 days before the meeting. When calculating the starting date of the period, the Company shall exclude the day on which the meeting is held, but shall include the day on which the notice or announcement is issued.

The notice of the shareholders’ meeting and any supplementary notice shall fully and comprehensively disclose the specific details of all proposals.

Once a notice of a shareholders’ meeting has been issued, the meeting shall not be postponed or cancelled without cause, nor shall any proposal listed in the notice be withdrawn. In the event of a postponement or cancellation, the convener shall give notice at least two working days before the originally scheduled date, stating the reasons therefor. Where the securities regulatory rules of the jurisdiction in which the Company’s shares are listed contain specific provisions regarding the procedures for postponing or cancelling a shareholders’ meeting, such provisions shall prevail, provided that they do not contravene the regulatory requirements of the jurisdiction in which the Company is incorporated.

Convening of the General Meeting

All holders of ordinary shares (including holders of preference shares whose voting rights have been reinstated) registered on the record date, or their proxies shall be entitled to attend the general meeting of shareholders and to speak and exercise their voting rights in accordance with the relevant laws, regulations and these Articles of Association, unless the securities regulatory rules of the place where the Company’s shares are listed require them to waive their voting rights on specific matters.

Shareholders may attend the general meeting in person or appoint a proxy to attend and vote on their behalf.

Where an individual shareholder attends the meeting in person, they shall present their identity document or other valid identification or proof capable of establishing their identity; where attending on behalf of another person, they shall present their own valid identity document and the shareholder’s letter of authorisation.

A corporate shareholder shall be represented at the meeting by its legal representative or by a proxy appointed by the legal representative. Where the legal representative attends the meeting, they shall present their identity card and valid proof of their status as legal representative; where a proxy attends the meeting, the proxy shall present their identity card and a written letter of authorisation lawfully issued by the corporate shareholder’s legal representative.

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Shareholders who are unincorporated partnerships shall be represented at the meeting by a natural person managing partner or a representative appointed by a non-natural person managing partner, or by an agent authorised by the aforementioned persons. Where a natural person managing partner or a representative appointed by a non-natural person managing partner attends the meeting, they shall present their identity card and valid proof demonstrating their status as a natural person managing partner or as a representative appointed by a non-natural person managing partner; where a proxy attends the meeting, the proxy shall present their own identity card and a written power of attorney lawfully issued by the natural person managing partner or the appointed representative of the non-natural person managing partner of the shareholder’s entity.

Where a shareholder is a recognised clearing house, as defined in the relevant regulations under Hong Kong law in force from time to time, or its agent, such shareholder may authorise one or more persons as he deems fit to act as his proxy or representative at any general meeting; where more than one person is authorised, the proxy form or letter of authorisation shall specify the number and class of shares in respect of which each such person is authorised. The authorised person shall be entitled to exercise the same rights on behalf of the recognised clearing house (or its agent) as other shareholders (without being required to produce evidence of shareholding, a notarised power of attorney and/or further evidence to substantiate their formal authorisation), including the right to speak and vote.

Where a general meeting requires directors or senior management to be present, they shall attend and answer questions from shareholders. Subject to the securities regulatory rules of the jurisdiction where the Company’s shares are listed, the aforementioned persons may attend or be present at the meeting via the internet, video, telephone or other means having equivalent effect.

The Chairperson shall chair the general meeting. Where the Chairperson is unable to perform his or her duties, or fails to do so, a director jointly nominated by a majority of the directors shall chair the meeting.

The convener of the Audit Committee shall chair a general meeting convened by the Audit Committee. Where the convener of the Audit Committee is unable to perform their duties or fails to do so, the meeting shall be chaired by a member of the Audit Committee jointly nominated by a majority of the members of the Audit Committee.

A general meeting convened by shareholders themselves shall be chaired by the convener or a representative nominated by the convener.

If, during the course of a shareholders’ meeting, the chairperson violates the rules of procedure to the extent that the meeting cannot continue, the shareholders’ meeting may, with the consent of shareholders holding a majority of the voting rights present at the meeting, nominate a person to act as chairperson and continue the meeting.

Voting and Resolutions at Shareholders’ Meetings

Resolutions of the general meeting of shareholders are divided into ordinary resolutions and special resolutions. An ordinary resolution of the general meeting of shareholders shall be passed by a majority of the voting rights held by the shareholders present at the meeting (including proxies). A special resolution of the general meeting of shareholders shall be passed by at least two-thirds of the voting rights held by the shareholders present at the meeting (including proxies).

The following matters shall be adopted by the general meeting of shareholders by ordinary resolution:

- (i) The Board of Directors’ work report;

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- (ii) Profit distribution proposals and loss compensation proposals drawn up by the Board of Directors;
- (iii) The appointment and removal of members of the Board of Directors, as well as their remuneration and the method of payment;
- (iv) Any other matters, except those which are required by law, administrative regulations, the securities regulatory rules of the place where the company’s shares are listed, or these Articles of Association to be adopted by a special resolution.

The following matters shall be adopted by the General Meeting of Shareholders by way of a special resolution:

- (i) An increase or decrease in the Company’s registered capital;
- (ii) The division, spin-off, merger, dissolution and liquidation of the Company;
- (iii) Amendments to these Articles of Association;
- (iv) the Company’s acquisition or disposal of material assets, or the provision of guarantees, within a single year, where the value exceeds 30 per cent of the Company’s total audited assets as at the most recent financial statement;
- (v) Share-based incentive schemes;
- (vi) Other matters prescribed by laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed, or these Articles of Association; and other matters which the Company’s general meeting of shareholders determines, by ordinary resolution, to have a material impact on the Company and which require adoption by special resolution.

When the General Meeting of Shareholders deliberates on major matters affecting the interests of small and medium-sized investors, the votes cast by such investors shall be counted separately. The results of such separate counting shall be disclosed promptly.

Shareholders (including proxies) shall exercise their voting rights in accordance with the number of voting shares they represent; each share carries one vote, except for holders of class shares. Where permitted by the securities regulatory rules of the place where the Company’s shares are listed, shareholders (including proxies) holding two or more votes need not cast all their votes in the same way on a resolution.

Shares in the company held by the company itself shall not carry voting rights, and such shares shall not be included in the total number of shares with voting rights present at the general meeting. Where a shareholder acquires voting shares in the company in breach of the provisions of Article 63, paragraphs 1 and 2, of the Securities Law, the voting rights attached to the portion of shares exceeding the prescribed proportion may not be exercised for a period of thirty-six months following the acquisition. Such shares shall not be included in the total number of shares with voting rights present at the general meeting.

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When the general meeting of shareholders deliberates on matters relating to related-party transactions, related shareholders shall not participate in the voting, and the number of shares with voting rights they represent shall not be included in the total number of valid votes; the announcement of the resolution of the general meeting of shareholders shall disclose the voting details of non-related shareholders.

DIRECTORS AND THE BOARD OF DIRECTORS

General Provisions Concerning Directors

Directors of the Company shall be natural persons. They may include executive directors, non-executive directors and independent non-executive directors (the term “independent director” as used in these Articles of Association has the same meaning as “independent non-executive director” in the Hong Kong Listing Rules). A person shall not be eligible to serve as a director of the Company if any of the following circumstances apply:

- (i) a person who lacks capacity to act in civil matters or has limited capacity to act in civil matters;
- (ii) any person who has been sentenced to a criminal penalty for embezzlement, bribery, misappropriation of property, diversion of property or disruption of the socialist market economy order, or who has been deprived of political rights as a result of a criminal offence, where less than five years have elapsed since the expiry of the sentence, or where a suspended sentence has been imposed, less than two years have elapsed since the expiry of the probation period;
- (iii) any person who, whilst serving as a director, plant manager or general manager of a company or enterprise undergoing bankruptcy liquidation, bore personal responsibility for the bankruptcy of that company or enterprise, provided that less than three years have elapsed since the completion of the bankruptcy liquidation of that company or enterprise;
- (iv) A person who served as the legal representative of a company or enterprise whose business licence was revoked or which was ordered to close due to unlawful conduct, and bears personal responsibility for such conduct, where less than three years have elapsed since the date on which the company’s or enterprise’s business licence was revoked, or it was ordered to close;
- (v) An individual who has failed to settle a substantial debt upon its due date and has been listed by a People’s Court as a ‘discredited person subject to enforcement’;
- (vi) A person subject to a securities market ban imposed by the China Securities Regulatory Commission, where the period of the ban has not yet expired;
- (vii) A person whom a stock exchange has publicly determined to be unsuitable to serve as a director or senior executive of a listed company, where the period of such determination has not yet expired; or
- (viii) any other circumstances specified in laws, administrative regulations, departmental rules, or the securities regulatory rules of the jurisdiction where the company’s shares are listed.

Any election, appointment or engagement of a director in breach of the above provisions shall be invalid. Where a director falls under any of the circumstances set out in sub-paragraphs (i) to (vi) above during their term of office, the director shall immediately cease to perform their duties and the company

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shall remove them from office in accordance with the relevant provisions; where the circumstances set out in sub-paragraphs (vii) and (viii) arise, the company shall remove them from office and suspend their performance of duties within thirty days of the occurrence of such facts, unless otherwise provided by the China Securities Regulatory Commission or the stock exchange.

Where a director who ought to have ceased performing their duties but has not done so, or who ought to have been removed from office but has not been so removed, attends meetings of the board of directors and its specialised committees, or specialised meetings of independent directors, and casts a vote, such vote shall be invalid. The director shall not be counted towards the number of attendees.

The Nomination Committee of the Board of Directors shall assess the eligibility of directors for office; should it find that a director does not meet the eligibility criteria, it shall promptly submit a recommendation to the Board of Directors for the director’s removal.

Directors shall be elected or replaced by the general meeting of shareholders. The general meeting of shareholders may remove a director from office by ordinary resolution before the expiry of their term (including removal before the expiry of their term, without prejudice to any claim for compensation that the removed director may have under any contract). A director’s term of office shall be three years; upon expiry of the term, a director may be re-elected for a further term. The term of office of a director shall be calculated from the date of assumption of office and shall end upon the expiry of the current Board’s term of office. Where directors are not re-elected promptly upon the expiry of their term of office, the incumbent directors shall continue to perform their duties in accordance with the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are listed, and the Company’s Articles of Association, until the newly elected directors assume office.

Directors may concurrently hold senior management positions; however, the total number of directors who are also senior managers and those who are employee representatives shall not exceed half of the total number of directors of the Company. One employee representative shall be appointed as a director on the Company’s Board of Directors. The Company’s employees shall democratically elect the employee representative on the Board of Directors through the Employees’ Representative Assembly, a general meeting of employees or other appropriate means. They need not be submitted to the Shareholders’ Meeting for consideration.

Directors shall comply with laws, administrative regulations, the securities regulatory rules of the jurisdiction where the Company’s shares are listed, and the Company’s Articles of Association. Directors owe a duty of loyalty to the Company; they shall take measures to avoid conflicts of interest between their own interests and those of the Company, shall not use their powers to seek improper benefits, and shall not engage in any conduct listed in Article 181 of the Company Law that constitutes a breach of the duty of loyalty to the Company.

Directors owe the following duties of loyalty to the Company:

- (i) They must not misappropriate the Company’s property or divert the Company’s funds;
- (ii) They must not deposit the Company’s funds in accounts opened in their own name or in the name of any other individual;
- (iii) They must not use their position to engage in bribery or receive other unlawful income;

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- (iv) They must not, directly or indirectly, enter into contracts or conduct transactions with the Company without first reporting to the Board of Directors or the General Meeting of Shareholders and obtaining a resolution from the Board of Directors or the General Meeting of Shareholders in accordance with the provisions of the Company’s Articles of Association;
- (v) They must not use the convenience afforded by their position to secure business opportunities belonging to the Company for themselves or others, except where such matters have been reported to the Board of Directors or the General Meeting of Shareholders and approved by a resolution of the General Meeting of Shareholders, or where, in accordance with laws, administrative regulations or the Company’s Articles of Association, the Company is unable to utilise such business opportunities;
- (vi) They shall not, without reporting to the Board of Directors or the General Meeting of Shareholders and obtaining the approval of a resolution passed by the General Meeting of Shareholders, engage in business of the same nature as that of the Company, either on their own account or on behalf of others;
- (vii) shall not accept commissions from others in connection with transactions with the Company for their own benefit;
- (viii) Shall not disclose the Company’s confidential information without authorisation;
- (ix) No director shall use their associated relationships to the detriment of the Company’s interests; and
- (x) comply with other duties of loyalty as prescribed by laws, administrative regulations, departmental rules, the securities regulatory rules of the jurisdiction where the Company’s shares are listed, and these Articles of Association.

Any income derived by a director in breach of the above provisions on duties of loyalty shall belong to the Company; where such breach causes loss to the Company, the director shall be liable for compensation.

Where close relatives of a director or senior manager, an enterprise directly or indirectly controlled by a director, a senior manager or their close relatives, or any other related party having a connection with a director or senior manager enters into a contract or conducts a transaction with the Company, the provisions of sub-paragraph (iv) of the second paragraph of Article 105 of these Articles of Association shall apply.

Directors shall comply with laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed, and the provisions of these Articles of Association; they shall owe a duty of care to the Company and, in the performance of their duties, shall act in the best interests of the Company and exercise the reasonable care ordinarily expected of a manager. Directors shall ensure they have sufficient time and energy to fulfil their duties and shall owe the following duties of care to the Company:

- (i) To exercise the powers conferred by the Company with prudence, diligence and care, to ensure that the Company’s commercial conduct complies with national laws, administrative regulations, the securities regulatory rules of the jurisdiction where the Company’s shares are listed, and the requirements of national economic policies, and that its commercial activities do not exceed the scope of business specified in its business licence;
- (ii) Treat all shareholders fairly and strengthen communication with investors;

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- (iii) Keep themselves promptly informed of the Company’s business operations and management;
- (iv) To sign written confirmation statements regarding the Company’s periodic reports, ensuring that the information disclosed by the Company is true, accurate and complete;
- (v) To provide the Audit Committee with truthful information and materials, and not to obstruct the Audit Committee in the exercise of its powers; and
- (vi) other duties of care prescribed by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are listed, and these Articles of Association.

A director who fails to attend two consecutive Board meetings in person, and who does not authorise another director to attend on their behalf, shall be deemed unable to fulfil their duties, and the Board shall recommend to the General Meeting that the director be removed from office.

A director may resign before the expiry of their term of office. A director wishing to resign shall submit a written resignation report to the Company; the resignation shall take effect from the date the Company receives the resignation report, and the Company shall disclose the relevant details within two trading days or within the timeframe required by the securities regulatory rules of the place where the Company’s shares are listed.

Where the resignation of a director results in the number of members of the Board falling below the statutory minimum, or causes the proportion of independent directors on the Board or its specialised committees to fail to comply with the provisions of laws, regulations and the Articles of Association, or where there is a shortage of accounting professionals amongst the independent directors, the outgoing director shall continue to perform his or her duties as a director in accordance with the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are listed and these Articles of Association, until the newly elected director assumes office.

Where a director resigns, the Company shall complete the by-election within 60 days to ensure that the composition of the Board of Directors and its specialised committees complies with laws and regulations, the securities regulatory rules of the jurisdiction where the Company’s shares are listed, and the provisions of these Articles of Association.

Upon a director’s resignation taking effect or the expiry of their term of office, they shall complete all handover procedures with the Board of Directors. Their duty of loyalty to the Company and its shareholders shall not be automatically discharged upon resignation or the expiry of their term of office; such duty of loyalty shall remain in force for a period of two years following their resignation or the end of their term of office. Their obligation to maintain the confidentiality of the Company’s trade secrets shall remain in force following their resignation or the expiry of their term of office until such secrets become public information. The duration of other obligations shall be determined in accordance with the principle of fairness, taking into account the length of time between the occurrence of the event and the date of departure, as well as the circumstances and conditions under which the relationship with the Company is terminated; in principle, such duration shall not be less than two years.

Upon leaving office, a director shall complete all handover procedures. The liability incurred by a director during their term of office in the course of performing their duties shall not be waived or terminated by reason of their departure. Any commitments made by a director that remain unfulfilled at the time of their departure shall still be honoured.

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Where a director, in the performance of their duties for the Company, breaches laws, administrative regulations, departmental rules, the securities regulatory rules of the jurisdiction where the Company’s shares are listed, or the relevant provisions of these Articles of Association, thereby causing loss to the Company, they shall be liable for compensation.

Board of Directors

The Company shall establish a Board of Directors, comprising nine directors, including three independent directors and one employee representative director. There shall be one Chairperson. The Board of Directors shall elect the Chairperson by a majority vote of all directors.

The Board of Directors shall exercise the following powers:

- (i) To convene general meetings of shareholders and report on its work to such meetings;
- (ii) To implement the resolutions of the general meeting of shareholders;
- (iii) To determine the Company’s business plans and investment proposals;
- (iv) To formulate the Company’s profit distribution and loss coverage schemes;
- (v) To formulate plans for increasing or reducing the company’s registered capital, issuing bonds or other securities, and listing the company;
- (vi) to draw up proposals for major acquisitions, share buy-backs, mergers, demergers, dissolution and changes to the company’s legal form;
- (vii) Within the scope of authorisation granted by the shareholders’ meeting, to decide on matters such as the Company’s external investments, the acquisition and disposal of assets, the mortgaging of assets, external guarantees, entrusted asset management, related-party transactions and external donations;
- (viii) To decide on the establishment of the Company’s internal management bodies;
- (ix) To decide on the appointment or dismissal of the Company’s Chief Executive Officer, Board Secretary and other senior management personnel, and to determine their remuneration, rewards and disciplinary measures; upon the nomination of the Chief Executive Officer, to appoint or dismiss senior management personnel such as the Chief Strategy Officer, Executive Vice Presidents and Chief Financial Officer, and to determine their remuneration, rewards and disciplinary measures;
- (x) To formulate the Company’s basic management systems;
- (xi) To manage the Company’s information disclosure matters;
- (xii) To formulate proposals for amendments to these Articles of Association;
- (xiii) To propose to the General Meeting the appointment or replacement of the accounting firm responsible for the Company’s audit;
- (xiv) To receive work reports from the Chief Executive Officer and to oversee the Chief Executive Officer’s work;

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- (xv) To consider matters relating to guarantees, except where such matters require the approval of the General Meeting of Shareholders;
- (xvi) To deliberate on the Company’s acquisition of its own shares in circumstances specified in items (iii), (v) and (vi) of the first paragraph of Article 25 of these Articles of Association, subject to a resolution passed at a Board meeting attended by at least two-thirds of the directors;
- (xvii) Other powers conferred by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are listed, or these Articles of Association.

The Chairperson shall exercise the following powers:

- (i) To preside over the General Meeting of Shareholders and to convene and preside over meetings of the Board of Directors;
- (ii) To supervise and monitor the implementation of Board of Directors’ resolutions;
- (iii) To exercise the powers of the legal representative;
- (iv) To decide on transaction matters other than those specified in these Articles of Association as requiring approval by the General Meeting of Shareholders or the Board of Directors (excluding external guarantees and financial assistance). The Chairperson may delegate their approval authority to the Chief Executive Officer;
- (v) Other powers conferred by the Board of Directors. Where the Chairperson is unable to perform his or her duties or fails to do so, a Director shall be jointly nominated by a majority of the Directors to perform such duties.

The Board of Directors shall convene at least four meetings each year, which shall be convened by the Chairperson, with written notice given to all directors at least 14 days before the meeting.

Shareholders representing at least one-tenth of the voting rights, at least one-third of the directors, the Audit Committee, the Chairperson, or the Chief Executive Officer may propose the convening of an extraordinary meeting of the Board of Directors. The Chairperson shall convene and preside over the meeting within 10 days of receiving such a proposal.

Notice of an extraordinary meeting of the Board of Directors must be given in writing three days in advance; however, extraordinary meetings convened with the consent of all directors, or in special or urgent circumstances, as well as extraordinary meetings conducted by means of voting by correspondence, may be notified at any time and convened immediately.

Where a director has a related-party relationship with an enterprise or individual concerned by a matter to be resolved at a Board meeting, that director shall promptly report this in writing to the Board. A director with such a related-party relationship shall not exercise voting rights on that resolution, nor shall they exercise voting rights on behalf of another director. Such a Board meeting may be held provided that a majority of the directors without a related-party relationship are present, and resolutions adopted at the Board meeting must be approved by a majority of the directors without a related-party relationship. Where the number of unconnected directors present at a board meeting is fewer than three, the matter shall be submitted to the general meeting of shareholders for consideration.

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Independent Directors

As members of the Board of Directors, independent directors owe a duty of loyalty and a duty of care to the company and all shareholders. They shall perform the following duties with due diligence:

- (i) Participate in the Board’s decision-making and express clear opinions on matters under discussion;
- (ii) Monitor potential material conflicts of interest between the Company and its controlling shareholders, actual controllers, directors and senior management, and protect the lawful rights and interests of minority shareholders;
- (iii) Provide professional and objective advice on the Company’s business operations and development, thereby contributing to the enhancement of the Board’s decision-making;
- (iv) Other duties as prescribed by laws, administrative regulations, the provisions of the China Securities Regulatory Commission, the securities regulatory rules of the place where the Company’s shares are listed, and these Articles of Association.

Independent Directors shall exercise the following special powers:

- (i) Independently engage intermediary organisations to conduct audits, provide consultancy or carry out investigations into specific matters concerning the Company;
- (ii) To propose to the Board of Directors the convening of an extraordinary general meeting;
- (iii) To propose the convening of a meeting of the Board of Directors;
- (iv) To publicly solicit shareholder rights from shareholders in accordance with the law;
- (v) To express independent opinions on matters that may prejudice the interests of the Company or its minority shareholders;
- (vi) Other powers as provided for by laws, administrative regulations, the provisions of the China Securities Regulatory Commission, the securities regulatory rules of the place where the Company’s shares are listed, and these Articles of Association.

Where an independent director exercises the powers listed in items (i) to (iii) above, such exercise shall be subject to the approval of a majority of all independent directors.

Where an independent director exercises the special powers listed above, the Company shall disclose this promptly. Should the aforementioned powers not be exercised as normal, the Company shall disclose the specific circumstances and reasons.

The following matters shall be submitted to the Board of Directors for consideration only after obtaining the consent of a majority of all independent directors of the Company:

- (i) related-party transactions subject to disclosure;
- (ii) Proposals by the Company and relevant parties to amend or waive commitments;
- (iii) Decisions made and measures taken by the board of directors of the listed company being acquired in relation to the acquisition;

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- (iv) other matters prescribed by laws, administrative regulations, the provisions of the China Securities Regulatory Commission (CSRC), the securities regulatory rules of the place where the Company’s shares are listed, and these Articles of Association.

The Company shall convene special meetings of independent directors at regular or irregular intervals. The matters set out in items (i) to (iii) of the first paragraph of Article 132 and in Article 133 of these Articles of Association shall be considered at a special meeting of independent directors.

Special meetings of independent directors may, as required, examine and discuss other matters concerning the Company.

A special meeting of independent directors shall be convened and chaired by an independent director jointly nominated by a majority of the independent directors; where the convener fails to perform their duties or is unable to do so, two or more independent directors may convene the meeting themselves and nominate a representative to chair it.

Minutes of special meetings of independent directors shall be drawn up in accordance with the regulations, and the opinions of the independent directors shall be recorded in the minutes. Independent directors shall sign to confirm the minutes.

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

The Chairperson shall hold a meeting with the independent directors at least once a year, without the attendance of any other directors.

Specialised Committees of the Board of Directors

The Company’s Board of Directors shall establish an Audit Committee to exercise the powers of the Supervisory Board as stipulated in the Company Law. The Audit Committee shall consist of three members, all of whom must be non-executive directors and must not hold senior management positions within the Company; at least two of these shall be independent directors, and the convener shall be an accounting professional from among the independent directors who meets the requirements of the securities regulatory rules of the jurisdiction where the Company’s shares are listed.

The Audit Committee is responsible for reviewing the Company’s financial information and its disclosure, and for supervising and evaluating internal and external audit work and internal controls. The following matters shall be submitted to the Board of Directors for consideration only after obtaining the approval of a majority of all members of the Audit Committee:

- (i) The disclosure of financial accounting reports and financial information in periodic reports, as well as internal control evaluation reports;
- (ii) the appointment or dismissal of the accounting firm responsible for auditing the listed company’s accounts;
- (iii) the appointment or dismissal of the listed company’s chief financial officer;
- (iv) changes to accounting policies or accounting estimates, or the correction of material accounting errors, for reasons other than changes in accounting standards;

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- (v) Other matters stipulated by laws, administrative regulations, the provisions of the China Securities Regulatory Commission (CSRC), the securities regulatory rules of the jurisdiction where the Company’s shares are listed, and these Articles of Association.

The Company’s Board of Directors shall establish specialised committees for Strategy and ESG, Nominations, and Remuneration and Performance Appraisal, which shall perform their duties in accordance with the securities regulatory rules of the jurisdiction where the Company’s shares are listed, these Articles of Association and the authorisation granted by the Board of Directors. The Board of Directors shall be responsible for formulating the rules of procedure for these specialised committees.

The Strategy and ESG Committee shall consist of three members, at least one of whom shall be an independent director; the Chairperson of the Board shall serve as the convener of the Strategy and ESG Committee.

The Strategy and ESG Committee shall be accountable to and report to the Board of Directors. Its primary responsibilities shall be to conduct research and make recommendations on the Company’s long-term development strategy, major investment decisions, and environmental, social and governance (ESG) matters. The principal duties and powers of the Strategy and ESG Committee are as follows:

- (i) To research and make recommendations regarding the Company’s long-term strategic planning;
- (ii) To examine and make recommendations on major investment and financing proposals which, in accordance with the Company’s Articles of Association, require the approval of the Board of Directors;
- (iii) To conduct research and make recommendations on major capital operations and asset management projects that, in accordance with the Company’s Articles of Association, require the approval of the Board of Directors;
- (iv) To conduct research, analysis and assessment of matters relating to the Company’s ESG policies, strategies, objectives and management structure, and to make recommendations on improving the Company’s ESG performance or on related major decisions;
- (v) To oversee the implementation and progress of the Company’s ESG work, including the identification, assessment, prioritisation and management of material ESG-related issues (including risks and opportunities), as well as reviewing progress towards achieving ESG-related targets;
- (vi) Review the Company’s annual ESG report, sustainability report and other ESG-related disclosure documents, and make recommendations to the Board;
- (vii) To research other material matters affecting the Company’s development and make recommendations;
- (viii) to inspect the implementation of the above matters;
- (ix) Other matters as prescribed by laws, regulations, rules, normative documents, the securities regulatory rules of the jurisdiction where the Company’s shares are listed, these Articles of Association, or as authorised by the Board of Directors.

The Nomination Committee shall consist of five members, at least three of whom shall be independent directors, with an independent director as convener.

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The Nomination Committee is responsible for formulating the selection criteria and procedures for directors and senior management, taking full account of factors such as the composition and professional structure of the Board of Directors; for screening and vetting candidates for directors and senior management and assessing their qualifications; and for making recommendations to the Board of Directors on the following matters:

- (i) the nomination or appointment and removal of directors;
- (ii) the appointment or dismissal of senior management;
- (iii) Other matters prescribed by laws, administrative regulations, the provisions of the China Securities Regulatory Commission (CSRC), the securities regulatory rules of the place where the Company’s shares are listed, and these Articles of Association.

Where the Board of Directors does not adopt, or does not fully adopt, the recommendations of the Nomination Committee, it shall record the Nomination Committee’s views and the specific reasons for non-adoption in the Board resolution and disclose them.

The Remuneration and Appraisal Committee shall consist of three members, at least two of whom shall be independent directors, and the convenor shall be an independent director.

The Remuneration and Appraisal Committee is responsible for establishing appraisal standards for directors and senior management and conducting their appraisals; formulating and reviewing remuneration policies and schemes including decision-making mechanisms, decision-making processes, and payment, suspension of payment and clawback arrangements — for directors and senior management; and making recommendations to the Board on the following matters:

- (i) the remuneration of directors and senior management;
- (ii) the establishment or amendment of share-based incentive schemes and employee share ownership schemes, and the fulfilment of the conditions for beneficiaries to be granted or to exercise their rights;
- (iii) shareholding schemes for directors and senior management in connection with the proposed spin-off of a subsidiary;
- (iv) Other matters prescribed by laws, administrative regulations, the provisions of the China Securities Regulatory Commission, the securities regulatory rules of the place where the Company’s shares are listed, and these Articles of Association.

Where the Board of Directors does not adopt, or does not fully adopt, the recommendations of the Remuneration and Appraisal Committee, it shall record the Committee’s views and the specific reasons for non-adoption in the Board resolution and disclose them.

SENIOR MANAGEMENT

The Company shall have one Chief Executive Officer, who shall be appointed or dismissed by the Board of Directors.

The Company shall have one Chief Strategy Officer, several Executive Vice Presidents, one Chief Financial Officer and one Board Secretary, who shall be appointed or dismissed by the Board of Directors.

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The Chief Executive Officer, Chief Strategy Officer, Executive Vice Presidents, Board Secretary and Chief Financial Officer of the Company shall be deemed to be senior management of the Company.

The provisions of Article 103 of the Company’s Articles of Association regarding circumstances under which a person may not serve as a director, and the provisions of Article 109 regarding the management of departure from office shall apply equally to senior management. The provisions in the Company’s Articles of Association regarding the duties of loyalty and diligence of directors shall apply equally to senior management.

Persons holding administrative positions other than that of director at the controlling shareholder’s organisation (if any) shall not serve as senior management of the Company. Senior management of the Company shall receive their remuneration solely from the Company; the controlling shareholder shall not pay their salaries on the Company’s behalf.

The term of office of the Chief Executive Officer is three years; they may be reappointed upon renewal of the appointment.

The Chief Executive Officer is accountable to the Board of Directors and exercises the following powers:

- (i) To preside over the Company’s production, operations and management, to organise the implementation of Board resolutions, and to report on his work to the Board;
- (ii) To organise and implement the Company’s annual plans and investment proposals;
- (iii) To draw up proposals for the structure of the Company’s internal management bodies;
- (iv) to draw up the Company’s basic management systems;
- (v) Formulate the Company’s specific regulations;
- (vi) To submit proposals to the Board of Directors for the appointment or dismissal of the Company’s Executive Vice Presidents and Chief Financial Officer;
- (vii) to decide on the appointment or dismissal of management personnel other than those whose appointment or dismissal falls within the remit of the Board of Directors;
- (viii) Other powers and functions conferred by these Articles of Association and the Company’s Board of Directors.

The Chief Executive Officer shall attend meetings of the Board of Directors; a Chief Executive Officer who is not a Director shall have no voting rights at such meetings.

The Chief Executive Officer shall draw up detailed rules of procedure for the Chief Executive Officer’s duties, which shall be implemented after approval by the Board of Directors.

The Company shall appoint a Board Secretary, who shall be responsible for the preparation of General Meetings and Board meetings, the safekeeping of documents, the management of shareholder records, and the handling of information disclosure matters.

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The Company’s Board Secretary shall comply with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are listed, and the relevant provisions of these Articles of Association; shall perform their duties faithfully and diligently; and shall maintain the confidentiality of the Company’s secrets.

Should the Board Secretary be dismissed or resign, the Company shall complete the appointment of a new Board Secretary within six months; whilst the post of Board Secretary remains vacant, the Chairperson shall act in the capacity of Board Secretary.

FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDITING

Financial and Accounting Systems, Profit Distribution

The Company shall formulate its financial and accounting systems in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed, and the provisions of the relevant competent authorities of the State.

The Company shall submit its annual financial and accounting reports to the local offices of the China Securities Regulatory Commission (CSRC) and the stock exchange within four months of the end of each financial year. It shall submit and disclose interim reports to the local offices of the CSRC and the stock exchange within two months of the end of the first six months of each financial year.

The Company shall not maintain any accounting books other than those required by law. The Company’s funds shall not be deposited into any account opened in the name of an individual.

When distributing the current year’s after-tax profits, the Company shall set aside 10 per cent of the profits as statutory reserves. Where the cumulative amount of the Company’s statutory reserves reaches 50 per cent or more of the Company’s registered capital, further allocations may cease.

Where the Company’s statutory reserve fund is insufficient to cover losses from previous financial years, the losses shall first be set off against the current year’s profits before the statutory reserve fund is set aside in accordance with the preceding provision.

After the company has set aside the statutory reserve from its post-tax profits, it may, by resolution of the general meeting of shareholders, set aside a discretionary reserve from the post-tax profits. Any post-tax profits remaining after the company has made up for losses and set aside reserves shall be distributed in proportion to the shares held by the shareholders, unless these Articles of Association provide otherwise.

Where the shareholders’ meeting distributes profits to shareholders in breach of the Company Law, the shareholders must return the profits distributed in breach of the regulations to the company. If this causes loss to the company, the shareholders and the responsible directors and senior management shall be liable for compensation.

Shares in the Company held by the Company itself shall not participate in the distribution of profits.

Once the Company’s General Meeting has passed a resolution on the profit distribution scheme, or once the Board of Directors has formulated a specific scheme in accordance with the conditions and upper limits for interim dividends for the following year as deliberated and approved by the Annual General Meeting, the distribution of dividends (or shares) must be completed within two months.

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Where the Company deems it necessary to adjust its profit distribution policy in light of its production and operational circumstances, investment plans and long-term development requirements, such adjustments shall be made by amending the relevant provisions concerning profit distribution in these Articles of Association.

Internal Audit

The Company shall implement an internal audit system that clearly defines the leadership structure, responsibilities and authorities, staffing, funding, the use of audit results and accountability for internal audit work.

The Company’s internal audit system shall be implemented following approval by the Board of Directors and shall be disclosed to the public. Full-time auditors shall be appointed to conduct internal audit supervision of the Company’s financial receipts and expenditure and economic activities.

The Company’s internal audit body shall supervise and inspect matters such as the Company’s business activities, risk management, internal controls and financial information.

Appointment of an Accounting Firm

The Company shall engage an accountancy firm that complies with the provisions of the Securities Law and the securities regulatory rules of the jurisdiction where the Company’s shares are listed to carry out audits of financial statements, verification of net assets and other related advisory services. The term of engagement shall be one year and may be renewed.

The appointment and dismissal of an accounting firm shall be decided by the general meeting of shareholders. The board of directors shall not appoint an accounting firm before the general meeting of shareholders makes a decision.

Notices and Announcements

Notices from the Company shall be issued in the following forms:

- (i) by delivery by a designated person;
- (ii) by post;
- (iii) by way of an announcement on the Company’s website, the website designated by the Shanghai Stock Exchange and the website designated by the Stock Exchange;
- (iv) by fax or email;
- (v) in any other form recognised by laws, administrative regulations, departmental rules, normative documents, the relevant regulatory authorities of the place where the Company’s shares are listed, or as provided for in these Articles of Association.

Where a notice issued by the Company is published as an announcement, such notice shall be deemed to have been received by all relevant persons upon publication.

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MERGERS, DEMERGERS, CAPITAL INCREASES OR REDUCTIONS, DISSOLUTION AND LIQUIDATION

Mergers, Demergers, Capital Increases or Reductions

A merger of the Company may take the form of a merger by absorption or a merger by formation of a new entity. Where one company absorbs another company, the absorbed company shall be dissolved. Where two or more companies merge to form a new company, the merging parties shall be dissolved.

Where the consideration paid in a company merger does not exceed 10 per cent of the company's net assets, a resolution of the shareholders' meeting is not required, unless otherwise provided for in the Articles of Association. Where a merger is carried out in accordance with the foregoing provisions without a resolution of the shareholders' meeting, it shall be subject to a resolution of the board of directors.

In the event of a company merger, the merging parties shall enter into a merger agreement and prepare a balance sheet and a statement of assets. The company shall notify its creditors within ten days of the date on which the resolution to merge is passed. It shall publish a notice in a newspaper at the municipal level or above, or on the National Enterprise Credit Information Publicity System, within thirty days. Creditors may, within thirty days of receiving notice, or within forty-five days of the date of publication if they have not received notice, require the company to settle its debts or provide corresponding security.

Upon a company merger, the claims and liabilities of the merging parties shall be assumed by the surviving company or the newly established company.

Upon the division of a company, its assets shall be divided accordingly. In the event of a company division, a balance sheet and a list of assets shall be drawn up. The company shall notify creditors within ten days of the date on which the resolution to divide the company is passed. It shall publish a notice in a newspaper at the municipal level or above, or on the National Enterprise Credit Information Publicity System, within thirty days.

The companies continuing to exist following the division shall bear joint and several liability for the company's debts incurred before the division, unless otherwise agreed in a written agreement reached between the company and the creditors regarding the settlement of such debts before the division.

Where a company merges or is split and there are changes to the registered particulars, it shall apply to the company registration authority for a change of registration in accordance with the law; where a company is dissolved, it shall apply for deregistration in accordance with the law; where a new company is established, it shall apply for registration of establishment in accordance with the law. Where a company increases or reduces its registered capital, it shall apply to the company registration authority for a change of registration in accordance with the law.

Dissolution and Liquidation

A company shall be dissolved for the following reasons:

- (i) The expiry of the business term specified in these Articles of Association or the occurrence of other grounds for dissolution specified in these Articles of Association;
- (ii) A resolution of the shareholders' meeting to dissolve the company;

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- (iii) Dissolution is required due to a company merger or demerger;
- (iv) Where the company’s business licence is revoked, it is ordered to close, or it is dissolved in accordance with the law;
- (v) Where the Company faces serious difficulties in its operations and management, and its continued existence would result in significant loss to the interests of the shareholders and such difficulties cannot be resolved by other means, shareholders holding 10 per cent or more of the Company’s voting rights may apply to the People’s Court for the dissolution of the Company.

Where a company is subject to any of the grounds for dissolution specified in the foregoing provisions, it shall, within ten days, publish the grounds for dissolution via the National Enterprise Credit Information Publicity System.

Where a company finds itself in the circumstances set out in paragraph (i) or (ii) above and has not yet distributed its assets to the shareholders, it may continue to exist by amending its Articles of Association or by resolution of the general meeting of shareholders. Any amendment to the Articles of Association or resolution of the general meeting of shareholders pursuant to the foregoing provisions shall be approved by at least two-thirds of the voting rights held by the shareholders present at the general meeting.

Where a company is dissolved due to the circumstances set out in items (i), (ii), (iv) or (v) above, it shall undergo liquidation. The directors shall be responsible for the company’s liquidation. They shall, within fifteen days of the occurrence of the grounds for dissolution, form a liquidation panel to carry out the liquidation. The liquidation committee shall consist of the directors, unless otherwise provided for in these Articles of Association or unless the shareholders’ meeting resolves to appoint other persons. Where the persons responsible for liquidation fail to fulfil their liquidation obligations promptly, thereby causing loss to the company or its creditors, they shall be liable for compensation.

During the liquidation period, the liquidation committee shall exercise the following powers:

- (i) to take stock of the company’s assets and prepare separate balance sheets and inventories of assets;
- (ii) to notify and publish notices to creditors;
- (iii) to settle the company’s outstanding business matters relating to the liquidation;
- (iv) to settle any outstanding tax liabilities and any tax liabilities arising during the liquidation process;
- (v) to settle claims and liabilities;
- (vi) to distribute the company’s residual assets after the settlement of debts;
- (vii) to represent the company in civil litigation proceedings.

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

AMENDMENT OF THE ARTICLES OF ASSOCIATION

The company shall amend its Articles of Association in any of the following circumstances:

- (i) Where, following amendments to the Company Law, relevant laws, administrative regulations or the securities regulatory rules of the jurisdiction in which the company’s shares are listed, any provision of these Articles of Association conflicts with the amended provisions;
- (ii) Where changes in the Company’s circumstances result in inconsistencies with the matters set out in these Articles of Association;
- (iii) Where the general meeting of shareholders resolves to amend these Articles of Association.

Where amendments to the Articles of Association adopted by resolution of the General Meeting of Shareholders are subject to approval by the competent authority, they must be submitted to that authority for approval; where such amendments relate to matters requiring company registration, the necessary registration amendments shall be processed in accordance with the law.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the General Meeting of Shareholders to amend the Articles of Association and the approval opinions of the relevant competent authorities.