

**Lianlian DigiTech Co., Ltd.**

**Articles of Association**

**(Applicable after H Shares Listing)**

**(Considered and approved at the 2022 Annual General Meeting  
of Lianlian DigiTech Co., Ltd.)**

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# Articles of Association of Lianlian DigiTech Co., Ltd.

(Considered and approved at the 2022 Annual General Meeting of  
Lianlian DigiTech Co., Ltd.)

## Chapter 1 General Provisions

**Article 1** For the purposes of safeguarding the legitimate rights and interests of Lianlian DigiTech Co., Ltd. (the “Company”), its shareholders and creditors and regulating the organization and activities of the Company, the Articles of Association has been formulated in accordance with the Company Law of the People’s Republic of China 《中華人民共和國公司法》 (the “Company Law”), the Securities Law of the People’s Republic of China 《中華人民共和國證券法》 (the “Securities Law”), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies 《境內企業境外發行證券和上市管理試行辦法》, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant laws, administrative regulations and normative documents and with reference to the Guidance for the Articles of Association of Listed Companies (Revised in 2022) 《上市公司章程指引(2022年修訂)》 (the “Guidance for the Articles of Association of Listed Companies”).

**Article 2** The Company is a joint stock company with limited liabilities established in accordance with the Company Law and other relevant provisions.

The Company is a joint stock company with limited liabilities formed in accordance with law through the overall change of Lianlian Digital Technology Co., Ltd. (連連數字科技有限公司), has been registered with the Administration for Market Regulation of Zhejiang and has obtained its business license with the unified social credit code of 91330000684526301D.

**Article 3** The Company’s initial public offering of 55,920,000 overseas listed foreign shares (the “H Shares”) was filed with the China Securities Regulatory Commission (the “CSRC”) on February 7, 2024, whereby shareholders of the Company will convert all or part of their domestic unlisted shares, including 354,368,764 shares in aggregate, into overseas listed shares. The H Shares were listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on March 28, 2024.

The issued shares of the Company that are not listed or traded on any domestic or overseas stock exchange are called the unlisted shares. The holders of unlisted shares of the Company can convert their unlisted shares held into overseas listed shares, and such shares may be listed and traded on an overseas stock exchange to the extent permitted by related laws, administrative regulations and departmental regulations after the overseas shares of the Company are issued and listed. The listing and trading of such shares on an overseas stock exchange shall also comply with the regulatory procedures, provisions and requirements of the domestic and overseas stock markets. The conversion of such unlisted shares into overseas listed shares and the listing and trading of such shares on an overseas stock exchange require no holding of a General Meeting and voting.

**Article 4** The registered name of the Company:

Chinese name: 連連數字科技股份有限公司.

English name: Lianlian DigiTech Co., Ltd.

**Article 5** The domicile of the Company: B3, 12/F, Building 1, 79 Yueda Lane, Binjiang District, Hangzhou.

**Article 6** The registered capital of the Company is RMB1,079.06 million.

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

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

**Article 9** All the assets of the Company are divided into shares of equal value. The shareholders are responsible for the Company to the extent of their subscribed shares, and the Company is responsible for the Company's debts with all its assets.

**Article 10** The Articles of Association shall, from the date on which they take effect, be the legally binding document that regulates the organization and activities of the Company and the relationship of rights and obligations between the Company and the shareholders and among the shareholders, and shall be legally binding on the Company, the shareholders, the directors, the supervisors and senior management. Based on the Articles of Association, any shareholder may bring a lawsuit against another shareholder, a director, a supervisor, a general manager and any other senior officer of the Company. Any shareholder may bring a lawsuit against the Company, and the Company may bring a lawsuit against any shareholder, director, supervisor, general manager and other senior management.

**Article 11** The other senior management referred to in the Articles of Association refers to the deputy general managers, secretary to the Board of Directors, chief financial officer and other senior management as determined by the Board of Directors of the Company.

**Article 12** According to relevant provisions of the Constitution of the Communist Party of China, the Company shall have a Communist Party organization to carry out activities of the Party. The Company shall provide necessary facilitations for the activities of the Party organization.

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

**Article 13** The operational objectives of the Company: to improve its operation and management through the organizational form of a joint stock company with limited liabilities, to maximize its economic benefits, and to create satisfactory economic returns for all shareholders.

**Article 14** As registered in accordance with law, the scope of business of the Company includes: value-added telecommunications services (see the Business Licenses for Value-added Telecommunications Services of the People's Republic of China No. B2-20090486 and No. Zhe B2-20120065, for details of the scope of business), information technology development, technical consulting, technical services, enterprise management consulting services. (For items subject to approval according to law, business activities can only be carried out after approval by relevant departments).

## Chapter 3 Shares

### Section 1 Issuance of Shares

**Article 15** The shares of the Company shall take the form of share certificates. Share certificates of the Company shall be in registered form. In addition to those provided in the Company Law, a share certificate of the Company shall also contain any other items required to be specified by the stock exchange where the shares of the Company are listed.

The Company may issue overseas listed shares in the form of foreign depository receipts or other derivative means of shares in accordance with the laws and the practice of registration and depository of securities in the place where the shares of the Company are listed. If the share capital of the Company includes non-voting shares, the word “non-voting” shall be inserted into the names of such shares. Where the share capital includes shares with different voting rights, the words “limited voting rights” or “restricted voting rights” shall be inserted into the name of each class of shares (other than those with the most favorable voting rights).

**Article 16** The Company shall issue shares in an open, equitable and fair manner, and each of the shares in the same class shall carry the same rights.

Shares of the same class and the same issuance shall be issued on the same conditions and at the same price. Any entity or individual shall pay the same price for each of the shares for which it/he/she subscribes for.

**Article 17** All shares issued by the Company shall be denominated in RMB and have a par value of RMB1.00. Among the shares issued by the Company, the domestic unlisted shares shall be centrally registered and deposited with the domestic securities registration and clearing institution, and the registration and clearing arrangements for the overseas listed shares shall be subject to the regulations of the overseas listing place.

**Article 18** Promoters of the Company are all shareholders of Lianlian Digital Technology Co., Ltd. (連連數字科技有限公司) upon the overall change into a joint stock company with limited liabilities.

The Company’s promoters converted the audited net assets of RMB2,625,776,115.35 of Lianlian Digital Technology Co., Ltd. (連連數字科技有限公司) as of October 31, 2020 into the share capital of a joint stock company with limited liabilities at the ratio of 1:0.3830 (approximately), equivalent to a total of 1,005,580,000 shares with a par value of RMB1 per share, and the portion of the net assets exceeding the share capital is included in the capital reserve; the total share capital and registered capital of the joint stock company with limited liabilities are RMB1,005,580,000 and RMB1,005,580,000, respectively. The promoters of the Company, number of shares subscribed for by them, their shareholding percentage, method of capital contribution and time of capital contribution are as follows:

No.	Name of promoter	Number of shares subscribed for (Shares)	Shareholding percentage (%)	Method of capital contribution	Time of capital contribution
1	Hangzhou Chuanglianzhixin Investment L.P. (杭州創連致新投資合夥企業(有限合夥))	172,217,799	17.13	Shares converted from net assets	December 2020
2	Zhang Zhengyu (章徵宇)	117,428,375	11.68	Shares converted from net assets	December 2020
3	Lu Zhonglin (呂鐘霖)	92,316,555	9.18	Shares converted from net assets	December 2020
4	Tianjin Everbright Innovation Technology Investment Center L.P. (天津光大創新科技投資中心(有限合夥))	79,929,600	7.95	Shares converted from net assets	December 2020
5	Boyu Jingtai (Shanghai) Equity Investment L.P. (博裕景泰(上海)股權投資合夥企業(有限合夥))	60,864,541	6.05	Shares converted from net assets	December 2020
6	Ningbo Sequoia Zhensheng Equity Investment L.P. (寧波紅杉臻盛股權投資合夥企業(有限合夥))	53,406,361	5.31	Shares converted from net assets	December 2020
7	Hangzhou Hangshi Sailian Investment L.P. (杭州杭實賽連投資合夥企業(有限合夥))	45,476,159	4.52	Shares converted from net assets	December 2020
8	Hangzhou Xingzhu Investment Management L.P. (杭州星渚投資管理合夥企業(有限合夥))	39,801,138	3.96	Shares converted from net assets	December 2020
9	Hangzhou Lulian Equity Investment L.P. (杭州麓連股權投資合夥企業(有限合夥))	37,989,015	3.78	Shares converted from net assets	December 2020
10	Hangzhou Sailian Phase II Investment L.P. (杭州賽連貳期投資合夥企業(有限合夥))	37,016,484	3.68	Shares converted from net assets	December 2020
11	Hangzhou Saizhi Yunsheng Investment L.P. (杭州賽智雲昇投資合夥企業(有限合夥))	37,016,701	3.68	Shares converted from net assets	December 2020
12	Hangzhou Sailian Phase I Investment L.P. (杭州賽連壹期投資合夥企業(有限合夥))	32,538,083	3.24	Shares converted from net assets	December 2020

No.	Name of promoter	Number of shares subscribed for (Shares)	Shareholding percentage (%)	Method of capital contribution	Time of capital contribution
13	CICC Jiatai Phase II (Tianjin) Equity Investment Fund L.P. (中金佳泰貳期(天津)股權投資基金合夥企業(有限合夥))	29,832,718	2.97	Shares converted from net assets	December 2020
14	Taikang Life Insurance Co., Ltd. (泰康人壽保險有限公司)	26,227,434	2.61	Shares converted from net assets	December 2020
15	Jinhua Puhua Jishi Equity Investment L.P. (金華市普華濟時股權投資合夥企業(有限合夥))	24,675,407	2.45	Shares converted from net assets	December 2020
16	Qilu (Xiamen) Equity Investment L.P. (啟鷺(廈門)股權投資合夥企業(有限合夥))	13,327,767	1.33	Shares converted from net assets	December 2020
17	Xiao Sequi (肖瑟秋)	12,871,987	1.28	Shares converted from net assets	December 2020
18	Ningbo Meishan Bonded Port Area Lianli Zhaoli Shangyang Integrated Circuit Venture Capital L.P. (寧波梅山保稅港區聯力昭離商陽集成電路創業投資合夥企業(有限合夥))	11,994,990	1.19	Shares converted from net assets	December 2020
19	Hangzhou Nuoheng Investment Management L.P. (杭州諾衡投資管理合夥企業(有限合夥))	11,111,000	1.10	Shares converted from net assets	December 2020
20	Hangzhou Yousong Investment Management L.P. (杭州友嵩投資管理合夥企業(有限合夥))	10,655,515	1.06	Shares converted from net assets	December 2020
21	Shanghai Guohe Phase II Modern Service Industry Equity Investment Fund L.P. (上海國和二期現代服務業股權投資基金合夥企業(有限合夥))	9,870,163	0.98	Shares converted from net assets	December 2020
22	Shanghai Jinpu Innovative Consumption Equity Investment Fund (Limited Partnership) (上海金浦創新消費股權投資基金(有限合夥))	8,636,393	0.86	Shares converted from net assets	December 2020



No.	Name of promoter	Number of shares subscribed for (Shares)	Shareholding percentage (%)	Method of capital contribution	Time of capital contribution
23	Caitong Innovation Investment Co., Ltd. (財通創新投資有限公司)	7,458,179	0.74	Shares converted from net assets	December 2020
24	Hangzhou Kefa Weilian Technology Development Co., Ltd. (杭州科發未鏈科技開發有限公司)	6,663,883	0.66	Shares converted from net assets	December 2020
25	Qingdao Guoxin Platinum Investment L.P. (青島國信鉑翱投資合夥企業(有限合夥))	6,663,883	0.66	Shares converted from net assets	December 2020
26	Xie Jia (謝佳)	5,492,048	0.55	Shares converted from net assets	December 2020
27	CICC Pucheng Investment Co., Ltd. (中金浦成投資有限公司)	3,331,941	0.33	Shares converted from net assets	December 2020
28	Hangzhou Hongfu Equity Investment L.P. (杭州鴻富股權投資合夥企業(有限合夥))	3,331,941	0.33	Shares converted from net assets	December 2020
29	Zhejiang Venture Capital Group Co., Ltd. (浙江省創業投資集團有限公司)	3,331,941	0.33	Shares converted from net assets	December 2020
30	Hangzhou Youchuang Tianchen Investment L.P. (杭州友創天辰投資合夥企業(有限合夥))	2,610,363	0.26	Shares converted from net assets	December 2020
31	Shanghai Zhihuai Management Consulting L.P. (上海致淮管理諮詢合夥企業(有限合夥))	1,491,636	0.15	Shares converted from net assets	December 2020
	<b>Total</b>	<b>1,005,580,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>

**Article 19** Upon completion of the initial public offering of H Shares, the share capital structure of the Company on the listing date is as follows: 1,079,060,000 ordinary shares, including 660,391,236 unlisted shares and 418,668,764 H Shares. The registered capital of the Company is RMB1,079.06 million on the listing date.

**Article 20** The Company or its subsidiaries (including its affiliates) shall not provide any assistance to the person who purchases or intends to purchase the Company's shares in the form of gifts, advances, guarantees, compensation or loans.

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

**Article 21** In light of the Company's operational and developmental needs, the Company may increase its capital in accordance with the laws and regulations and subject to a separate resolution of the General Meeting, by any of the following methods:

- (I) a public offering of shares;
- (II) a private placement of shares;
- (III) allotment of bonus shares to existing shareholders;
- (IV) conversion of reserve funds to share capital;

(V) other methods permitted by laws, administrative regulations and the CSRC and other regulatory authorities.

**Article 22** The Company may reduce its registered capital. Any reduction of the Company's registered capital shall be subject to the procedures prescribed in the Company Law and other relevant regulations, the Hong Kong Listing Rules and other regulatory rules of the place where the Company's shares are listed, as well as the Articles of Association.

**Article 23** The Company shall not repurchase its shares. However, exceptions are made in any of the following cases:

- (I) to reduce the registered capital of the Company;
- (II) to merge with other companies that hold shares in the Company;
- (III) to use the shares for employee shareholding schemes or as share incentives;

(IV) to acquire the shares of shareholders (upon their request) who vote against any resolution adopted at any General Meetings on the merger or division of the Company;

(V) to use the shares to satisfy the conversion of those corporate bonds convertible into shares issued by the Company;

- (VI) to safeguard corporate value and shareholders' equity as the Company deems necessary.

**Article 24** The Company may repurchase its own shares through public centralized trading, or through other means recognized by the laws, administrative regulations, the Hong Kong Listing Rules and the securities regulatory rules of the place where the Company's shares are listed, and the CSRC. Where the Company purchases its own shares under any of the circumstances specified in Items (III), (V) and (VI) in the first paragraph of Article 23 of the Articles of Association, centralized trading shall be adopted publicly.

**Article 25** The purchase by the Company of its own shares under any of the circumstances specified in Items (I) and (II) in the first paragraph of Article 23 of the Articles of Association shall require a resolution of the General Meeting; the purchase by the Company of its own shares under any of the circumstances specified in Items (III), (V) and (VI) in the first paragraph of Article 23 of the Articles of Association shall require a resolution of a board meeting attended by two-thirds or more of the directors in accordance with the requirements of the Articles of Association or the authorization of the General Meeting.

After the Company purchasing its own shares pursuant to the provisions of the first paragraph of Article 23 of the Articles of Association, such shares shall be cancelled within 10 days from the date of purchase under the circumstance as described in Item (I); such shares shall be either transferred or cancelled within six months under the circumstances as described in Items (II) and (IV); the aggregate number of shares it holds shall not exceed 10% of the total shares of the Company and such shares shall be transferred or cancelled within three years under the circumstance as described in Items (III), (V) and (VI).

For any repurchase of its shares by the Company, the obligation of information disclosure shall be fulfilled in accordance with the relevant provisions of the Securities Law, the Hong Kong Listing Rules and the CSRC and the Hong Kong Stock Exchange.

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

**Article 26** The shares of the Company may be transferred according to law.

All transfers of H Shares shall be effected by instruments of transfer in writing in a general or ordinary form or in any other forms acceptable to the Board of Directors (including the standard transfer format or form of transfer that Hong Kong Stock Exchange may provide from time to time); the instruments of transfer may be signed by hand only or by the company's valid seal (where the transferor or transferee is a corporation). Where the transferor or transferee is a recognized clearing house as defined by relevant regulations of Hong Kong laws from time to time, or any of its agents, the instruments of transfer may be signed manually or mechanically printed. All instruments of transfer shall be maintained at the statutory address of the Company or such places as the Board of Directors may designate from time to time.

**Article 27** The Company shall not accept its own shares as the subject matter of a pledge.

**Article 28** The shares of the Company held by the promoters thereof shall not be transferred within one year of the date of establishment of the Company. Shares already issued by the Company before the public offering shall not be transferred within one year of the date on which the shares of the Company are listed on the Hong Kong Stock Exchange.

The directors, supervisors, and senior management of the Company shall truthfully declare, to the Company, the information on their holdings of the shares of the Company and the changes thereto. The shares transferrable by them during each year of their term of office shall not exceed 25% of the total shares they hold in the Company. The shares that they hold in the Company shall not be transferred within one year of the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer their shares of the Company within half a year from the date of their resignation.

**Article 29** Where the Company's directors, supervisors, senior managers or shareholders who hold 5% or more of the Company's shares sell the Company's shares or other securities with the nature of equity they hold within six months of the relevant purchase, or purchase any share they have sold within six months of the relevant sale, the proceeds generated therefrom shall be incorporated into the profits of the Company, and the Board of Directors of the Company shall recover the proceeds. However, the following circumstances shall be excluded where a securities company holds 5% or more of the shares of the Company due to its purchase of any remaining shares under best efforts underwriting or where the provisions of the CSRC are applicable.

Shares or other securities with the nature of equity held by directors, supervisors, senior executives and natural person shareholders as mentioned in the preceding paragraph include shares or other securities with the nature of equity held by their spouses, parents or children, and held by them by using other people's accounts.

If the Board of Directors of the Company fails to comply with the first paragraph of this Article, the shareholders are entitled to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to comply within the aforesaid period, the shareholders are entitled to initiate litigation directly in the people's court in their own names for the interest of the Company.

And if the Board of Directors fails to implement the provisions set forth in the first paragraph of this Article, the responsible directors shall bear joint and several liability in accordance with law.

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

### **Section 1 Shareholders**

**Article 30** Shareholders shall enjoy rights and assume obligations according to the class of shares held by him/her; shareholders who hold existing shares of the same class shall enjoy the equal rights and assume the equal obligations.

**Article 31** The Company shall maintain a register of shareholders which shall contain the following content, or register shareholders in accordance with the requirements of laws, administrative regulations, department rules and the Hong Kong Listing Rules:

- (I) the name, address (domicile), profession or nature of each shareholder;
- (II) the class and number of the shares held by each shareholder;
- (III) the amount paid or payable for the shares held by each shareholder;
- (IV) the serial number of the shares held by each shareholder;
- (V) the date on which each shareholder is registered as a shareholder;
- (VI) the date on which each shareholder ceases to be a shareholder.

The register of shareholders shall be ample evidence of holding of the Company's shares by a shareholder, unless there is evidence to the contrary. Subject to the Articles of Association and other applicable provisions, the name of the transferee of the Company's shares shall be entered on the register of shareholders as the holder of such shares upon transfer.

The Company shall sign a share custody agreement with share registries for the purpose of inspecting the information and shareholding changes (including share pledge) of major shareholders on a regular basis, in order to be informed of the shareholding structure of the Company in a timely manner. Assignment or transfer of shares shall be registered in the register of shareholders. The Company may, in accordance with the understandings and agreements entered into between the securities regulatory authority under the State Council and overseas securities regulatory authorities, maintain its register of holders of H Shares outside the PRC and appoint overseas agent(s) to manage such register. The original of the register of holders of H Shares shall be kept in Hong Kong and available for inspection by shareholders, whilst the Company may close the register of members according to the provisions of applicable laws and regulations and the securities regulatory rules of the place where the Company's shares are listed (if necessary); a duplicate of the register of holders of H Shares shall be kept at the Company's domicile. The appointed agent outside the PRC shall ensure that the register of holders of H Shares and its duplicate are consistent at all times. When the original and duplicate of the register of holders of H Shares are inconsistent, the original shall prevail.

**Article 32** When the Company convenes the General Meeting, distributes dividends, conducts liquidation or engages in other acts requiring the identification of shareholders, the Board of Directors or the convener of the General Meeting should determine the record date. The shareholders whose names appear on the register of shareholders after the trading hours on the record date shall be those entitled to the relevant rights and interests.

**Article 33** Shareholders of the Company shall enjoy the following rights:

- (I) the right to dividends and other distributions in proportion to the number of shares held;
- (II) the right to request, convene, preside over, attend or appoint proxy(ies) to attend the General Meeting and to exercise the right to speak and corresponding right to vote according to law;
- (III) the right to supervise, present proposals or raise enquiries in respect of the Company's operations;
- (IV) the right to transfer, give as a gift or pledge the shares it holds in accordance with laws, administrative regulations and the Articles of Association;
- (V) the right to inspect the Articles of Association, register of shareholders (including register of holders of H Shares), corporate bond stubs, minutes of General Meetings, resolutions of the Board of Directors, resolutions of the Board of Supervisors and financial and accounting reports;
- (VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining property of the Company in proportion to the number of shares held;

(VII) shareholders who object to resolutions of merger or division made by the General Meeting may request the Company to purchase the shares they hold;

(VIII) other rights provided for by laws, administrative regulations, departmental rules or the Articles of Association.

Where any shareholder is required to abstain from voting on any particular resolution or restricted to voting only for (or only against) any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted. Shareholders holding a minority interest in the issuer must be allowed to convene an extraordinary general meeting and to include a resolution in the agenda of the meeting. The minimum stake required to do so must not be higher than 10% of the voting rights, on a one vote per share basis, in the share capital of the issuer.

**Article 34** Where any shareholder demands to inspect the relevant information or obtain the relevant materials mentioned in the preceding Article, he/she shall submit written documents to the Company proving the class(es) and number of shares of the Company he/she holds. The Company shall provide those requested in accordance with the Shareholder's demand after verifying the Shareholder's identity.

**Article 35** If any resolution made by the General Meeting and the Board of Directors of the Company violates laws and administrative regulations, the shareholders are entitled to apply to the people's court to affirm it as invalid.

If the convening procedure or voting method of the General Meeting or the meeting of the Board of Directors contravenes laws, administrative regulations or the Articles of Association, or if the content of the resolutions of such meeting contravenes the Articles of Association, the shareholders may request the people's court to revoke the resolution within 60 days of the resolution.

**Article 36** If a director or senior management violates any provisions of laws, administrative regulations or the Articles of Association when performing his/her duties with the Company resulting in losses to the Company, shareholders individually or together holding 1% or more of the shares of the Company for 180 or more consecutive days may request the Board of Supervisors in writing to file a lawsuit with the people's court; If the Board of Supervisors violates laws, administrative regulations or the Articles of Association when performing its duties with the Company resulting in losses to the Company, any aforesaid shareholder may request the Board of Directors in writing to file a lawsuit with the people's court.

If the Board of Supervisors or Board of Directors refuses to file such lawsuit after a written request under the preceding paragraph has been received from any shareholder, or fails to file such lawsuit within 30 days from the date when the request has been received, or the situation is so urgent that without an immediate law suit will lead to irreparable losses to the Company, any shareholder under the previous paragraph may file a lawsuit directly with the people's court in such shareholder's own name, for the interest of the Company.

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

**Article 37** If a director or senior management violates the law, administrative regulations or the Articles of Association prejudicing the interests of any shareholder, such shareholder may file a lawsuit with the people's court.

**Article 38** Shareholders of the Company shall have the following obligations:

(I) to abide by laws, administrative regulations and the Articles of Association;

(II) to pay the share subscription price based on the shares subscribed for by them and the method of acquiring such shares;

(III) not to return shares unless prescribed otherwise in laws and regulations;

(IV) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of shareholders to harm the interests of the Company's creditors; any shareholder who abuses shareholders' rights and causes the Company or other shareholders to suffer a loss shall be liable for making compensation in accordance with law; any shareholder who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and causes severe harms to the interests of the Company's creditors shall assume joint and several liability for the Company's debts;

(V) to assume other obligations required by laws, administrative regulations and the Articles of Association.

**Article 39** Shareholders holding 5% or more of the voting shares of the Company who pledge their shares shall submit a written report to the Company as of the date of such pledge.

**Article 40** The controlling shareholders and the actual controllers shall not use their connected relationship to act in detriment to the interests of the Company. If they violate such provision and caused losses to the Company, they shall be liable for compensation.

The controlling shareholders and the actual controllers of the Company shall have fiduciary duties towards the Company and public shareholders of the Company. The controlling shareholders shall exercise its rights as a contributor in strict compliance with the laws. The controlling shareholders shall not do harm the legitimate rights and interests of the Company and other shareholders through means such as profit distribution, asset restructuring, external investment, possession of capital and borrowing guarantees, and shall not make use of its controlling status against the interests of the Company and other shareholders.

**Article 41** Any shareholder who is registered in the register of shareholders or requires his/her name to be entered into the register of shareholders may apply to the Company for a replacement share certificate in respect of such shares (the "Relevant Shares") if his share certificate (the "Original Share Certificate") is lost. If a holder of domestic shares loses his/her share certificates and applies for their replacement, it shall be dealt with in accordance with the relevant provisions of the Company Law.

Where shareholders of overseas listed foreign shares of companies listed in Hong Kong apply for replacement of lost certificates, such replacement shall comply with the following requirements:

(I) The applicant shall submit the application in the form prescribed by the Company accompanied by a notarial certificate or statutory declaration. The notarial certificate or statutory declaration shall include the applicant's reasons for the application, the circumstances and proof of the loss of the share certificate and a declaration stating that no other person may require registration as a shareholder in respect of the Relevant Shares;

(II) The Company has not received any declaration requiring registration as a shareholder in respect of the shares from any person other than the applicant before it decides to issue a replacement share certificate;

(III) If the Company decides to issue a replacement share certificate to the applicant, it shall publish an announcement of its intention to issue a new replacement share certificate in the newspapers required and designated by the Board of Directors; the period of the announcement shall be 90 days, during which such announcement shall be published repeatedly at least once every 30 days;

(IV) Before publishing an announcement of its intention to issue a replacement share certificate, the Company shall submit a copy of the announcement to be published to the stock exchange where it is listed and may proceed with the publication upon receipt of a reply from the stock exchange confirming that the announcement has been displayed in the stock exchange. The announcement shall be displayed in the stock exchange for a period of 90 days. If the application for issuance of a replacement share certificate is made without consent of the registered holder of the Relevant Shares, the Company shall mail to such shareholder a photocopy of the announcement that it intends to publish;

(V) Upon expiry of the 90-day period specified in Items (III) and (IV) hereof, if the Company has not received any objection to the issuance of a replacement share certificate from any person, it may issue a replacement share certificate according to the application of the applicant;

(VI) When the Company issues a replacement share certificate under this Article, it shall immediately deregister the original share certificate and record such deregistration and replacement in the register of shareholders;

(VII) All expenses arising from the deregistration of the original share certificate and issuance of a replacement share certificate by the Company shall be borne by the applicant. The Company shall be entitled to refuse to take any action until reasonable guarantee is obtained from the applicant.

**Article 42** Where two or more persons are registered as joint shareholders of any shares, for the shareholders of overseas listed foreign shares, they shall be deemed as joint holders of the Relevant Shares, and subject to the following restrictions:

(I) the Company may not register more than four persons as the joint shareholders of any share;

(II) all joint shareholders of any shares shall be jointly and severally responsible for the payment of all amounts payable in respect of the Relevant Shares;



(III) in the event that one of the joint shareholders has deceased, only the other remaining joint shareholders shall be deemed by the Company as the owners of the Relevant Shares. However, the Board of Directors is entitled to require the provision of the death certificate by the remaining joint shareholders as it deems appropriate for the purpose of alteration of the register of shareholders;

(IV) among the joint shareholders of any shares, only the joint shareholder listed first in the register of shareholders has the right to receive the share certificate of the Relevant Shares or notices from the Company, and any notice served on the aforesaid person shall be deemed as having been served on all the joint shareholders of the Relevant Shares. Any one of the joint shareholders may sign the form of proxy, but if more than one joint shareholders attend in person or by proxy, the vote cast by the senior joint shareholder, whether cast in person or by proxy, shall be accepted as the sole vote cast on behalf of the other joint shareholders. For this purpose, the seniority of the shareholders shall be determined by the order in which the names of the joint shareholders in respect of the Relevant Shares appear in the register of shareholders of the Company.

If any one of the joint shareholders issues the Company a receipt in respect of any dividends, bonus or capital returns payable to such joint shareholders, the same shall be deemed as a valid receipt issued to the Company by such joint shareholders.

## **Section 2 General Rules of the General Meeting**

**Article 43** The General Meeting is the organ of authority of the Company, and shall exercises the following functions and powers according to law:

- (I) to decide the operational policies and investment plans of the Company;
- (II) to elect and replace the directors and supervisors who are not employee representatives and to decide on the matters relating to the remuneration of directors and supervisors;
- (III) to consider and approve the reports of the Board of Directors;
- (IV) to consider and approve the reports of the Board of Supervisors;
- (V) to consider and approve the annual financial budgets and final accounts of the Company;
- (VI) to consider and approve the profit distribution plans and loss recovery plans of the Company;
- (VII) to make a resolution on the increase or decrease of the registered capital of the Company;
- (VIII) to make a resolution on the issuance of corporate bonds;
- (IX) to make a resolution on the merger, division, dissolution, liquidation or form change of the Company;
- (X) to amend the Articles of Association;

(XI) to make a resolution on the Company's engagement and dismissal of an accounting firm;

(XII) to consider and approve the guarantees prescribed in Article 43 hereof;

(XIII) to consider the purchase or sale of major assets of the Company in excess of 30% of the Company's latest audited total assets within one year;

(XIV) to consider and approve changes in the use of proceeds;

(XV) to consider the equity incentive plans and employee shareholding schemes;

(XVI) to consider other matters on which decisions shall be made by the General Meeting as required by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association or other systems of the Company.

The aforesaid functions and powers of the General Meeting shall not be exercised by the Board of Directors or other bodies and individuals through any form of authorization. Save for the matters mentioned above, the General Meeting may authorize or delegate the Board of Directors and/or persons authorized by the Board of Directors to handle the matters under the authorization or delegation, provided that they are not in violation of the mandatory provisions of laws and regulations and the relevant laws and regulations and regulatory rules of the place(s) where the Company's shares are listed.

**Article 44** The guarantees provided by the Company shall be submitted to the Board of Directors or the General Meeting for deliberation.

The following guarantees of the Company shall be submitted to the General Meeting for deliberation and approval after being reviewed and approved by the Board of Directors:

(I) any guarantee to be provided after the total amount of external guarantees provided by the Company or the subsidiaries it controls has exceeded 50% of its latest audited net assets;

(II) any guarantee to be provided after the total amount of external guarantees provided by the Company has exceeded 30% of its latest audited total assets;

(III) any guarantee provided by the Company within one year with an amount exceeding 30% of its latest audited total assets;

(IV) any guarantee to be provided for a party whose ratio of liabilities to assets exceeds 70%;

(V) any single guarantee with an amount more than 10% of the Company's latest audited net assets;

(VI) any guarantee to be provided for shareholders, actual controllers and their related parties;

(VII) other guarantees that subject to the review and approval of the General Meeting as required by the relevant applicable laws, regulations, normative documents, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association or the Company's other systems.

Any guarantee not satisfying the standards mentioned in the previous paragraph shall be subject to the review and approval of the Board of Directors.

The Company may formulate the management rules in respect of the guarantees, and such rules shall be considered and approved at the General Meeting.

Where the Company provides an external guarantee in violation of the approval authority for external guarantee of the General Meeting or the Board of Directors as stipulated in the Articles of Association or the approval and consideration procedures, the relevant personnel shall be held responsible according to the requirements under relevant laws, regulations, normative documents, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 45** The General Meetings are classified into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year and be held within six months of the end of the previous fiscal year.

**Article 46** In any of the following circumstances, the Company shall convene an extraordinary general meeting within two months from the date of the occurrence of the circumstance:

(I) when the number of directors falls short of the statutory minimum specified in the Company Law or is less than two-thirds of the number specified in the Articles of Association;

(II) when the unrecovered losses of the Company amount to one-third of the total paid-up share capital;

(III) when shareholders individually or together holding 10% or more of the shares of the Company request to hold such a meeting;

(IV) when the Board of Directors deems it necessary;

(V) when the Board of Supervisors proposes to hold such a meeting;

(VI) other circumstances as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

**Article 47** The venue of the General Meeting of the Company shall be the domicile of the Company or place specified in the notice of the meeting.

The General meeting shall have a venue and be held in the form of an onsite meeting. The time and venue of meeting shall be convenient for shareholders' participation. Once the notice of the General Meeting is issued, the venue of the onsite General Meeting shall not be changed without a legitimate reason. In case of any necessary alteration, the convener shall, at least two working days prior to the date fixed for holding the on-site meeting, notify all shareholders and explain the reasons.

The Company may also provide online, video, telephone or other methods for its shareholders to conveniently participate in the General Meeting in accordance with the requirements under laws, administrative regulations, departmental rules and securities regulatory rules of the place where the Company's shares are listed, on condition that the General Meeting shall be held legally and validly. Shareholders participating in the General Meeting by the aforementioned means shall be deemed to have attended such meeting.

### **Section 3 Convening of General Meeting**

**Article 48** The General Meeting shall be convened by the Board of Directors. The publication of the notice of the General Meeting (including the supplemental notice) shall comply with the provisions under relevant laws and regulations, as well as securities regulatory rules of the place where the Company's shares are listed.

**Article 49** Independent non-executive directors shall be entitled to submit a proposal to the Board of Directors on holding an extraordinary general meeting. For such a proposal, the Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an extraordinary general meeting within 10 days upon receipt of the proposal in accordance with laws, administrative regulations and the Articles of Association.

Where the Board of Directors agrees to hold an extraordinary general meeting, a notice of the General Meeting shall be given within five days after the resolution of the Board of Directors is made. Where the Board of Directors does not agree to hold such a meeting, its reasons shall be given and an announcement shall be made.

**Article 50** The Board of Supervisors shall be entitled to submit a proposal in writing to the Board of Directors on holding an extraordinary general meeting. The Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an extraordinary general meeting within 10 days upon receipt of the proposal in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

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

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

**Article 51** Shareholders who individually or together hold 10% or more of the shares of the Company shall have the right to request the Board of Directors to convene an extraordinary general meeting and such request shall be made to the Board of Directors in writing. The Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an extraordinary general meeting within 10 days upon receipt of the request in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

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

Where the Board of Directors does not agree to hold an extraordinary general meeting or fails to give a reply within 10 days upon receipt of the request, it shall be deemed that shareholders who individually or together hold 10% or more of the shares of the Company shall have the right to submit a proposal to the Board of Supervisors on holding an extraordinary general meeting and such request shall be made to the Board of Supervisors in writing.

Where the Board of Supervisors agrees to hold an extraordinary general meeting, it shall issue a notice of General Meeting within five days after receiving the request. Any changes to the original request in the notice shall be approved by the relevant shareholders.

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

**Article 52** Where the Board of Supervisors or shareholders decide to convene a General Meeting on its/their own, it/they shall give a written notice to the Board of Directors and shall file with the securities regulatory authorities in the place of registration of the Company and the stock exchange of the place where the Company's shares are listed according to the applicable requirements (if needed).

Prior to the resolution of the General Meeting being made, the shareholding of the shareholders who convene the meeting shall be not less than 10%.

When issuing the notice of the General Meeting and the announcement of the resolution(s) of the General Meeting, the Board of Supervisors and shareholders who convene the meeting shall submit relevant supporting materials (if needed) to the securities regulatory authorities of the place of registration of Company and the stock exchange of the place where the Company's shares are listed according to applicable requirements.

**Article 53** With regard to the General Meeting convened by the Board of Supervisors or shareholders on their own, the Board of Directors and the secretary of the Board of Directors shall provide assistance. The Board of Directors shall provide the register of shareholders as at the record date for the registration of shareholding.

**Article 54** All necessary expenses incurred by the Board of Supervisors or the shareholders in convening the General Meeting on their own initiatives shall be borne by the Company.

## **Section 4 Proposals and Notification of General Meeting**

**Article 55** The content of a proposal shall fall within the terms of reference of the General Meeting, and shall contain specific topics to be discussed and definite matters to be resolved, and comply with relevant requirements of laws, administrative regulations and the Articles of Association.

**Article 56** When the Company convenes a General Meeting, the Board of Directors, the Board of Supervisors and shareholders who individually or together hold 3% or more of the shares of the Company are entitled to put forward a proposal to the Company.

Shareholders individually or together holding 3% or more of the shares of the Company can put forward a temporary proposal 10 days before the General Meeting is held and submit the proposal to the convener of the meeting in writing. The convener shall issue a supplemental notice within two days upon receiving such proposal and notify shareholders of the content of such proposal.

Except for the circumstances prescribed in the preceding paragraph, the convener shall not change the proposals specified in the notice of the General Meeting or add new proposals after sending the notice of the General Meeting.

The General Meeting shall not vote or resolve on proposals not contained in the notice of the General Meeting or not in compliance with Article 55 of the Articles of Association.

**Article 57** The convener shall notify each shareholder in the form of announcement 20 days prior to an annual general meeting and shall notify each shareholder in the form of announcement 15 days prior to an extraordinary general meeting.

For the purpose of calculating the starting date of the aforesaid periods, the date of the meeting shall be excluded.

After the notice of the General Meeting is issued and before the meeting is convened, the convener may, in accordance with the Company Law and relevant provisions, issue a reminder notice.

**Article 58** The notice of a General Meeting includes the following:

- (I) the time, place and duration of the meeting;
- (II) matters and proposals submitted to the meeting for deliberation;
- (III) a clear statement: all shareholders are entitled to attend the General Meeting, and may appoint in writing proxy(ies) to attend and vote on his or her behalf and such proxy(ies) need not be shareholders of the Company;
- (IV) record date for the purpose of determining shareholders' entitlement to attend the General Meeting;
- (V) name and telephone number of the permanent contact person for meeting affairs.

The notice and supplemental notice of the General Meeting shall fully and completely disclose the specific content of all proposals, as well as all the materials or explanations required to enable the shareholders to make a reasonable judgment on the matters to be discussed. If the matters to be discussed need the opinions of independent non-executive directors, the opinions of independent non-executive directors and their reasons will be disclosed at the same time when the notice or supplemental notice of the General Meeting is issued.

**Article 59** If the election of directors or supervisors is proposed to be discussed at a General Meeting, the notice of the meeting shall adequately disclose the detailed information on the director or supervisor candidates, which shall at least include:

(I) personal particulars, including educational background, work experience and concurrent positions;

(II) whether there is any connected relationship with the Company or the controlling shareholders and actual controllers of the Company;

(III) the number of shares of the Company he/she hold;

(IV) whether he/she has been subject to any penalties by the CSRC and other relevant authorities and sanctions by the stock exchange.

Unless the directors or supervisors are elected via cumulative voting, each candidate for director or supervisor shall be nominated via a single proposal.

**Article 60** After the notice of the General Meeting is issued, the General Meeting shall not be delayed or canceled without justified reasons, and proposals listed in the notice shall not be revoked. Once delay or cancellation occurs, the convener shall make announcement and explanation at least two working days before the original date fixed for holding the meeting.

## **Section 5 Holding of General Meeting**

**Article 61** The Board of Directors and other conveners shall take necessary measures to ensure the proper order of the General Meeting. For any acts interfering with the General Meeting, provoking trouble or infringing upon the legitimate rights and interests of shareholders, measures shall be taken to stop such acts, and such acts shall be promptly reported to the relevant authority for investigation and treatment.

**Article 62** All shareholders whose names appear on the register of shareholders on the record date or their proxies are entitled to attend the General Meeting and exercise their voting rights in accordance with relevant laws, regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

A shareholder may either attend the General Meeting in person or appoint a proxy or proxies (such proxy need not be a shareholder of the Company) to attend and vote at such meeting on his/her behalf.

**Article 63** A natural person shareholder who attends the meeting in person shall produce corresponding stock account card (if applicable, and the same applies hereinafter), his/her own identification card or other valid documents or proof evidencing his/her identity. If a shareholder appoints a proxy to attend the meeting on his/her behalf, such proxy shall produce his/her own valid proof of identity, the original of the power of attorney from the shareholder and the corresponding stock account card.

If the shareholder is a recognized clearing house (or its nominee) as defined in the relevant ordinances enacted in Hong Kong from time to time, such shareholder may authorize one or more persons as he/she deems appropriate to act on his/her behalf at any General Meetings or class shareholders' meetings; however, if more than one persons are thus authorized, the power of attorney shall specify the numbers and classes of shares in respect of which such persons are authorized. The person(s) so authorized can represent the recognized clearing house (or its nominee) to exercise its rights without producing certificates of shareholding, the notarized power of attorney and/or further evidence to prove that he/she has been duly authorized as if such persons are individual shareholders of the Company and may enjoy equal legal rights with other shareholders, including the rights to speak and vote.

A corporate shareholder shall attend the meeting by its legal representative or proxy appointed by the legal representative. Where the legal representative attends the meeting, he/she shall produce his/her own identification card, valid certificates evidencing his/her capacity as the legal representative and the corresponding certificates of shareholding. Where a proxy is appointed to attend the meeting, he/she shall produce his/her own identification card, the original of the written power of attorney issued by the legal representative of the corporate shareholder according to law (affixed with common seal of the corporate shareholder) and the corresponding certificates of shareholding, unless the shareholder is a recognized clearing house (or its nominee) defined under the relevant ordinances in force in Hong Kong from time to time.

A non-corporate organization shareholder shall attend the meeting by the principal (in case of the non-corporate organization shareholder being a partnership, if its executive partner is a natural person, its executive partner shall act as the principal; if its executive partner is a corporation or non-corporate organization, the representative appointed by its executive partner shall act as the principal, and the same applies hereinafter) or the proxy appointed by the principal. Where the principal attends the meeting, he/she shall produce his/her own identification card, valid certificates evidencing his/her capacity as the principal and the corresponding certificates of shareholding. Where a proxy is appointed to attend the meeting, he/she shall produce his/her own identification card, the original of the written power of attorney issued by the principal of the non-corporate organization shareholder according to law (affixed with common seal of the non-corporate organization shareholder) and the corresponding certificates of shareholding.

**Article 64** Any shareholder who has the right to attend and vote at the General Meeting is entitled to appoint one or more persons (such person need not be a shareholder) as his/her proxy to attend and vote at the General Meeting on his/her behalf. The power of attorney issued by shareholders to appoint other persons to attend the General Meeting shall state the following:

- (I) name of the proxy;
- (II) whether the proxy has the right to vote;

(III) instructions to vote in favor of, against or abstain from voting on each resolution contained in the agenda of General Meeting respectively;



(IV) the date of issue and validity period of the power of attorney;

(V) signature (or seal) of the appointer.

**Article 65** The power of attorney shall state that in the absence of instructions from the shareholder, whether or not the proxy of shareholder may vote as he/she thinks fit.

**Article 66** The instrument of proxy shall be deposited at the Company's domicile or any other place stipulated in the meeting notice not less than 24 hours before the time fixed for holding the meeting at which the relevant matters in respect of which the instrument of proxy is issued will be voted on, or 24 hours before the time appointed for voting. If the instrument of proxy is signed by the authorized person of the appointer, the power of attorney or other authorization documents under which the instrument of proxy is signed shall be notarized. The notarized power of attorney or other authorization documents, and the instrument of proxy shall be placed at the domicile of the Company or other place specified in the notice of the meeting.

If the appointer is a corporation or non-corporate organization, its legal representative/principal person in charge or the persons authorized by the Board of Directors or other governing body shall act as representative to attend the General Meeting of the Company.

**Article 67** The attendance record of a meeting shall be prepared by the Company. The attendance record shall contain, among other things, the name, identity card number, domicile address, the number of shares carrying voting rights held or represented, and the appointer name (or entity name) of each attendee.

**Article 68** The convener and the lawyer (if applicable) shall verify the legality of qualification of the shareholders according to the register of shareholders provided by the securities depository and clearing institution, and register the name of each shareholder and the number of shares carrying voting rights he/she holds. The meeting registration shall be closed before the meeting chairperson declares the number of shareholders and proxies present and the total number of shares carrying voting rights they hold.

**Article 69** In convening a General Meeting, all directors, supervisors and the secretary of the Board of Directors of the Company shall attend the meeting in person while the general manager and other senior management shall attend the meeting as observers.

**Article 70** The General Meeting shall be presided over by the chairman of the Board of Directors. Where the chairman of the Board of Directors is unable or fails to perform his duties, the meeting shall be presided over by a director jointly elected by half or more of the directors.

A General Meeting convened by the Board of Supervisors shall be presided over by the chairman of the Board of Supervisors. Where the chairman of the Board of Supervisors is unable or fails to perform his duties, the meeting shall be presided over by a supervisor jointly elected by half or more of the supervisors.

A General Meeting convened by shareholders shall be presided over by a representative elected by the convener(s).

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

**Article 71** The Company shall formulate the rules of procedure of General Meeting, and specify the convening and voting procedures of the General Meeting, including notice, registration, consideration of proposal, voting, counting of votes, announcement of voting results, formation of resolutions of the meeting, minutes of the meeting and signing thereof, as well as the principle of authorization of the General Meeting to the Board of Directors. The content of authorization shall be clear and specific. The rules of procedure of the General Meeting shall be annexed to the Articles of Association and shall be prepared by the Board of Directors and approved by the General Meeting.

**Article 72** At the annual general meeting, the Board of Directors and the Board of Supervisors shall make a report on their work in the past year to the General Meeting. Each independent non-executive director shall also make a work report.

**Article 73** The directors, supervisors and senior management shall provide explanations and statements relating to the queries and suggestions put forward by the shareholders at the General Meeting.

**Article 74** The meeting chairperson shall declare the number of shareholders and proxies present at the meeting and the total number of shares carrying voting rights they hold before voting. The number of shareholders and proxies present at the meeting and the total number of shares carrying voting rights they hold shall be subject to the attendance record of the meeting.

**Article 75** Minutes shall be kept for a General Meeting by the secretary of Board of Directors. The meeting minutes shall contain:

- (I) the time, venue and agenda of meeting and the convener's name;
- (II) the names of the meeting chairperson and the directors, supervisors, general manager and other senior management attending the meeting or attending meeting as observers;
- (III) the number of shareholders and proxies present at the meeting, the total number of shares carrying voting rights they hold, and the proportion in the total number of the shares of the Company;
- (IV) the consideration process, key points of speech and voting results of each proposal;
- (V) the enquiries or suggestions of the shareholders and the corresponding replies or explanations;
- (VI) the names of the lawyer (if any) and the teller and scrutineer;
- (VII) other content that shall be included in the meeting minutes according to the Articles of Association.

**Article 76** The convener shall guarantee the authenticity, accuracy and integrity of the content of the meeting minutes. The directors, supervisors, secretary of the Board of Directors, convener or their representatives who attended the meeting, and the chairperson of the meeting shall sign the meeting minutes. The meeting minutes shall be kept together with the register of names of the shareholders present, the power of attorney for attendance, and the valid documents for the online and other forms of voting for a period of not less than 10 years.

**Article 77** The convener shall warrant that the General Meeting will proceed continuously until the final resolution is made. If the General Meeting is suspended or the resolution cannot be made due to force majeure or other special causes, necessary measures shall be taken to restore the General Meeting as soon as possible or directly terminate the General Meeting, and shall make an announcement and/or a report according to laws, administrative regulations, departmental rules, normative documents or securities regulatory rules of the place where the Company's shares are listed in a timely manner.

## **Section 6 Voting and Resolution at the General Meeting**

**Article 78** The resolutions of the General Meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution shall be adopted by a simple majority of the votes held by the shareholders (including proxies of shareholders) attending the General Meeting.

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

**Article 79** The following matters shall be approved by the General Meeting through ordinary resolutions:

- (I) work report of the Board of Directors and the Board of Supervisors;
- (II) plans of earnings distribution and loss make-up schemes drafted by the Board of Directors;
- (III) appointment or dismissal of the members of the Board of Directors and the Board of Supervisors, and their payment and payment methods;
- (IV) annual budget and final account plan of the Company;
- (V) annual report of the Company;
- (VI) other matters other than those approved by special resolution stipulated in the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association or the rules of procedure for the General Meeting.

**Article 80** The following matters shall be approved by special resolution at the General Meeting:

- (I) the increase or reduction of the registered capital of the Company;
- (II) the division, spin-off, merger, dissolution and liquidation of the Company;
- (III) the amendment to the Articles of Association;
- (IV) the purchases or sales of material assets by the Company within one year or the guarantee amount exceeding 30% of the latest audited total assets of the Company;

(V) the equity incentive plan;

(VI) other matters stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, as well as other matters that the General Meeting determines by ordinary resolution will have a significant impact on the Company and need to be passed by special resolution.

**Article 81** Shareholders (including proxies of shareholders) shall exercise their voting rights according to the number of voting shares they represent, and each share shall have one vote. On a poll taken at a meeting, a shareholder (including his/her proxy) entitled to two or more votes need not cast all his/her votes in the same way.

Where any major matter that has an impact on the interests of minority investors is considered at a General Meeting, the votes casted by minority investors shall be counted separately. The results of the separate counting shall be disclosed to the public in a timely manner in accordance with relevant laws, administrative regulations, or securities regulatory rules of the place where the Company's shares are listed.

Shares of the Company held by the Company shall carry no voting rights, and be excluded from the total voting shares held by shareholders present at a General Meeting.

Where a shareholder purchases the voting shares of the Company in violation of the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law, the voting rights of the shares exceeding the prescribed proportion shall not be exercised within 36 months after the purchase, and such shares shall be excluded from the total voting shares held by shareholders present at a General Meeting.

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

**Article 82** When matters concerning connected transactions are considered at a General Meeting, connected shareholders shall not vote thereon, and the voting shares represented by them shall not be counted in the total number of valid votes. The announcement of resolutions of the General Meeting shall fully disclose the votes of non-connected shareholders (depending on the requirements of the Hong Kong Stock Exchange).

Before matters concerning connected transactions are considered at a General Meeting, the Company shall determine the scope of connected shareholders in accordance with relevant laws, regulations and normative documents. Connected shareholders or their proxies may attend the General Meeting, and may clarify their views to the shareholders present in accordance with the procedures of the meeting.

Where matters concerning connected transactions are considered at a General Meeting, connected shareholders shall actively abstain from voting. If connected shareholders fail to abstain from voting, other shareholders attending the meeting shall have the right to request them to abstain from voting. After connected shareholders have abstained from voting, other shareholders shall vote according to their voting rights and pass the corresponding resolutions in accordance with the provisions of the Articles of Association. The presider of the General Meeting shall notify the abstaining and voting procedures of connected shareholders, which shall be included in the minutes of the meeting.

In order to be valid, the resolutions made at the General Meeting on matters concerning connected transactions shall be passed by more than half of the votes cast by the non-connected shareholders attending the General Meeting. However, in order to be valid, in the event of such connected transaction involving matters that need to be passed by special resolution as stipulated in the Articles of Association, the resolutions of the General Meeting shall be passed by two-thirds or more of the votes cast by the non-connected shareholders attending the General Meeting.

**Article 83** The Company shall provide convenience for shareholders to attend the General Meeting by whatever means, provided that the General Meeting is held legally and effectively.

**Article 84** Unless the Company is in a crisis or under any other special circumstances, without the approval of a General Meeting by a special resolution, the Company shall not enter into a contract with any person other than a director, the general manager or any other officer under which the person takes charge of all or any major business of the Company.

**Article 85** The list of director or supervisor candidates shall be submitted to a General Meeting for voting in the form of a proposal.

The methods and procedures for nominating directors and supervisors of the Company are:

(I) When a re-election of the Board of Directors or an addition or replacement of directors made by the Board of Directors takes place, incumbent Board of Directors, Board of Supervisors and shareholders individually or collectively holding 3% or more of the Company's shares may nominate candidates, not exceeding the number of persons to be elected, for the position of directors for the next session of the Board of Directors or for the position of additional directors;

(II) When a re-election of the Board of Supervisors or an addition or replacement of supervisors made by the Board of Supervisors takes place, incumbent Board of Directors, Board of Supervisors and shareholders individually or collectively holding 3% or more of the Company's shares may nominate candidates, not exceeding the number of persons to be elected, for the position of supervisors for the next session of the Board of Supervisors or for the position of additional supervisors who are not employee representatives;

(III) The above shareholders shall provide the Board of Directors and the Board of Supervisors with the resumes and basic particulars of the nominated candidates for the position of directors or supervisors. The incumbent Board of Directors and Board of Supervisors shall conduct a review on their qualifications. The qualified directors or supervisors shall be submitted to the General Meeting for election;

(IV) At request of the Company, the candidates for the position of directors or supervisors shall undertake to the Company in a written form the followings, including but not limited to, agreeing to accept the nomination, undertaking that the information submitted about themselves are true and complete, and warranting that they will duly perform the duties upon successful election.

If the General Meeting is to vote on the election of two or more directors or non-employee representative supervisors, the cumulative voting system shall apply. When directors are to be elected at a General Meeting through cumulative voting system, the voting on independent non-executive directors and non-independent non-executive directors shall be made separately.

The term “cumulative voting system” as mentioned in the preceding paragraph means that in the election of directors or supervisors at a General Meeting, each share of a shareholder carries the number of voting rights equivalent to the number of directors or supervisors to be elected and the shareholder may cast all the votes to one candidate. The Board of Directors shall inform the shareholders of the resumes and basic particulars of the director or supervisor candidates.

**Article 86** Except for the cumulative voting system, all proposals shall be voted item by item at a General Meeting, and if there are different proposals for the same matter, they shall be voted in the order of introduction. Unless a General Meeting is suspended or no resolution may be made thereat for a force majeure or any other special reason, no proposal may be suspended or denied voting at the General Meeting.

**Article 87** A proposal considered at a General Meeting shall not be modified; otherwise, the modification shall be regarded as a new proposal, which may not be voted at the General Meeting.

**Article 88** The same voting right can only choose one of on-site, online or other voting methods. In case of repeated voting with the same voting right, the first voting result shall prevail.

**Article 89** The General Meeting shall vote by open ballot.

**Article 90** Before proposals are voted at a General Meeting, two shareholder representatives shall be recommended to take part in vote counting and scrutiny. Where a shareholder is connected with any matter considered, the shareholder and its proxy may not take part in vote counting and scrutiny.

When proposals are voted at a General Meeting, lawyers (as applicable), shareholder representatives and supervisor representatives shall be jointly responsible for the vote counting and scrutiny, announce the voting results on the spot, and record them in the minutes of the meeting.

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

**Article 91** The time of closure of the on-site voting of a General Meeting shall not be earlier than that of online voting or any other manner of voting, and the presider shall announce the voting and voting result of each proposal and according to the voting results, whether a proposal is passed.

Before the voting results are officially announced, the Company, counting officers, scrutineers, substantial shareholders and other parties involved in the on-site and online voting, and other manner of voting of a General Meeting shall all be obligated to keep the voting information confidential.

**Article 92** Shareholders attending the General Meeting shall express one of the following opinions on the proposal submitted for voting: affirmative, negative or abstention. The securities registration and clearing organization shall be the nominee holder of shares under the Mainland-Hong Kong Stock Connect, except where declaration is made in accordance with the actual holder's intent (as applicable).

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

**Article 93** Where the presider has any doubt on the voting result of a resolution submitted for voting, he/she may organize a recount of the number of votes; where the presider fails to recount votes, and any shareholder or shareholder's proxy attending the meeting raises any objection to the result announced by the presider, the shareholder or shareholder's proxy shall have the right to require a recount immediately after the voting result is announced, and the presider shall immediately organize a recount.

**Article 94** The resolutions of a General Meeting shall be announced in a timely manner in accordance with relevant laws, administrative regulations, or securities regulatory rules of the place where the Company's shares are listed, and the announcement shall state the number of shareholders and proxies attending the meeting, the total number of voting shares held by them and its proportion to the total number of voting shares of the Company, the voting methods, the voting result of each proposal, the content of each resolution adopted and other relevant matters.

**Article 95** Where a proposal is not passed, or the General Meeting modifies a resolution made at a previous General Meeting, a special reminder shall be placed in the announcement of the resolutions of the General Meeting in accordance with relevant laws, administrative regulations, or securities regulatory rules of the place where the Company's shares are listed.

**Article 96** Where proposed resolutions in relation to the election of directors or supervisors are passed at a General Meeting, the time of taking office for the new directors or supervisors shall be the time specified in the resolutions of the General Meeting. If the resolutions of the General Meeting do not specify the time of taking office, the time of taking office for the new directors or supervisors shall be the date on which they are elected at such General Meeting.

**Article 97** Where a proposal on the distribution of cash dividends or stock dividends or conversion of reserve funds to share capital is passed at a General Meeting, the Company shall implement the specific plan within two months after the end of the General Meeting.

## Chapter 5 Board of Directors

### Section 1 Directors

**Article 98** Directors of the Company shall be natural persons. None of the following persons shall serve as a director of the Company:

(I) a person who has no civil capacity or has limited civil capacity;

(II) a person who has been sentenced to a term of imprisonment for any of the following crimes and five years have not elapsed since the date on which execution of the sentence was completed: embezzlement, bribery, conversion of property, misappropriation of property, or sabotaging the socialist economic order; or has been deprived of his/her political rights as a result of a criminal conviction and five years have not elapsed since the date on which execution of the sentence was completed;

(III) a person who has served as a director, the factory chief, or the manager of an insolvent and liquidated company or enterprise and is held personally liable for such bankruptcy, and three years have not elapsed since the date when the bankruptcy and liquidation of the company or enterprise are completed;

(IV) a person who has served as the legal representative of a company or enterprise whose business license was revoked or which is ordered to close down due to any violation of law, and is held personally liable for the revocation, and three years have not elapsed since the date when the revocation occurs;

(V) a person who has a relatively large sum of debt, which was not paid at maturity;

(VI) a person who has been banned from entering the securities market by the CSRC and whose term has not expired;

(VII) any other circumstances stipulated by laws, administrative regulations, departmental rules or the Hong Kong Stock Exchange.

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

**Article 99** A director shall serve for a term of three-year, and can be re-elected and reappointed upon the expiry of the term. A director shall be elected or replaced by the General Meeting, and may be removed by the General Meeting before the expiry of his/her term of office.

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



Any person appointed as a director by the Board of Directors to fill a casual vacancy or as an addition to the Board of Directors shall hold office only until the first annual general meeting of the Company after his/her appointment and shall be eligible for re-election thereat.

Subject to the relevant laws and administrative regulations, the General Meeting may by ordinary resolution remove any director before the expiry of his/her term of office; however such removal shall not prejudice such director from making claims for damages under any contract.

The general manager or other senior management may concurrently serve as directors. However, the total number of directors concurrently serving as the general manager or other senior management shall not exceed half of the total number of directors of the Company.

**Article 100** Directors shall abide by laws, administrative regulations and the Articles of Association, and shall have the following duty of loyalty to the Company:

(I) shall not abuse their authority by accepting bribes or other illegal income, and shall not encroach on the Company's property;

(II) shall not misappropriate company funds;

(III) shall not deposit Company's assets or funds into accounts held in their own names or in the name of any other individual;

(IV) shall not, in violation of the Articles of Association, loan Company's funds to any other person or give Company's assets as security for the debt of any other person without the approval of the General Meeting or the Board of Directors;

(V) shall not conclude any contract or engage in any transaction with the Company either in violation of the Articles of Association or without the approval of the General Meeting;

(VI) shall not use the advantages provided by their own positions to pursue business opportunities that properly belong to the Company to engage in the same business as the Company either for their own account or for the account of any other person without the approval of the General Meeting;

(VII) shall not accept commissions paid by others for transactions conducted with the Company as their own;

(VIII) shall not disclose the Company's confidential information without authorization;

(IX) shall not abuse their connected relationships to damage the Company's interests;

(X) other duties of loyalty stipulated in laws, administrative regulations, departmental rules and the Articles of Association.

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

**Article 101** Directors shall abide by laws, administrative regulations and the Articles of Association, and shall have the following duties of diligence to the Company:

(I) shall prudently, earnestly and diligently exercise the rights the Company grants to them to ensure that the Company conducts its commercial activities in a manner that complies with the requirements of state laws, administrative regulations and state economic policies, and that the Company's commercial activities do not go beyond the scope of the business activities stipulated in the Company's business license;

(II) shall treat all shareholders fairly;

(III) shall maintain a timely awareness of the operation and management of the Company;

(IV) shall sign written statements confirming the regular reports of the Company (subject to requirements of the Hong Kong Stock Exchange), and ensure that the information disclosed by the Company is true, accurate and complete;

(V) shall provide accurate information and materials to the Board of Supervisors and shall not obstruct the Board of Supervisors or individual supervisors from performing its or their duties;

(VI) any other duties of diligence stipulated in the laws, administrative regulations, departmental rules and the Articles of Association.

**Article 102** A director who fails to attend the meetings of the Board of Directors twice consecutively in person or by authorizing another director to attend such meetings on his/her behalf shall be deemed unable to execute his/her office, and the Board of Directors shall advise the General Meeting to replace him/her.

**Article 103** A director may resign before the expiry of his/her term of office. In resigning his/her duties, the director shall submit a written resignation report to the Board of Directors. The Board of Directors shall disclose the relevant information within the time limit stipulated by relevant laws, administrative regulations and securities regulatory rules of the place where the Company's shares are listed.

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

Except under the circumstance in the preceding paragraph, a director's resignation shall take effect once his/her resignation report is received by the Board of Directors.

**Article 104** When the resignation of a director takes effect or the term of office of a director expires, he/she shall complete all handover procedures required by the Board of Directors. In this case, his/her duty of loyalty to the Company and shareholders shall not be automatically relieved after the end of his/her term of office. His/her obligation of confidentiality of the Company's business secrets shall remain valid after the end of his/her term of office, until the secrets become public information. The duration of other duties of the director which is not stipulated in the resolution of the General Meeting at which he/she is elected as a director or the contract of appointment shall be determined based on the principle of fairness, depending on the length of time between the occurrence of the event and his/her resignation, and the circumstances and conditions under which his/her relationship with the Company terminates.

**Article 105** Unless permitted by the Articles of Association or legally authorized by the Board of Directors, no director shall act in his/her own name on behalf of the Company or the Board of Directors. When a director acts in his/her own name, the director shall declare his/her position and identity in advance if the third-party reasonably believes that the director is acting on behalf of the Company or the Board of Directors.

**Article 106** Where a director violates any law, administrative regulations, departmental rules or the Articles of Association in executing his/her office in the Company, causing losses to the Company, he/she shall be liable for compensation.

**Article 107** The Company shall have independent non-executive directors. Independent non-executive directors shall be independent of the Company and its substantial shareholders. Independent non-executive directors shall not hold any position in the Company other than independent non-executive directors. Independent non-executive directors shall act in accordance with laws, administrative regulations, and the relevant provisions of the CSRC and the stock exchange where the Company's shares are listed.

## **Section 2 Board of Directors**

**Article 108** The Company shall have a Board of Directors, which is accountable to the General Meeting.

**Article 109** The Board of Directors is comprised of eight directors, including three independent non-executive directors. The Board of Directors shall have one chairman with no vice chairman.

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

- (I) to convene the General Meeting and report to the General Meeting;
- (II) to implement resolutions of the General Meeting;
- (III) to decide on the Company's business plans and investment plans;
- (IV) to formulate the annual financial budgets and final accounts of the Company;
- (V) to formulate the Company's profit distribution plans and plans on making up losses;
- (VI) to formulate proposals for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities of the Company and listing of shares of the Company;

(VII) to formulate plans for the Company's major acquisition, repurchase of the shares of the Company, or merger, division, dissolution or change of corporate form of the Company;

(VIII) to decide on matters such as investments, purchase and sale of assets, pledge of assets, external guarantee, entrustment of financial management, connected transactions and donations of the Company within the scope of authorization by the General Meeting;

(IX) to decide on establishment of internal management organs of the Company;

(X) to decide on the appointment or dismissal of the Company's general manager, secretary to the Board of Directors and other members of the senior management and decide on matters of their remuneration and rewards and punishments; according to the nomination of the general manager, decide to appoint or dismiss the Company's deputy general manager, chief financial officer and other senior management, and decide on matters of their remuneration, rewards and punishments;

(XI) to formulate the basic management system of the Company;

(XII) to formulate proposals to amend the Articles of Association;

(XIII) to manage the Company's information disclosures;

(XIV) to propose to the General Meeting the appointment or replacement of the accounting firm that provides audit service to the Company;

(XV) to listen to the work report of the general manager of the Company and to inspect the work of the general manager;

(XVI) other functions and powers provided for in laws, administrative regulations, departmental rules and the Articles of Association and conferred by the General Meeting.

Matters beyond the scope of authorization of the General Meeting shall be submitted to the General Meeting for deliberation.

**Article 111** Where a non-standard audit opinion is issued by certified public accountants on the financial reports of the Company, the Board of Directors of the Company shall submit explanations to the General Meeting in accordance with relevant laws, administrative regulations, and securities regulatory rules of the place where the Company's shares are listed.

**Article 112** The Board of Directors shall formulate the rules of procedure for the Board of Directors, which specify the convening and voting procedures for meetings of the Board of Directors, so as to ensure the implementation of the resolutions of the General Meeting by the Board of Directors, improve work efficiency, and guarantee scientific decision-making. The rules of procedure for the Board of Directors shall be annexed to the Articles of Association and shall be prepared by the Board of Directors and approved by the General Meeting.

**Article 113** The Board of Directors shall determine the authority in respect of external investment, acquisition and sale of assets, asset mortgage, external guarantee matters, entrusted financial management, connected transactions, external donations and others, and establish strict review and decision-making procedures. Major investment projects shall be reviewed by relevant experts and professionals and reported to the General Meeting for approval.

**Article 114** The chairman shall be elected by a majority of all members of the Board of Directors.

**Article 115** The chairman shall exercise the following functions and powers:

(I) to preside over the General Meeting and convene and preside over meetings of the Board of Directors;

(II) to oversee and inspect the execution of the resolutions of the Board of Directors;

(III) to sign the important documents of the Board of Directors;

(IV) to exercise the functions and powers of the legal representative;

(V) to exercise the special power to handle the Company's business in compliance with the laws and the Company's interest in cases of emergency caused by large-scale natural disasters or other force majeure, and report to the Board of Directors and General Meeting of the Company thereafter;

(VI) other functions and powers conferred by the Board of Directors.

**Article 116** Where the chairman is unable or fails to perform his duties, another director jointly elected by half or more of the directors shall perform his duties.

**Article 117** The Board of Directors shall hold at least two meetings every year, which shall be convened by the chairman and a written notice shall be given to all directors and supervisors 10 days prior to the meeting.

**Article 118** Shareholders representing one-tenth or more of all voting rights, one-third or more of all directors, or the Board of Supervisors may propose an extraordinary meeting of the Board of Directors. The chairman shall convene and preside over the meeting of the Board of Directors within 10 days after receiving the proposal.

**Article 119** To convene an extraordinary meeting of the Board of Directors, the Board of Directors shall notify in writing all directors 3 days prior to the meeting. In case of any emergency which requires an extraordinary meeting of the Board of Directors as soon as possible, a notice of the meeting may be given at any time by telephone or other means, provided that the convener shall make an explanation at the meeting.

**Article 120** A notice of a meeting of the Board of Directors shall at least contain the following content:

(I) the time and venue of the meeting;

(II) the duration of the meeting;

(III) the reasons for and the topics of the meeting;

(IV) the date of the notice.

As a general rule, the on-site meeting of the Board of Directors shall be held. Provided that the directors are fully informed and able to fully express their opinions, with the consent of the convener and proposer, a meeting of the Board of Directors may be conducted and resolutions may be made by means of (among others) video, telephone call, circulating written resolutions and email, and such resolutions shall be signed by the directors attending the meeting.

**Article 121** A meeting of the Board of Directors may be held only when a simple majority of the directors are present at the meeting. A resolution of the meeting of the Board of Directors must be passed with affirmative votes of a simple majority of all directors.

Matters of guarantee within the authority of the Board of Directors and other relevant matters stipulated in the Articles of Association and other rules of the Company shall be subject to the approval of two-thirds or more of the directors attending the meeting of the Board of Directors, in addition to the approval by a simple majority of all directors.

Each director shall have one vote for a resolution to be approved by the Board of Directors.

**Article 122** If a director, supervisor, general manager or other senior management of the Company has, directly or indirectly, a material interest in a contract, transaction or arrangement entered into or proposed to be entered into with the Company (other than a contract of service between the Company and the director, supervisor, general manager or other senior management), he/she shall declare the nature and extent of his/her interest to the Board of Directors as soon as possible, whether or not the relevant matter is normally subject to the approval of the Board of Directors.

If a director or his/her associate (as defined in the Hong Kong Listing Rules in force from time to time) has related relationships with or interests in the matter(s) or enterprise(s) involved in the resolution of the meeting of the Board of Directors, except as permitted by laws and regulations and the securities regulatory rules of the place where the Company's shares are listed: (1) such director shall abstain from voting on the resolution and shall not vote on behalf of other directors; (2) such director shall not be counted when determining whether the quorum is reached. The meeting of the Board of Directors may be held when more than half of the non-connected directors attend the meeting, and the resolutions of the meeting of the Board of Directors must be passed with affirmative votes of a simple majority of non-connected directors; (3) if the number of non-connected directors present at the meeting of the Board of Directors is less than three, such matter(s) shall be submitted to the General Meeting for consideration.

The voting on "connected transactions" under the Hong Kong Listing Rules at the meeting of the Board of Directors shall comply with the relevant requirements of the Hong Kong Listing Rules.

**Article 123** The manner of voting on resolutions of the Board of Directors may be by show of hands or written vote.

Provided that directors are able to fully express their opinions, an extraordinary meeting of the Board of Directors may be conducted and resolutions may be made by means of communication, and the documents such as votes, meeting resolutions and meeting minutes shall be signed by the directors attending the meeting.

**Article 124** A director shall attend a meeting of the Board of Directors in person. A director who is unable to attend a meeting of the Board of Directors for any reason may authorize in writing another director to attend the meeting on his/her behalf, and the power of attorney shall specify the name of the proxy, the matters authorized, and the scope and validity period of the authorization, to which the signature or seal of the principal shall be affixed. The proxy shall exercise a director's rights within the scope of authorization. A director who fails to attend a meeting of the Board of Directors in person or by proxy shall be deemed to have waived his/her voting rights at the meeting.

**Article 125** The Board of Directors shall keep minutes of resolutions on matters considered at the meeting and the minutes shall be signed by the directors attending the meeting.

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

**Article 126** The minutes of a meeting of the Board of Directors shall include the following particulars:

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

**Article 127** The Board of Directors shall establish the Strategy Committee, the Audit Committee, the Nomination Committee, the Remuneration and Assessment Committee and the Compliance and Risk Management Committee thereunder. With the approval by the resolution of the General Meeting, the Board of Directors may establish other special committees. The special committees shall be accountable to the Board of Directors and perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. The proposals of the special committees shall be submitted to the Board of Directors for approval. All members of the special committees shall be directors. The special committees shall not make any resolution in the name of the Board of Directors. However, the committees may exercise decision-making power in respect of the authorized matters under a special mandate given by the Board of Directors, provided that it does not violate the relevant PRC laws, regulations, normative documents and the mandatory provisions of the listing rules of the stock exchange where the Company's shares are listed. The Board of Directors is responsible for formulating the rules of procedure for the special committees to regulate their operation.

## Chapter 6 General Manager and Other Senior Management

**Article 128** The Company shall have one general manager, who shall be appointed or dismissed by the Board of Directors.

The Company shall have several deputy general managers and one chief financial officer, who shall be appointed or dismissed by the Board of Directors.

The general manager, the deputy general managers, the chief financial officer and the secretary to the Board of Directors are senior management of the Company.

**Article 129** The circumstances as mentioned in Article 98 hereof under which a person may not serve as a director shall also apply to senior management.

The directors' duty of loyalty set out in Article 100 hereof and the directors' duties of diligence in items (IV) to (VI) of Article 101 hereof shall also apply to senior management.

**Article 130** Any person who takes administrative position other than a director or supervisor in the controlling shareholder and actual controller of the Company shall not act as senior management of the Company. If the senior management of the controlling shareholder serves concurrently as a director or a supervisor of the Company, such senior management shall ensure that he/she can devote sufficient time and energy to undertaking the work in the Company.

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

**Article 131** The general manager shall serve for a term of three years, and may be reappointed upon the expiry of his/her term of office.

**Article 132** The general manager shall be accountable to the Board of Directors and exercise the following functions and powers:

(I) to be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board of Directors, and to report his/her works to the Board of Directors;

(II) to organize the implementation of the Company's annual business plans and investment plans;

(III) to draft plans for the establishment of the Company's internal management organization;

(IV) to draft the Company's basic management system;

(V) to formulate the specific rules and regulations of the Company;

(VI) to propose to the Board of Directors appointment or dismissal of president, deputy general manager, chief financial officer or the other senior managers of the Company;

(VII) to decide on appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board of Directors;



(VIII) other functions and powers conferred by the Articles of Association or the Board of Directors.

The general manager may attend the meetings of the Board of Directors as an observer.

**Article 133** The general manager shall formulate the working rules of the general manager and submit them to the Board of Directors for approval before implementation.

**Article 134** The working rules of the general manager shall include the following:

(I) the conditions and procedures for convening, and participants of the general manager meetings;

(II) the duties and responsibilities of the general manager and other members of the senior management;

(III) the use of funds and assets of the Company, the authority to enter into material contracts and the systems for reporting to the Board of Directors and the Board of Supervisors;

(IV) other matters deemed necessary by the Board of Directors.

**Article 135** The general manager may resign prior to the expiry of his/her term of office. The resignation of the general manager shall be dealt with in accordance with the service contract entered into between the general manager and the Company.

**Article 136** The Company shall have a secretary to the Board of Directors, who is responsible for preparing for the General Meeting and the meetings of the Board of Directors, keeping documents and shareholders' materials and handling matters relating to information disclosure, etc. The secretary to the Board of Directors shall abide by the relevant provisions of laws, administrative regulations, departmental rules and the Articles of Association.

**Article 137** Senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. Where a senior management of the Company fails to perform his/her duties faithfully or violates the fiduciary duty, causing damage to the interests of the Company and the public shareholders, he/she shall be liable for compensation in accordance with law. Where a senior management violates any laws, administrative regulations, departmental rules or the Articles of Association in executing his/her office in the Company, causing losses to the Company, he/she shall be liable for compensation.

## **Chapter 7 Board of Supervisors**

### **Section 1 Supervisors**

**Article 138** The circumstances as mentioned in Article 98 hereof under which a person may not serve as a director shall also apply to supervisors.

Directors, general manager and other senior management shall not concurrently act as supervisors.

**Article 139** Supervisors shall comply with the relevant laws, administrative regulations and the Articles of Association, and carry out their duties of loyalty and care to the Company. Supervisors are prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the Company's property.

Supervisors shall ensure that the information disclosed by the Company is true, accurate and complete, and sign written opinions confirming regular reports (subject to requirements of the Hong Kong Stock Exchange).

**Article 140** A supervisor serves three-year term, and can be re-elected and reappointed at the end of the term.

**Article 141** A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations, departmental rules and the Articles of Association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisors results in the number of supervisors being less than the quorum.

**Article 142** The Supervisors may attend the meetings of the Board of Directors as observers, and may raise queries or suggestions on the resolutions of the Board meetings.

**Article 143** Supervisors shall not use their connected relationship to damage the interests of the Company. Supervisors who cause losses to the Company shall be liable for compensation.

**Article 144** A supervisor who contravenes laws, administrative regulations, departmental rules or the Articles of Association in the performance of his/her duties resulting in any loss to the Company shall be liable to the Company for compensation.

## **Section 2 Board of Supervisors**

**Article 145** The Company shall have a Board of Supervisors. The Board of Supervisors consists of three supervisors and shall have one chairman. The chairman of the Board of Supervisors shall be elected by more than half of the supervisors. The chairman of the Board of Supervisors shall convene and preside over meetings of the Board of Supervisors. Where the chairman of the Board of Supervisors is incapable of performing or is not performing his/her duties, a supervisor recommended by half or more of the supervisors shall convene and preside over meetings of the Board of Supervisors.

The Board of Supervisors shall include shareholder representatives and an appropriate proportion of company employee representatives, of which the proportion of employee representatives shall not be less than one-third. Employee representatives on the Board of Supervisors shall be democratically elected by employees through the employee representative congress, the employee congress, or any other means.

**Article 146** The Board of Supervisors shall exercise the following functions and powers:

(I) to review and give written opinions on the periodic reports of the Company prepared by the Board of Directors (subject to requirements of the Hong Kong Stock Exchange);

(II) to examine the Company's financial matters;

(III) to supervise the performance by the directors and senior management of their duties to the Company and propose the dismissal of the directors and senior management who violates laws, administrative regulations, the Articles of Association or the resolutions of the General Meeting;

(IV) to demand rectification from the directors and senior management when the acts of such persons are harmful to the Company's interests;

(V) to propose the convening of extraordinary general meetings; to convene and preside the General Meeting in the event that the Board of Directors fails to perform its duties to convene and preside the General Meeting in accordance with the Company Law;

(VI) to submit proposals to the General Meeting;

(VII) to file lawsuits against directors and senior management in accordance with the Company Law;

(VIII) in case of any abnormal matters during the business operation of the Company, to investigate, and if necessary, to engage professionals such as accounting firms or law firms to assist its work with expenses being borne by the Company;

(IX) any other power granted by laws, administrative regulations, departmental rules, the Articles of Association and other internal rules of the Company.

**Article 147** The Board of Supervisors shall meet at least once every six months. A supervisor may propose to convene an extraordinary meeting of the Board of Supervisors.

Resolutions of the Board of Supervisors shall be passed by half or more of the supervisors.

**Article 148** Notice of an extraordinary meeting of the Board of Supervisors shall be given in writing to each supervisor three days before the meeting is held. Where an extraordinary meeting of the Board of Supervisors needs to be convened in emergency, the notice of meeting may be sent by telephone or other means at any time, but the convener shall make explanations at the meeting.

**Article 149** The notice of a meeting of the Board of Supervisors shall include the following:

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

**Article 150** The Board of Supervisors shall keep minutes of resolutions on matters considered at the meeting and the minutes shall be signed by the supervisors attending the meeting.

A supervisor is entitled to require certain descriptions of his/her speeches at the meeting to be recorded in the minutes. The minutes of a meeting of the Board of Supervisors and shall be kept as archives of the Company for at least 10 years.

**Article 151** The Board of Supervisors shall formulate the rules of procedure for the Board of Supervisors, which specifies the procedures for discussion and voting, so as to ensure that the Board of Supervisors can make reasonable decisions efficiently. The rules of procedure for the Board of Supervisors shall be annexed to the Articles of Association and shall be prepared by the Board of Supervisors and approved by the General Meeting.

## **Chapter 8 Financial and Accounting Systems, Profit Distribution and Auditing**

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

**Article 152** The Company shall develop its financial and accounting systems pursuant to laws, administrative regulations and the requirements of the competent authorities of China.

**Article 153** The Company shall disclose its annual financial accounting report within four months after the end of each fiscal year. The interim report shall be disclosed within two months after the end of the first half of each fiscal year. The Company shall send, disclose and/or submit annual report, interim report and other reports to shareholders in accordance with the securities regulatory rules of the place where the Company's shares are listed.

The above-mentioned annual report and interim report shall be prepared in accordance with laws, administrative regulations, the relevant requirements of the CSRC and the stock exchange where the Company's shares are listed.

**Article 154** The Company shall not establish other accounting books except for the statutory accounting books. The assets of the Company shall not be deposited in any account opened in the name of any individual.

**Article 155** In distributing its current-year after-tax profits, the Company shall allocate 10% of its profit to its statutory reserve. Allocations to the Company's statutory reserve may be waived once the cumulative amount of statutory reserve reached 50% or more of the Company's registered capital.

Where the statutory reserve is not sufficient to cover losses made by the Company in the previous years, the current year's profit shall be used to cover such loss before any allocation is made to the statutory reserve pursuant to the preceding paragraph.

After an allocation to the statutory reserve has been made from the after-tax profit of the Company, and subject to the adoption of a resolution by the General Meeting, an allocation may be made to the discretionary reserve fund.

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

Where the General Meeting, in violation of the preceding paragraph, distributes profits to the shareholders before covering Company's losses and making an allocation to the Company's statutory reserve, the profits so distributed must be returned to the Company.

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

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

**Article 156** The Company's reserves shall be used to cover Company's losses, expand production and operations, or be converted to increase the Company's capital. However, the capital reserve may not be used to cover Company's losses.

After converting statutory reserve into capital, the amount remaining in the statutory reserve shall be no less than 25% of the Company's registered capital before such conversion.

**Article 157** After the General Meeting of the Company makes a resolution on profit distribution plan, the Board of Directors of the Company shall complete the distribution of dividends (or shares) within two months after the General Meeting is held.

**Article 158** The Company's profit distribution policy is as follows:

(I) The principles for profit distribution of the Company

The Company shall maintain continuous and stable profit distribution policy, and the Company's profit distribution should pay attention to bringing reasonable return to investors and take into account the sustainable development of the Company. Subject to complying with the principles for profit distribution, and ensuring the normal operation and long-term development of the Company, the Company should attach importance to cash dividends.

(II) The form and proportion of profit distribution of the Company

Dividends can be distributed in cash, shares or a combination of both, and cash distribution of profits should be given priority; subject to satisfying the business capital needs, foreseeable major investment plans or significant cash expenditures of the Company, the Board of Directors may distribute interim dividends based on the operating profit and cash flow of the Company for the period. The specific plan shall be submitted to the General Meeting for approval after being reviewed by the Board of Directors.

(III) The specific conditions for profit distribution

The Company shall distribute dividends in cash when it records positive profit and the accumulated retained earnings are positive in a year; when distributing profits in the form of stock dividends, there should be realistic and reasonable factors reflecting the Company's growth, dilution of net assets per share, etc.; the Board of Directors shall comprehensively consider the characteristics of the industry where the Company operates, the stage of development, the Company's own business model, profitability and whether there are significant cash expenditure arrangements and other factors, identify the following circumstances, and propose differentiated cash dividend policies in accordance with the procedures stipulated in the Articles of Association:

1. If the Company is in a mature stage of development and has no significant cash expenditure arrangements, the minimum proportion of cash dividends in the profit distribution should be no less than 80%;

2. If the Company is in a mature stage of development and has significant cash expenditure arrangements, the minimum proportion of cash dividends in the profit distribution should be no less than 40%;

3. If the Company is in a growth stage of development and has significant cash expenditure arrangements, the minimum proportion of cash dividends in the profit distribution should be no less than 20%.

If the stage of development of the Company is not readily identified but there are significant cash expenditure arrangements, the matter can be handled according to the provisions of the preceding paragraph.

Significant cash expenditures refer to expenditures for external investment, acquisition of assets or purchase of equipment by the Company within the next 12 months in total reaching or exceeding 30% of the latest audited net assets of the Company.

#### (IV) Conditions for cash dividends

The Company may distribute dividends in cash if it meets the following conditions:

1. The distributable profit (i.e. the after-tax profit remaining after the Company makes up for losses and reserves are set aside) realized by the Company in a year or half a year is positive, and the cash flow is sufficient, and the distribution of cash dividends will not affect the Company's subsequent ability to continue as a going concern;

2. The accumulated distributable profit of the Company is positive;

3. The auditor issues a standard unqualified audit report on the annual financial report of the Company;

4. The Company has no major investment plans or significant cash expenditures (except for projects funded by proceeds raised).

Major investment plans or significant cash expenditures refer to investment plans or expenditures for external investment, acquisition of assets or purchase of equipment by the Company within the next 12 months in total reaching or exceeding 30% of the latest audited net assets of the Company.

The items 1-3 in the above conditions for cash dividends are mandatory conditions for the Company to distribute cash dividends; after being considered and approved at the General Meeting, the item 4 in the above conditions for cash dividends shall not affect the distribution of cash dividends by the Company.

(V) Cash dividend payout ratio

Subject to complying with the principles for profit distribution, and ensuring the normal operation and long-term development of the Company, the Company may distribute its distributable profit on an annual basis in principle, and may also distribute its interim profit when necessary. The profit distributed by the Company in cash each year shall not be less than 10% of the distributable profit realized in that year. The proposal on specific cash dividend payout ratio for each year shall be formulated by the Board of Directors in accordance with the above provisions, the Company's operating conditions and relevant regulations, and submitted to the General Meeting for voting.

(VI) The interval of profit distribution

When the relevant conditions are met, dividends shall be distributed once a year, and the Company may distribute interim dividends.

(VII) The decision-making procedure for profit distribution policy

The cash dividend distribution plan prepared by the Board of Directors shall be approved by way of an ordinary resolution at the General Meeting; the stock dividend distribution plan prepared by the Board of Directors shall be approved by way of a special resolution at the General Meeting.

When formulating a specific cash dividend plan, the Board of Directors shall carefully study and demonstrate the timing, conditions and minimum proportion, adjustment conditions, decision-making procedure requirements and others in respect of cash dividends.

Independent non-executive directors may solicit opinions from minority shareholders, propose dividend proposals, and submit them directly to the Board of Directors for consideration.

Before the General Meeting considers on any specific cash dividend plan, the Company shall actively communicate and exchange with shareholders, especially minority shareholders, through various channels, fully listen to the opinions and demands of minority shareholders, and answer questions that minority shareholders are concerned about in a timely manner.

If the Company recorded positive profit in the previous fiscal year, but the Board of Directors did not propose any cash profit distribution plan after the end of the previous fiscal year, the Company shall explain in detail in the periodic report the reasons for not distributing dividends and the use of funds retained by the Company that are not used for dividends.

If the Company does not distribute profit or distributes profit at a lower cash dividend payout ratio than stipulated in the Articles of Association in the year, the Board of Directors shall disclose the reasons in the periodic report. The relevant profit distribution proposal shall be submitted to the General Meeting for approval after being reviewed by the Board of Directors, and detailed reasons and specific uses of retained funds shall be explained in the proposal to the General Meeting. Such profit distribution proposal shall be passed by way of a special resolution at the General Meeting.

If the Company needs to adjust its profit distribution policy according to its production and operation situation, investment planning and long-term development needs, the adjusted profit distribution policy shall prioritize the protection of shareholders' rights and interests, and shall not violate the requirements of the CSRC and the securities regulatory rules of the place where its shares are listed. The proposal to adjust the profit distribution policy shall be submitted to the General Meeting for approval after being reviewed by the Board of Directors, and the reasons for the adjustments shall be demonstrated and explained in detail in the proposal to the General Meeting. The adjustment proposal shall be passed by way of a special resolution at the General Meeting.

(VIII) Where shareholders embezzle funds of the Company in violation of regulations, the Company shall deduct corresponding amount from the cash dividends attributable to such shareholder to repay the embezzled funds.

If there is any adjustment or change to the cash dividend policy, the Company shall also explain in detail whether the conditions and procedures for the adjustment or change are in compliance with relevant regulations.

## **Section 2 Internal Audit**

**Article 159** The Company implements an internal audit system and has dedicated auditors to conduct internal audit and supervision on the Company's financial income and expenditure and economic activities.

**Article 160** The internal audit system and the duties of the internal auditors of the Company shall be implemented after being approved by the Board of Directors. The audit leader shall be accountable to and reports to the Board of Directors.

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

**Article 161** The Company shall employ an accounting firm that complies with the provisions of the Securities Law and the securities regulatory rules of the place where the Company's shares are listed to conduct accounting statement audit, net asset verification and other related consulting services. The employment period is one year, and can be renewed.

**Article 162** The appointment, removal or dismissal of an accounting firm by the Company and its remuneration shall be decided by the General Meeting, and the Board of Directors shall not appoint the accounting firm before the decision of the General Meeting.

**Article 163** The Company shall guarantee to provide the accounting firm it employs with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials, and shall not refuse, conceal or make false statements.

**Article 164** The auditing fees payable to the accounting firm shall be determined by the General Meeting.

**Article 165** The Company shall notify the accounting firm 10 days in advance when dismissing or no longer renewing the accounting firm. The accounting firm shall be allowed to state its opinions when the General Meeting votes on dismissing the accounting firm.

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



## Chapter 9 Notice and Announcement

**Article 166** Notices of the Company may be delivered through the following means:

- (I) by hand;
- (II) by facsimile, e-mail or mail;
- (III) by way of announcement;

(IV) by way of publishing information on websites designated by the Company and the Hong Kong Stock Exchange, subject to the laws, administrative regulations and the listing rules of the stock exchange of the place where the Company's shares are listed;

(V) by any other means as agreed by the Company or the recipient or as accepted by the recipient after the notice is received;

(VI) by any other means as approved by the relevant regulatory authorities of the place where the Company's shares are listed or as specified in the Articles of Association.

Unless the context otherwise specifies, the "notices" referred to in the Articles of Association shall mean, in respect to announcements made to the holders of unlisted domestic shares of the Company or the announcements to be published within the territory of the PRC as required by the relevant provisions and the Articles of Association, the publication of an announcement in newspapers in the PRC, and such newspapers shall have been prescribed under the laws and administrative regulations of the PRC or designated by the securities regulatory authority of the State Council.

For notices issued by the Company to the holders of overseas-listed shares by way of announcement, the Company shall on the same day submit its electronic version available for real-time publication to the Hong Kong Stock Exchange through the e-submission system of the Hong Kong Stock Exchange for release on the website of the Hong Kong Stock Exchange in accordance with the listing rules of the stock exchange of the place where the Company's shares are listed, or publish an announcement in newspapers (including the publication of an advertisement in newspapers) in accordance with the relevant listing rules. The announcement shall at the same time also be published on the Company's website. In addition, unless otherwise required in the Articles of Association, the notice shall be delivered to each of the registered addresses as set forth in the register of holders of overseas-listed shares by personal delivery or prepaid mail, so as to give the shareholders sufficient notice and time to exercise their rights or act in accordance with the terms of the notice.

Except as otherwise provided in the Articles of Association, the Company's holders of overseas-listed shares can, in writing, select to receive corporate communication by electronic means or by mail that the Company shall send to shareholders, and they can also select to receive Chinese or English version only, or both. Shareholders can give written notice in advance to the Company within reasonable time to revise the receiving method and language version of the foregoing information under appropriate procedures.

Shareholders or directors who wish to prove that certain notices, documents, information or written statements have been served on the Company shall provide evidence showing the same has been served to the correct address by ordinary means or by prepaid mail within the specified period of time.

Notwithstanding the aforesaid provision which specifies providing and/or dispatching written corporate communication to shareholders, as for the means by which the Company provides and/or dispatches its corporate communication to shareholders according to the listing rules of the stock exchange of the place where the Company's shares are listed, if the Company has obtained shareholders' prior written consent or deemed consent according to the relevant laws and regulations and the Listing Rules of the Hong Kong Stock Exchange as amended from time to time, the Company may dispatch or provide its corporate communication to its shareholders by electronic means or by publishing information on its website. Corporate communication includes, but is not limited to circulars, annual reports, interim reports, quarterly reports, notices of the General Meetings, and other types of corporate communication as specified in the Listing Rules of the Hong Kong Stock Exchange.

**Article 167** Where a notice is issued by the Company by announcement, it shall be deemed as having been received by all relevant persons once it is announced.

**Article 168** A notice of the General Meeting shall be served by announcement or other notification methods stipulated in the Articles of Association.

The notice of a meeting of the Board of Directors and the Board of Supervisors shall be served by hand, mail, e-mail or text message which can tangibly present the content of the message.

Where relevant laws, administrative regulations, the CSRC and the stock exchange where the Company's shares are listed have other provisions on the above-mentioned method of notification of the meeting, those provisions shall prevail.

**Article 169** For a notice of the Company delivered by hand, the notice shall be deemed to be received upon signing (or affixing the seal) by the recipient on the note of receipt and the receipt date shall be the date of serving. If the notice is delivered by post, it shall be deemed to have been received at the 48th hour from the date the notice is delivered to the post office. If the notice is delivered by way of facsimile or email or by way of publishing information on websites, it shall be deemed to have been received on the date it is sent or published. If the notice is delivered by way of announcement, it shall be deemed to have been received on the date on which the announcement is first published.

**Article 170** In the event that the laws, administrative regulations and the rules of the stock exchange where the Company's shares are listed stipulate that the Company shall send, post, distribute, issue, announce or otherwise provide relevant documents of the Company in English and Chinese, and if the Company has made appropriate arrangement to confirm whether the shareholders intend to receive either the English or the Chinese version, the Company may (as per the preference stated by the shareholders) only send the English version or the Chinese version to the shareholders concerned to the extent permitted by applicable laws and regulations and pursuant to the applicable laws and regulations.

**Article 171** Where a notice of a meeting is not issued to a person entitled to the notice or such a person fails to receive the notice for any accidental omission, the validity of the meeting and the resolutions of the meeting shall not be affected.

## **Chapter 10 Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation**

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

**Article 172** The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.

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

**Article 173** A merger agreement shall be signed by merging companies and the involved companies shall prepare respective balance sheets and schedules of assets. The companies shall within 10 days of the date of passing the resolution approving the merger notify their respective creditors and publicly announce the merger in newspapers within 30 days. A creditor may, within 30 days of receipt of the notification, or within 45 days of the date of the announcement if he/she has not received the notification, request the company to settle any outstanding debts or provide relevant guarantees.

**Article 174** In case of a merger, the claims and debts of the merging parties shall be assumed by the surviving or the new company.

**Article 175** In case of a division, the Company's assets shall be divided accordingly.

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

**Article 176** The liabilities of the Company which have accrued prior to the division shall be jointly borne by the divided companies, unless an agreement in writing is reached with creditors before the Company's division in respect of the settlement of debts.

**Article 177** The Company shall prepare a balance sheet and a schedule of assets when it needs to reduce its registered capital.

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

The registered capital of the Company after the capital reduction shall not be lower than the statutory minimum.

**Article 178** Changes in the business registration of the companies as a result of the merger or division shall be registered with the company registration authority according to law. In accordance with law, cancelation of a company shall be registered when a company is dissolved and incorporation of a company shall be registered when a new company is incorporated.

Increase or reduction of the registered capital of the Company shall be registered with the company registration authority according to law.

## **Section 2 Dissolution and Liquidation**

**Article 179** The Company may be dissolved for the following reasons:

(I) the term of business operation as stipulated by the Articles of Association expires (as applicable) or other circumstances for dissolution as stipulated by the Articles of Association arise;

(II) the General Meeting resolves to dissolve the Company;

(III) dissolution is necessary as a result of the merger or division of the Company;

(IV) the business license is revoked or it is ordered to close down or it is deregistered according to law;

(V) serious difficulties arise in the operation and management of the Company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding 10% or more of all shareholders' voting rights of the Company may petition a people's court to dissolve the Company.

**Article 180** The Company may continue in existence by amending the Articles of Association under any of the circumstances prescribed in item (I) of Article 179 hereof.

Any amendment to the Articles of Association in accordance with the provisions of the preceding paragraph shall be subject to the consent of shareholders with two-thirds or more of the voting rights present at the General Meeting.

**Article 181** Where the Company is to be dissolved pursuant to items (I), (II), (IV) and (V) of Article 179 hereof, a liquidation committee shall be established within 15 days from the date when the event of dissolution occurs and commence the liquidation process. The liquidation committee shall be composed of directors or members determined by the General Meeting. Where the Company fails to form a liquidation committee to liquidate the Company within the prescribed period of time, its creditors may petition the people's court to appoint the relevant persons to establish a liquidation committee and liquidate the Company.

**Article 182** During the liquidation period, the liquidation committee shall exercise the following functions and powers:

(I) to sort out the Company's assets and prepare a balance sheet and a list of property respectively;

(II) to issue to creditors the notice or announcements;

- (III) to deal with any outstanding businesses of the Company relating to the liquidation;
- (IV) to pay outstanding taxes as well as taxes arising in the course of liquidation;
- (V) to settle claims and debts;
- (VI) to dispose of the remaining assets of the Company after the repayment of debts;
- (VII) to represent the Company in any civil proceedings.

**Article 183** Within 10 days of the establishment of the liquidation committee, the creditors shall be notified and an announcement shall be published in newspapers with the influence across the country or in the province where the Company is registered within 60 days. Creditors shall file their claims with the liquidation committee within 30 days of receiving the notice, or within 45 days of publication of the notice if any such creditor does not receive the notice.

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

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

**Article 184** After identifying the Company's assets and preparing the balance sheet and schedule of assets, the liquidation committee shall prepare a liquidation plan, which shall be submitted to the General Meeting or the people's court for ratification.

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

During the liquidation, the Company shall continue to exist, but shall not carry out business activities irrelevant to the liquidation. The property of the Company shall not be distributed to any shareholder before full payments have been made out of the property according to the aforesaid provision.

**Article 185** Where the liquidation committee, after identifying the Company's assets and preparing the balance sheet and schedule of assets, discovers that the Company does not have sufficient assets to repay the Company's debts in full, the liquidation committee shall file a bankruptcy petition with the people's court in accordance with law.

After the Company is declared bankrupt by ruling of the people's court, the liquidation committee shall turn over matters regarding the liquidation to the people's court.

**Article 186** Upon closure of liquidation of the Company, the liquidation committee shall prepare a liquidation report, which shall be submitted to the General Meeting or the people's court for confirmation, and be submitted to the company registration authority to apply for cancellation of the Company's registration and announce the termination of the Company.

**Article 187** Any member of the liquidation committee shall dutifully and lawfully fulfill the liquidation obligation.

Members of the liquidation committee are prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the Company's property.

Where any member of the liquidation committee causes any loss to the Company or the creditors due to will or gross negligence, such member shall be liable for compensation.

**Article 188** Where the Company is declared bankrupt according to law, bankruptcy liquidation shall be conducted pursuant to the laws on bankruptcy of enterprises.

## **Chapter 11 Amendments to the Articles of Association**

**Article 189** The Company shall amend the Articles of Association in any of the following circumstances:

(I) after amendments are made to the Company Law, other relevant laws, or administrative regulations, the Articles of Association run counter to the said amendments;

(II) the conditions of the Company have changed, and such change is not covered in the Articles of Association;

(III) the General Meeting has resolved to amend the Articles of Association.

**Article 190** Where the amendments to the Articles of Association passed by the General Meetings need the examination and approval of the competent authorities, these amendments shall be submitted thereto for approval. Where the amendment of the Articles of Association involves registration, it shall be necessary to carry out the lawfully prescribed procedures for registration change.

**Article 191** The Board of Directors shall amend the Articles of Association in accordance with the resolution of the General Meeting on amendment to the Articles of Association and the examination and approval opinions from relevant competent authorities.

## **Chapter 12 Supplementary Provisions**

**Article 192** Definitions

(I) The term "accounting firm" herein shall have the same meaning as the term "auditor" used in the Hong Kong Listing Rules.

(II) A controlling shareholder means a shareholder who holds 50% or more of the total ordinary shares of the Company or a shareholder who holds less than 50% of the total ordinary shares but holds voting rights sufficient to have a significant influence on resolutions of the General Meeting.

(III) An actual controller means a natural person, a legal person or a non-corporate organization which, though not a shareholder of the Company, is able to effectively direct the activities of the Company by virtue of investment relationship, agreement or other arrangements.

(IV) The terms "connected relationship" and "connected transaction" herein shall have the meanings ascribed thereto in the Hong Kong Listing Rules.

**Article 193** The annexes hereto shall include the rules of procedure of the General Meeting, the rules of procedure of the Board of Directors and the rules of procedure of the Board of Supervisors.

**Article 194** The Articles of Association are written in Chinese. In case of any inconsistency between the Articles of Association and those in any other languages or of different versions, the latest Chinese version of the Articles of Association registered with the company registration authority shall prevail.

**Article 195** The terms “or more”, “below” and “within” referred to herein shall include the given figure; and the terms “beyond”, “less than”, “more than”, “exceed” and “less than” shall not include the given figure.

**Article 196** The power of interpretation of the Articles of Association shall be vested in the Board of Directors of the Company.

**Article 197** The Articles of Association shall take effect and shall be adopted from the date of listing of the overseas listed shares issued by the Company on the Main Board of the Hong Kong Stock Exchange. Any amendments hereto shall take effect after being passed by a special resolution at the General Meeting.

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(REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE TO THE ARTICLES OF ASSOCIATION OF LIANLIAN DIGITECH CO., LTD.)

Lianlian DigiTech Co., Ltd. (affixed with common seal)

Legal representative (signature): \_\_\_\_\_

Zhang Zhengyu