

**Articles of Association of**

**SICC Co., Ltd.**

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## Chapter I General Provisions

**Article 1** In order to safeguard the legitimate rights and interests of SICC Co., Ltd. (the “**Company**”), shareholders, employees and creditors, and to regulate the organization and activities of the Company, the Articles of Association are formulated in accordance with the Company Law of the PRC (《中華人民共和國公司法》) (the “**Company Law**”), the Securities Law of the PRC (《中華人民共和國證券法》) (the “**Securities Law**”), the Guidelines for the Articles of Association for Listed Companies (《上市公司章程指引》), the Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》) (the “**STAR Market Listing Rules**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), the Relevant Regulatory Rules of the Securities Regulatory Authorities and Stock Exchanges of the Place Where the Company’s Shares are Listed(公司股票上市地證券監管機構和證券交易所有關監管規則) (the “**Securities Regulatory Rules of the Place Where the Company’s Shares are Listed**”) and other relevant requirements.

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

The Company was promoted and established through fully transforming from the SICC Materials Co., Ltd. (山東天岳先進材料科技有限公司); it was registered with the Jinan Huaiyin District Administration for Market Regulation and obtained a business license, with the unified social credit code: 9137010056077790XN.

**Article 3** Upon the consideration and approval of the Shanghai Stock Exchange on September 7, 2021 and the completion of registration with China Securities Regulatory Commission (the “**CSRC**”) on December 14, 2021, the Company issued 42.971105 million RMB denominated ordinary shares (the “**A Shares**”) to the public for the first time, which were listed on the STAR Market of the Shanghai Stock Exchange on January 12, 2022.

Upon the filing with the CSRC on June 12, 2025 and approval by The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) on August 19, 2025, the Company made the initial public issuance of 47,745,700 overseas listed ordinary shares (the “**H Shares**”) and over-allotted 7,161,800 H Shares. The aforementioned H Shares were listed on the Main Board of the Hong Kong Stock Exchange on August 20, 2025 and September 17, 2025 respectively.

**Article 4** Registered name of the Company:

Full name in Chinese:山東天岳先進科技股份有限公司

Full name in English: SICC Co., Ltd.

**Article 5** Company domicile: No. 99, Tianyue South Road, Huaiyin District, Jinan City, Shandong Province, postal code: 250118.

**Article 6** The Company's registered capital is RMB484.618544 million.

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

**Article 8** The Chairman of the Board of Directors who executes company affairs on behalf of the Company is the legal representative of the Company.

The resignation of a director who also serves as the legal representative shall be deemed to resign from the position of the legal representative simultaneously.

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

**Article 9** The legal consequences of civil activities performed by a legal representative in the name of the Company shall be borne by the Company.

No restrictions on the authority of the legal representative set forth in the Articles of Association or by the general meeting may be asserted against a bona fide counterparty.

Where the legal representative causes damage to any other person in the performance of his/her duties, the Company shall assume civil liability for such damage. The Company may, after assuming such civil liability, claim reimbursement from the legal representative at fault in accordance with the laws or the Articles of Association.

**Article 10** The shareholders of the Company shall be liable to the Company to the extent of the shares they subscribed, and the Company shall be liable for the debts of the Company to the extent of all of its entire assets.

**Article 11** From the date upon which the Articles of Association takes effect, the Articles of Association shall constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders, and shall constitute a legally binding upon the Company, shareholders, Directors and senior management members. Pursuant to the Articles of Association, shareholders may institute legal proceedings against other shareholders; shareholders may institute legal proceedings against Directors and senior management members of the Company; shareholders may institute legal proceedings against the Company; and the Company may institute legal proceedings against shareholders, Directors and senior management members.

**Article 12** Senior management members mentioned in this Articles of Association refer to general manager, deputy general manager, chief financial officer (the financial controller), chief technology officer, secretary to the Board of Directors and other members as acknowledged by the resolutions of the Board of Directors to hold important positions.

**Article 13** The Company shall establish a Communist Party of China organization and carry out Party activities in accordance with the Constitution of the Communist Party of China. The Company provides the necessary conditions for the activities of the Party organizations.

## **Chapter II Business Objectives and Scope**

**Article 14** The business objectives of the Company is: to focus on the research, development, and production of semiconductor materials, striving to become a globally advanced semiconductor materials company while dedicating itself to achieving self-sufficiency and controllability of semiconductor materials in the PRC.

**Article 15** Upon legal registration, the scope of business of the Company is as follows: the production of SiC substrate materials; research and development, sales, technical consulting, technical services, and technology transfer of functional materials and their components, electronic semiconductor materials; manufacturing and sales of specialized components for semiconductor devices, optoelectronic devices, power electronic devices and materials for electronic devices, artificial corundum, and artificial gemstones; development, production, and sales of crystal growth and processing equipment; import and export of goods (excluding projects prohibited by laws and administrative regulations; projects restricted by laws and administrative regulations can only be operated after obtaining a license). (Projects subject to approval in accordance with the laws shall be operated only after receiving approval from relevant administrative authorities).

## **Chapter III Shares**

### **Section I Issuance of Shares**

**Article 16** The shares of the Company shall take the form of registered shares.

**Article 17** The issue of the Company's shares shall be in an open, fair and impartial manner. Each share of the same class shall have equal rights. For the same class of shares issued at the same time, each share shall be issued on the same conditions and at the same price. Each share subscribed by any subscriber is to be paid for at the same price.

**Article 18** The par-value shares issued by the Company is denominated in RMB, with a par value of RMB1 each.

**Article 19** The A Shares issued by the Company shall be deposited collectively in the Shanghai Branch of the China Securities Depository and Clearing Corporation Limited. The H Shares issued by the Company shall primarily be deposited in the custodian company of the Hong Kong Securities Clearing Company Limited in accordance with the laws, securities regulatory rules and practices for securities registration and depository of the place where the Company's shares are listed, or may also be held by Shareholders in their own names.

**Article 20** The Company issued 386,739,939 ordinary shares to its promoters at the time of establishment.

The number of shares subscribed for, method of capital contribution and time of capital contribution by each promoter of the Company are as follows:

| No. | Name of promoter                                                                                              | Number of shares subscribed for (shares) | Subscription percentage | Method of capital contribution   | Time of capital contribution |
|-----|---------------------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------|----------------------------------|------------------------------|
| 1   | Zong Yanmin (宗艷民)                                                                                             | 129,302,726                              | 33.4340%                | Shares converted from net assets | November 7, 2020             |
| 2   | Shanghai Maiming Enterprise Management Center (Limited Partnership) (上海麥明企業管理中心(有限合夥))                        | 23,133,000                               | 5.9815%                 | Shares converted from net assets | November 7, 2020             |
| 3   | Shanghai Zhuao Enterprise Management Center (Limited Partnership) (上海鑄傲企業管理中心(有限合夥))                          | 12,900,000                               | 3.3356%                 | Shares converted from net assets | November 7, 2020             |
| 4   | Habo Technology Venture Capital Co., Ltd. (哈勃科技投資有限公司)                                                        | 27,262,500                               | 7.0493%                 | Shares converted from net assets | November 7, 2020             |
| 5   | Liaoning Haitong New Energy Low Carbon Industrial Equity Investment Fund Co. Ltd. (遼寧海通新能源低碳產業股權投資基金有限公司)     | 10,602,084                               | 2.7414%                 | Shares converted from net assets | November 7, 2020             |
| 6   | Liaoning Zhongde Industrial Equity Investment Fund Partnership (Limited Partnership) (遼寧中德產業股權投資基金合夥企業(有限合夥)) | 34,078,125                               | 8.8116%                 | Shares converted from net assets | November 7, 2020             |

| No. | Name of promoter                                                                                                              | Number of shares subscribed for (shares) | Subscription percentage | Method of capital contribution   | Time of capital contribution |
|-----|-------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------|----------------------------------|------------------------------|
| 7   | Guangzhou Zhonghai Taichang Investment Partnership (Limited Partnership)<br>(廣州眾海泰昌投資合夥企業(有限合夥))                              | 8,330,208                                | 2.1540%                 | Shares converted from net assets | November 7, 2020             |
| 8   | Shenzhen Huiyou Chuangjia Venture Capital Partnership (Limited Partnership)<br>(深圳市惠友創嘉創業投資合夥企業(有限合夥))                        | 4,500,000                                | 1.1636%                 | Shares converted from net assets | November 7, 2020             |
| 9   | Guangdong Ruichen Equity Investment Partnership (Limited Partnership)<br>(廣東睿晨股權投資合夥企業(有限合夥))                                 | 4,200,000                                | 1.0860%                 | Shares converted from net assets | November 7, 2020             |
| 10  | Ningbo Meishan Free Trade Port Zone Cloudwing Venture Capital Partnership (Limited Partnership)<br>(寧波梅山保稅港區雲翼創業投資合夥企業(有限合夥)) | 3,750,000                                | 0.9696%                 | Shares converted from net assets | November 7, 2020             |
| 11  | Shenzhen Huiyou Chuangxiang Venture Capital Partnership (Limited Partnership)<br>(深圳市惠友創享創業投資合夥企業(有限合夥))                      | 2,499,999                                | 0.6464%                 | Shares converted from net assets | November 7, 2020             |
| 12  | Guo Xisheng (郭西省)                                                                                                             | 4,500,000                                | 1.1636%                 | Shares converted from net assets | November 7, 2020             |
| 13  | Liaoning Zhengwei No. 1 High-Tech Equity Investment Fund Partnership (Limited Partnership)<br>(遼寧正為一號高科技股權投資基金合夥企業(有限合夥))     | 13,474,569                               | 3.4841%                 | Shares converted from net assets | November 7, 2020             |

| No. | Name of promoter                                                                                                                                | Number of shares subscribed for (shares) | Subscription percentage | Method of capital contribution   | Time of capital contribution |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------|----------------------------------|------------------------------|
| 14  | Shanghai Jinpu Guodiao M&A Equity Investment Fund Partnership (Limited Partnership) (上海金浦國調併購股權投資基金合夥企業(有限合夥))                                  | 6,704,259                                | 1.7335%                 | Shares converted from net assets | November 7, 2020             |
| 15  | Advanced Micro-Fabrication Equipment Inc. China (中微半導體設備(上海)股份有限公司)                                                                             | 3,831,006                                | 0.9906%                 | Shares converted from net assets | November 7, 2020             |
| 16  | Shangrong (Ningbo) Investment Center (Limited Partnership) (尚融(寧波)投資中心(有限合夥))                                                                   | 957,750                                  | 0.2476%                 | Shares converted from net assets | November 7, 2020             |
| 17  | Pan Ocean Vision II New Technology Investment (Tianjin) Partnership (Limited Partnership) (泛海願景二期新科技投資(天津)合夥企業(有限合夥))                           | 1,149,300                                | 0.2972%                 | Shares converted from net assets | November 7, 2020             |
| 18  | Qingdao Yuanchuang Energy Saving and Environmental Protection Venture Capital Fund Partnership (Limited Partnership) (青島源創節能環保創業投資基金合夥企業(有限合夥)) | 1,915,500                                | 0.4953%                 | Shares converted from net assets | November 7, 2020             |
| 19  | Qingdao Tieyue Investment Partnership (Limited Partnership) (青島鐵岳投資合夥企業(有限合夥))                                                                  | 4,022,556                                | 1.0401%                 | Shares converted from net assets | November 7, 2020             |

| No. | Name of promoter                                                                                                           | Number of shares subscribed for (shares) | Subscription percentage | Method of capital contribution   | Time of capital contribution |
|-----|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------|----------------------------------|------------------------------|
| 20  | Shanghai Guohe Artificial Intelligence Equity Investment Fund Partnership (Limited Partnership) (上海國和人工智能股權投資基金合夥企業(有限合夥)) | 2,681,703                                | 0.6934%                 | Shares converted from net assets | November 7, 2020             |
| 21  | Wanxiang Venture Capital., Ltd. (萬向創業投資股份有限公司)                                                                             | 1,915,503                                | 0.4953%                 | Shares converted from net assets | November 7, 2020             |
| 22  | Zhenjiang Zhigui Investment Center (Limited Partnership) (鎮江智硅投資中心(有限合夥))                                                  | 7,662,009                                | 1.9812%                 | Shares converted from net assets | November 7, 2020             |
| 23  | Qingdao Huajin Equity Investment Fund Partnership (Limited Partnership) (青島華錦股權投資基金合夥企業(有限合夥))                             | 1,532,403                                | 0.3962%                 | Shares converted from net assets | November 7, 2020             |
| 24  | Zhuzhou Juzhi Times Private Equity Fund Partnership (Limited Partnership) (株洲聚時代私募股權基金合夥企業(有限合夥))                          | 383,100                                  | 0.0991%                 | Shares converted from net assets | November 7, 2020             |
| 25  | Andai Huizhi Equity Investment Fund (Huzhou) Partnership (Limited Partnership) (安岱匯智股權投資基金(湖州)合夥企業(有限合夥))                  | 2,681,706                                | 0.6934%                 | Shares converted from net assets | November 7, 2020             |
| 26  | Advanced Manufacturing Industry Investment Fund II (Limited Partnership) (先進製造產業投資基金二期(有限合夥))                              | 3,064,803                                | 0.7925%                 | Shares converted from net assets | November 7, 2020             |

| No. | Name of promoter                                                                                                              | Number of shares subscribed for (shares) | Subscription percentage | Method of capital contribution   | Time of capital contribution |
|-----|-------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------|----------------------------------|------------------------------|
| 27  | Nanjing Jinpu Xinchao Venture Capital Partnership (Limited Partnership) (南京金浦新潮創業投資合夥企業(有限合夥))                                | 957,750                                  | 0.2476%                 | Shares converted from net assets | November 7, 2020             |
| 28  | Nanjing Jinpu Xinchao Emerging Industry Equity Investment Fund Partnership (Limited Partnership) (南京金浦新潮新興產業股權投資基金合夥企業(有限合夥)) | 957,750                                  | 0.2476%                 | Shares converted from net assets | November 7, 2020             |
| 29  | Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司)                                                                              | 5,554,956                                | 1.4364%                 | Shares converted from net assets | November 7, 2020             |
| 30  | Zibo Innovation Capital Venture Capital Co. Ltd. (淄博創新資本創業投資有限公司)                                                             | 1,915,503                                | 0.4953%                 | Shares converted from net assets | November 7, 2020             |
| 31  | Shenzhen Xingchuangrong Investment Partnership (Limited Partnership) (深圳市星創融投資合夥企業(有限合夥))                                     | 1,149,300                                | 0.2972%                 | Shares converted from net assets | November 7, 2020             |
| 32  | Guangdong Green Home Equity Investment Partnership (Limited Partnership) (廣東綠色家園股權投資合夥企業(有限合夥))                               | 6,688,935                                | 1.7296%                 | Shares converted from net assets | November 7, 2020             |
| 33  | Guangdong Green Technology Bank Equity Investment Partnership (Limited Partnership) (廣東綠技行股權投資合夥企業(有限合夥))                     | 1,930,827                                | 0.4993%                 | Shares converted from net assets | November 7, 2020             |

| No. | Name of promoter                                                                                         | Number of shares subscribed for (shares) | Subscription percentage | Method of capital contribution   | Time of capital contribution |
|-----|----------------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------|----------------------------------|------------------------------|
| 34  | Shanghai Gunstone Enterprise Management Partnership (Limited Partnership)<br>(上海袁石企業管理合夥企業(有限合夥))        | 1,915,503                                | 0.4953%                 | Shares converted from net assets | November 7, 2020             |
| 35  | Ningbo Yunyi Venture Capital Partnership (Limited Partnership) (寧波雲翊創業投資合夥企業(有限合夥))                      | 1,723,953                                | 0.4458%                 | Shares converted from net assets | November 7, 2020             |
| 36  | Haitong Innovative Securities Investment Co. Ltd. (海通創新證券投資有限公司)                                         | 1,915,503                                | 0.4953%                 | Shares converted from net assets | November 7, 2020             |
| 37  | Hunan Xiaoxiang Hairun Private Equity Fund Partnership (Limited Partnership)<br>(湖南瀟湘海潤私募股權基金合夥企業(有限合夥)) | 1,149,300                                | 0.2972%                 | Shares converted from net assets | November 7, 2020             |
| 38  | Jiaying Yuxin Venture Capital Partnership (Limited Partnership) (嘉興鈺鑫創業投資合夥企業(有限合夥))                     | 957,750                                  | 0.2476%                 | Shares converted from net assets | November 7, 2020             |
| 39  | Jinan Shunxing Equity Investment Partnership (Limited Partnership)<br>(濟南舜興股權投資合夥企業(有限合夥))               | 1,532,400                                | 0.3962%                 | Shares converted from net assets | November 7, 2020             |

| No.          | Name of promoter                                                                                                                                           | Number of shares subscribed for (shares) | Subscription percentage | Method of capital contribution   | Time of capital contribution |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------|----------------------------------|------------------------------|
| 40           | Ningbo Meishan Free Trade Port Zone Qingxin Chengming Enterprise Management Consulting Partnership (Limited Partnership)<br>(寧波梅山保稅港區青芯誠明企業管理諮詢合夥企業(有限合夥)) | 2,681,706                                | 0.6934%                 | Shares converted from net assets | November 7, 2020             |
| 41           | Guozhai Equity Investment Fund (Jinan) Partnership (Limited Partnership) (國材股權投資基金(濟南)合夥企業(有限合夥))                                                          | 38,673,994                               | 10.0000%                | Shares converted from net assets | November 7, 2020             |
| <b>Total</b> |                                                                                                                                                            | <b>386,739,939</b>                       | <b>100.00%</b>          | —                                | —                            |

**Article 21** The total number of shares of the Company is 484,618,544. Such shares are all ordinary shares, including 429,711,044 A ordinary shares and 54,907,500 H ordinary shares, representing 88.67% and 11.33% of the total share capital of the Company, respectively.

**Article 22** The Company or its subsidiaries (including its affiliated companies) shall not, by way of a gift, advance, guarantee, loans etc., provide any financial assistance to a person who acquires the shares of the Company or its parent Company, except the employee stock ownership plan implemented by the Company.

For the benefit of the Company, with a resolution passed at the general meeting, or a resolution adopted by the Board of Directors pursuant to the Articles of Association or with the authorization of the general meeting, the Company may provide financial assistance to others for acquiring the shares of the Company, provided that the aggregate total amount of financial assistance shall not exceed 10% of the total issued share capital. Resolutions made by the Board of Directors shall be passed by more than 2/3 of all the directors.

Where the Company or its subsidiaries (including its affiliated companies) engages in any act described in this Article, it shall comply with the provisions of laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed.

## **Section II Increase, Decrease and Repurchase of Shares**

**Article 23** In light of the Company's operational and developmental needs, the Company may increase its capital in accordance with the laws, regulations and securities regulatory rules of the place where the Company's shares are listed subject to resolution of the general meeting, by following methods:

- (I) Issuance of shares to non-specific investors;
- (II) Issuance of shares to specific investors;
- (III) Distribution of bonus shares to existing shareholders;
- (IV) Converting the reserve funds into share capital;
- (V) Other means approved by the laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed.

**Article 24** The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the procedures set out in the Company Law and other relevant regulations as well as the Articles of Association.

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

- (I) To reduce the Company's registered capital;
- (II) To merger with other companies holding the Company's shares;
- (III) To use shares for employee share ownership plan or equity incentive;

- (IV) To acquire the shares of shareholders who have voted against the resolutions on the merger or division of the Company at a general meeting upon their request;
- (V) To use the shares for conversion of corporate bonds issued by the Company that could be converted into its share certificates;
- (VI) When it is necessary for the Company to preserve its value and its shareholders' necessary for the Company to preserve its value and its shareholders'

**Article 26** The Company may acquire its own shares by means of public centralized trading or other means that are approved by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and securities regulatory authorities of the place where the Company's shares are listed.

If the Company repurchases its own shares under the circumstances set out in items (III), (V) and (VI) of the first paragraph of Article 25 of the Articles of Association, it shall be conducted by means of public centralized trading.

**Article 27** If the Company repurchases its own shares under the circumstances set out in items (I) and (II) of the first paragraph of Article 25 of the Articles of Association, resolutions related thereto shall be adopted at the general meeting. If the Company repurchases its own shares under the circumstances set out in items (III), (V) and (VI) of the first paragraph of Article 25 of the Articles of Association, on the premise of complying with applicable securities regulatory rules of the place where the Company's shares are listed, resolutions related thereto shall be adopted at the Board meeting with more than 2/3 of the Directors attending in accordance with the provisions of these Articles of Association or the authorization of the general meeting.

After the acquisition of the Company's shares, the Company shall fulfil its information disclosure obligations in accordance with relevant regulations such as the Securities Law and the securities regulatory rules of the place where the Company's shares are listed.

For A Shares, after the Company repurchases its own shares in accordance with the first paragraph of Article 25 of the Articles of Association, if it falls under item (I), the shares shall be canceled within 10 days from the date of repurchase; if it falls under items (II), (IV), the shares shall be transferred or canceled within 6 months; if it falls under items (III), (V), or (VI), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and the shares shall be transferred or canceled within 3 years. For H shares, if laws, regulations, and the securities regulatory authorities of the place where the Company's shares are listed have other provisions regarding matters related to share repurchases, those provisions shall prevail.

### **Section III   Transfer of Shares**

**Article 28** The shares of the Company may be transferred in accordance with laws, regulations, the securities regulatory rules of the place where the Company's shares are listed and the provisions of the Articles of Association. All H Shares shall be transferred by way of written transfer instrument in standard or general form, or any other format acceptable to the Board of Directors (including the standard transfer format or form of transfer as prescribed from time to time by the Hong Kong Stock Exchange). A transfer instrument may only be signed by hand or by the valid seal of the Company (where the transferor or transferee is a company). In the event that the transferor or transferee is a recognized clearing house as defined under the relevant ordinances in effect from time to time in the laws of Hong Kong or its agent, the transfer instrument may be signed by hand or in a machine-printed form. All the transfer instrument shall be kept at the legal address of the Company or an address designated by the Board of Directors from time to time.

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

**Article 30** Shares issued by the Company prior to the public offering of A shares shall not be transferred within one year from the date on which the A shares of the Company are listed and traded on a stock exchange.

Directors and senior management of the Company shall report their shareholdings in the Company and the respective changes. During his/her term of office as determined at the time of taking office, no shares exceeding 25% of his/her total shareholding in the Company shall be transferred each year; and no transfer of shares held by him/her shall be allowed within one year since the date when the shares in the Company are listed and traded. The aforesaid personnel shall not transfer the shares of the Company held by him/her within half a year after leaving his/her office.

Where the securities regulatory rules of the place where the Company's shares are listed provide otherwise in respect of the restrictions on transfer of the Company's shares, the relevant parties shall also comply with such requirements.

**Article 31** Any gains from sale of the Company's shares or other securities with equity nature by shareholders holding more than 5% of the shares of the Company, Directors and senior management within six months after their purchase of the same, and any gains from the purchase of the shares or other securities with equity nature by any of the aforesaid parties within six months after their sale of the same, shall belong to the Company and the Company's Board of Directors shall recover such gains, except for the circumstance that a securities company holds more than 5% of the Company's shares as a result of purchase of the unsold underwritten shares and other circumstances stipulated by the CSRC.

The shares or other securities with equity nature held by the Directors, senior management and natural person shareholders referred to in the preceding paragraph shall include the shares or other securities with equity nature held by their spouse, parents, children, and those held through the accounts of others.

If the Board of Directors of the Company fails to comply with the provisions of the first paragraph of this Article, the shareholders shall have the right to request the Board of Directors to implement the provisions within 30 days. If the Board of Directors of the Company fails to carry out the enforcement within the aforesaid time limit, the shareholders shall have the right to directly file a lawsuit in the People's Court for the benefit of the Company in their own name.

If the Board of Directors of the Company fails to comply with the first paragraph of this Article, relevant responsible Directors shall bear joint liability pursuant to the laws.

## **Chapter IV Shareholders and General Meetings**

### **Section I Shareholders**

**Article 32** The Company shall maintain a register of shareholders based on the certificates provided by the securities registration authority of the place where the Company's shares are listed. The register of shareholders shall be sufficient evidence substantiating the shareholders' shareholding in the Company. The original register of holders of H shares listed in Hong Kong shall be maintained in Hong Kong and made available for inspection by shareholders, but the register of members of the Company may be closed in accordance with applicable laws and regulations and the requirements of securities regulatory rules of the place where the Company's shares are listed. A shareholder shall enjoy rights and assume obligations based on the class shares held by him/her. Shareholders holding the same class of shares shall be entitled to equal rights and assume equal obligations.

Any shareholder registered in the register of holders of H shares who has lost the share certificates and requires the Company to issue a replacement of the share certificates may submit an application to the Company for a new certificate. Where an H shareholder applies for a replacement due to the loss of the share certificates, such application shall be processed in accordance with the laws and regulations of the place where the original register of holders of H shares is maintained, the requirements of securities regulatory rules of the place where the Company's shares are listed, or other applicable provisions.

**Article 33** If the Company convenes a general meeting, distributes dividends, conducts liquidation or executes any other act requiring identification of shareholders, the convener of the meeting of the Board of Directors or general meeting shall determine the share registration date, and shareholders registered at the close of share registration date are those entitled to the relevant interests.

**Article 34** Shareholders of the Company shall be entitled to the following rights:

- (I) The rights to receive dividends and other forms of distribution in proportion to the number of shares held by them;
- (II) The rights to request the holding of, convene, chair, attend or appoint proxy to attend general meetings and exercise the corresponding voting rights in accordance with laws;
- (III) The rights to supervise the operation of the Company and to put forward proposals and raise inquiries;
- (IV) The rights to transfer, donate, or pledge shares held by them in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the provisions of the Articles of Association;
- (V) The rights to inspect and duplicate the Articles of Association, the register of shareholders, minutes of general meetings, resolutions of the meetings of the Board of Directors, and financial and accounting reports. Shareholders who meet the requirements may inspect the Company's accounting books and certificates;
- (VI) The rights to participate in the distribution of remaining assets of the Company corresponding to the number of shares held in the event of the termination or liquidation of the Company;
- (VII) The rights to demand the Company to acquire the shares with respect to the dissenting shareholders for any resolution adopted at the general meeting on the merger or division of the Company;
- (VIII) Other rights under laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The Articles of Association, resolutions of the general meeting, or resolutions of the Board of Directors shall comply with the laws and regulations, and shall not deprive or restrict any statutory rights of shareholders. The Company shall safeguard the lawful rights of shareholders and ensure their fair treatment.

**Article 35** Where shareholders request for inspection and duplication of the relevant materials of the Company, they shall do so in accordance with the provisions of the Company Law, the Securities Law and other laws and administrative regulations. They shall provide the Company with written documents evidencing the class and number of shares of the Company they hold. Upon verification of the shareholder's identity, the Company shall provide information requested by such shareholder.

**Article 36** If a resolution of the general meeting or the meeting of the Board of Directors of the Company violates laws, administrative regulations or the securities regulatory rules of the place where the Company's shares are listed, shareholders have the right to petition the People's Court to invalidate the resolution.

If the procedure of convening or the method of voting at the general meetings or the meeting of the Board of Directors violates laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, or if the content of a resolution is in breach of the Articles of Association, shareholders shall have the right to petition the People's Court to revoke such resolution within 60 days from the date on which the resolution is adopted. However, unless there is only a minor defect in the procedures for convening the general meeting, the meeting of the Board of Directors or in the manner of voting, which does not have a material effect on the resolution.

Where the Board of Directors, shareholders and other relevant parties have disputes regarding the validity of general meeting resolutions, they shall promptly institute legal proceedings in the People's Court. Prior to the People's Court making a judgment or ruling to revoke resolutions, relevant parties shall implement the general meeting resolutions. The Company, Directors and senior management shall earnestly perform their duties, and ensure the normal operation of the Company.

If the People's Court makes a judgement or ruling on the relevant matters, the Company shall perform its information disclosure obligations in accordance with the laws and administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed, fully explain the impact, and actively cooperate with the enforcement of the judgement or ruling after it has come into effect. Where corrections to prior events are involved, they shall be handled in a timely manner and the corresponding information disclosure obligations shall be fulfilled.

**Article 37** The resolutions of the Company's general meeting or the meeting of the Board of Directors shall be deemed invalid under any of the following circumstances:

- (I) the resolution was adopted without convening a general meeting or the meeting of the Board of Directors;
- (II) no voting was conducted on the subject matter of the resolution at the general meeting or the meeting of the Board of Directors;
- (III) the number of attendees or the voting rights represented at the meeting failed to meet the quorum requirements prescribed under the Company Law or the Articles of Association;

(IV) the number of votes or voting rights in favour of the resolution failed to meet the thresholds prescribed under the Company Law or the Articles of Association.

**Article 38** In the event of any loss caused to the Company as a result of violation of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the provisions of the Articles of Association by the Directors or senior management (other than members of the Audit Committee) when performing their duties, any of the shareholders who holds 1% or more of the shares of the Company individually or jointly for no less than 180 consecutive days shall have the right to request the Audit Committee in writing to initiate litigation before the People's Court. In the event of any loss caused to the Company as a result of violation of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the provisions of the Articles of Association by the members of Audit Committee when performing its duties, aforesaid shareholders may request the Board of Directors in writing to initiate litigation before the People's Court.

In the event that the Audit Committee or the Board of Directors dismisses the written request of any of the shareholders as specified in the preceding paragraph, or withholds from instituting litigation within 30 days of the receipt of the request, or that the failure to institute litigation immediately may otherwise cause irreparable damage to the interest of the Company in an urgent circumstance, such shareholder(s) as mentioned in the preceding paragraph shall have the right to initiate litigation before the People's Court directly in the name(s) of such shareholder(s) in the interest of the Company.

If a third party infringes on the lawful rights and interests of the Company, thereby causing the Company to sustain a loss, the shareholders mentioned in the first paragraph of this Article may initiate litigation before the People's Court pursuant to the preceding two paragraphs.

Where the Directors, supervisors or senior management of a wholly-owned subsidiary of the Company violate the provisions of laws, administrative regulations or the provisions of Articles of Association during the performance of their duties and cause losses to the Company, or if any third parties infringe upon the legitimate rights and interests of a wholly-owned subsidiary of the Company and cause losses, the shareholders severally or jointly holding 1% or more of the Company's shares for a period of 180 consecutive days or longer, in accordance with the provisions of the first three paragraphs of Article 189 of the Company Law, are entitled to request the Supervisory Committee or the Board of Directors of the wholly-owned subsidiary to initiate legal proceedings with the People's Court in writing or directly initiate legal proceedings with the People's Court in its own name.

If the Company's wholly-owned subsidiary has not established Supervisory Committee or any supervisor, but established Audit Committee, the matter shall be dealt with in accordance with paragraphs I and II of this Article.

**Article 39** In the event that any Director or senior management violates laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the provisions of the Articles of Association to the detriment of the interest of the shareholders, the shareholders may initiate litigation before the People's Court.

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

- (I) To abide by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;
- (II) To pay subscription monies according to the number of shares subscribed and the method of subscription;
- (III) Not to withdraw its share capital unless required by laws and regulations;
- (IV) Not to abuse their shareholders' rights to damage the interests of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liability of shareholders to damage the interests of the creditors of the Company;
- (V) To maintain the confidentiality of the Company's trade secrets;
- (VI) Other obligations imposed by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 41** Where any shareholder of the Company abuses the shareholders' rights and incurs losses to the Company or other shareholders, such shareholder shall be liable for the damages. Where shareholders of the Company abuse the Company's status as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

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

**Article 42** The controlling shareholders and de facto controllers of the Company shall exercise their rights and fulfill their obligations in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, in order to safeguard the interests of the listed company.

**Article 43** Controlling shareholders and de facto controllers of the Company shall comply with the following provisions:

- (I) Exercise shareholder rights in accordance with the law, and shall not abuse control rights or exploit related-party relationships to the detriment of the Company or the legitimate rights and interests of other shareholders;
- (II) Strictly fulfil any public statements and commitments made, and shall not alter or waive them without authorization;
- (III) Strictly comply with relevant regulations in fulfilling information disclosure obligations, actively cooperate with the Company in disclosing information, and promptly inform the Company of any material events that have occurred or are expected to occur;
- (IV) Shall not occupy or misappropriate the Company's funds in any manner;
- (V) Shall not compel, instruct, or require the Company or its relevant personnel to provide guarantees in violation of laws and regulations;
- (VI) Shall not use the Company's undisclosed material information for personal gain, disclose any undisclosed material information related to the Company by any means, or engage in insider trading, short-swing trading, market manipulation, or other illegal or non-compliant activities;
- (VII) Shall not harm the legitimate rights and interests of the Company and other shareholders through unfair related-party transactions, profit distribution, asset restructuring, external investment, or any other means;
- (VIII) Shall ensure the Company's asset integrity, personnel independence, financial independence, organizational independence, and business independence, and shall not affect the Company's independence in any manner;
- (IX) Comply with other provisions stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

If the controlling shareholder or de facto controller of the Company does not serve as a Director of the Company but actually executes the affairs of the Company, the provisions of the Articles of Association regarding fiduciary duty and duty of diligence of directors shall apply.

If the controlling shareholder or de facto controller of the Company instructs any Director or senior management to engage in acts that are detrimental to the interests of the Company or its shareholders, such controlling shareholder or de facto controller shall bear joint and several liability together with the relevant Director or senior management.

**Article 44** Where the controlling shareholder or de facto controller pledges the shares of the Company held or actually controlled by them, they shall ensure the stability of the Company's control and normal business operations. Where a shareholder holding 5% or more of the voting shares of the Company pledges any shares in his/her possession, he/she shall make a written report to the Company on the date on which he/she pledges his/her shares.

**Article 45** When the controlling shareholder or de facto controller transfers the shares of the Company held by them, they shall comply with the restrictive provisions on share transfers as stipulated by laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed, as well as any commitments made regarding restrictions on share transfers.

**Article 46** When the Company engages in transactions involving the provision of funds, goods, or services with its controlling shareholders or de facto controllers, it shall strictly follow the procedures stipulated in the related transaction decision-making system and submit such matters to the Board of Directors and the general meeting for deliberation. Connected Directors and shareholders shall abstain from voting. These measures are intended to prevent the controlling shareholders, de facto controllers, and their related parties from misappropriating or transferring the Company's funds, assets, or other resources.

### **Section III General Provisions for General Meetings**

**Article 47** The general meeting shall be composed of all shareholders. The general meeting shall be the authority of power of the Company and shall exercise the following functions and powers according to law:

- (I) To elect and replace Directors who are not employee representatives, and to decide matters relating to the remuneration of Directors;
- (II) To consider and approve reports of the Board of Directors;
- (III) To consider and approve the Company's profit distribution plan and loss recovery plan;
- (IV) To resolve on increase or decrease of the registered capital of the Company;
- (V) To resolve on issuance of bonds of the Company;

- (VI) To resolve on the merger, division, dissolution, liquidation, or changes of the corporate form of the Company;
- (VII) To amend the Articles of Association;
- (VIII) To resolve on the appointment and dismissal of the accountants responsible for the audit services of the Company;
- (IX) To consider and approve related party transactions between the Company and its related parties (excluding provision of guarantees) involving an amount exceeding RMB30 million and accounting for more than 1% of the latest audited total assets or market value of the Company;
- (X) To consider and approve the transactions specified in Article 48;
- (XI) To consider and approve the guarantees specified in Article 49 of the Articles of Association;
- (XII) To consider the Company's purchase or disposal of major assets within one year with the amount exceeding 30% of the latest audited total assets of the Company;
- (XIII) To consider and approve matters relating to the changes in the use of proceeds;
- (XIV) To consider equity incentive plan and employee share ownership scheme;
- (XV) To make any resolution regarding the disposition of the Company's core technical secrets or resolution that may have a significant impact on the Company's core technical secrets;
- (XVI) The annual general meeting of the Company may authorize the Board of Directors to approve the issuance of domestic shares with a total financing amount of not more than RMB300 million and not more than 20% of the net assets as at the end of the latest year to specific subscriber(s), and such authorization will expire on the date of the annual general meeting for the next year, subject to relevant laws and regulations, including the Hong Kong Listing Rules (if applicable);
- (XVII) To consider other matters as required 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 which shall be decided by a general meeting.

The general meeting may authorize the Board of Directors to resolve on the issuance of corporate bonds.

Unless otherwise stipulated by laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, the aforesaid functions and powers of the general meeting shall not be conferred to the Board of Directors or any other institution or individual.

**Article 48** Except for the provision of guarantees, transactions conducted in the ordinary course of business and financial assistance, any transaction of the Company that meets any of the following criteria shall, after being reviewed and approved by the Board of Directors, be submitted to the general meeting for consideration:

- (I) The total amount of assets involved in the transaction (if the assets involved have both book value and valuation, whichever is higher) accounts for over 50% of the latest audited total assets of the Company;
- (II) The transaction amount accounts for over 50% of the Company's market value;
- (III) The net assets of the transaction subject (such as equity) accounted for over 50% of the Company's market value in the latest accounting year;
- (IV) The business income of the transaction subject (such as equity) accounts for over 50% of the audited business income of the Company in the latest accounting year, and exceeds RMB50 million;
- (V) The profits generated from the transaction account for more than 50% of the audited net profit of the Company in the latest accounting year, and exceed RMB5 million;
- (VI) The net profit of transaction subject (such as equity) accounts for more than 50% of the audited net profit of the Company in the latest accounting year, and exceeds RMB5 million;
- (VII) Other trading circumstances stipulated by laws, regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

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

For the purpose of the preceding paragraph, the transaction amount refers to the amount payable for the transaction as well as any debts and expenses assumed, and the market value refers to the arithmetic average of the closing market value over the ten trading days preceding the transaction.

Where the transaction arrangement involves consideration that may be paid or received in the future, does not involve a specific amount or is determined according to set conditions, the expected maximum amount is the transaction amount.

For similar transactions related to the transaction subject that occur within a 12-month period, the Company shall apply the aforementioned provisions in accordance with the principle of cumulative calculation. Transactions that have fulfilled the relevant review procedures in accordance with the aforementioned provisions shall no longer be included in the scope of the relevant cumulative calculation.

**Article 49** The following acts of external guarantee of the Company shall be submitted to the general meeting for deliberation and approval:

- (I) Any guarantee to be provided after the total amount of external guarantees provided by the Company and the subsidiaries it controls has exceeded 50% of the audited net assets in the latest period;
- (II) Any guarantee provided after the total amount of the Company's external guarantees exceeds 30% of the Company's audited total assets in the latest period;
- (III) The guarantee amount of the Company to others exceeds 30% of the Company's latest audited total assets within one year;
- (IV) Any guarantee to be provided for a party whose ratio of liabilities to assets exceeds 70%;
- (V) The single guarantee for an amount more than 10% of the Company's net assets audited in the latest period;
- (VI) The guarantee to be provided to a shareholder, an actual controller and his/her related party;
- (VII) Other guarantee circumstances stipulated by laws, regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association which are subject to review and approval by the general meeting.

When the general meeting considers a guarantee proposed for a shareholder, an actual controller and his/her related party, this shareholder or other shareholders controlled by this actual controller shall not vote for the proposal, which shall have the affirmative votes by a majority of votes held by other shareholders attending the general meeting. When the general meeting makes a resolution on the guarantee mentioned in Item (III), it shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Where the Company provides a guarantee for its controlling shareholder(s), actual controller(s) and their related parties, the controlling shareholder(s), actual controller(s) and their related parties shall provide counter guarantee.

Where the Company provides guarantee for a wholly-owned subsidiary, or provides guarantee for a controlling subsidiary and other shareholders of the controlling subsidiary provide guarantee in an equal proportion according to their interests, without prejudice to the interests of the Company, the provisions of Items (I), (IV) and (V) above may be exempted. The Company shall summarize and disclose the aforesaid guarantees in its annual report and semi-annual report.

The external guarantee act that is not reviewed and approved by the general meeting of the Company in accordance with the above approval authority and review procedures shall be invalid. In the event that an external guarantee act that violates the approval authority and review procedures causes losses to the Company, the relevant entities, such as Directors, senior management members and other responsible subjects shall bear compensation liabilities according to law.

**Article 50** General meetings include annual general meetings and extraordinary general meetings. The annual general meeting shall be held once a year within 6 months after the end of the previous accounting year.

**Article 51** The Company shall convene an extraordinary general meeting within two months from the date of the occurrence of any of the following circumstances:

- (I) The number of Directors is less than the minimum quorum specified in the Company Law, or less than two-thirds of the number prescribed in the Articles of Association;
- (II) The uncovered losses of our Company reach one-third of its total share capital;
- (III) The shareholders with 10% or more shares of the Company separately or jointly request;
- (IV) The Board of Directors considers it necessary;
- (V) The Audit Committee proposes that such a meeting shall be held;
- (VI) Other circumstances conferred by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 52** The Company shall convene a general meeting at its domicile or at other place as may be specified in the notice of general meeting. After the notice of the general meeting is issued, the venue of the on-site meeting of general meeting shall not be changed without justifiable reasons. If it is really necessary to change the venue, the convener shall make a public announcement at least 2 working days before the date of the on-site meeting and explain the reasons.

The general meeting will be held in the form of on-site meetings. The Company will also provide online voting methods to facilitate shareholders' participation in general meetings in accordance with the securities regulatory rules of the place where the Company's shares are listed. Shareholders who participate in the general meeting through the above means shall be deemed to be present.

**Article 53** The Company will appoint lawyers to issue legal opinions and make public announcements on the following issues when convening general meetings:

- (I) Whether the convening and convening procedures of the meeting comply with the provisions of laws, administrative regulations and the Articles of Association;
- (II) Whether the qualifications of the participants and conveners are legal and valid;
- (III) Whether the voting procedures and voting results of the meeting are legal and valid;
- (IV) Legal opinions on other related issues as requested by the Company.

#### **Section IV Convening of General Meetings**

**Article 54** The Board of Directors shall convene the general meeting on time within the specified period.

With the approval by a majority of all independent directors, the independent Director shall have the right to propose to the Board of Directors to convene an extraordinary general meeting. With respect to the proposal of the independent Director requesting the convening of an extraordinary general meeting, the Board of Directors shall give written feedback on whether or not to agree to the convening of an extraordinary general meeting within 10 days after receiving 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. If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days after making the resolution of the Board of Directors; if the Board of Directors does not agree to convene an extraordinary general meeting, it shall state the reasons and make a public announcement.

**Article 55** The Audit Committee shall have the right to propose to the Board of Directors to convene an extraordinary general meeting, and shall submit such proposal to the Board of Directors in writing. The Board of Directors shall give written feedback on whether or not to agree to convene an extraordinary general meeting within 10 days after receiving 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.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days after making the resolution of the Board of Directors. Any change to the original proposal in the notice shall be approved by the Audit Committee.

If the Board of Directors does not agree to convene an extraordinary general meeting, or fails to give feedback within 10 days after receiving the proposal, it shall be deemed that the Board of Directors is unable or does not perform the duty of convening the general meeting, and the Audit Committee may convene and preside over the meeting on its own.

**Article 56** Shareholders who individually or collectively hold more than 10% of the shares of the Company shall request the Board of Directors to convene an extraordinary general meeting and shall submit such request to the Board of Directors in writing. The Board of Directors shall provide written feedback on whether or not to agree to convene an extraordinary general meeting within 10 days after receiving 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.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice convening the general meeting within 5 days after making the resolution of the Board of Directors. Any change in the original request in the notice shall obtain the consent of the relevant shareholders.

If the Board of Directors does not agree to convene an extraordinary general meeting, or fails to give feedback within 10 days after receiving the request, shareholders who individually or collectively hold more than 10% of the shares of the Company shall have the right to propose to the Audit Committee to convene an extraordinary general meeting, and shall submit a request to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days after receiving the request, and the consent of the relevant shareholders shall be obtained for any change in the original request in the notice.

If the Audit Committee fails to issue a notice of the general meeting within the prescribed time, it shall be deemed that the Audit Committee has failed to convene and preside over the general meeting. Shareholders who individually or collectively hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the general meeting by themselves.

**Article 57** If the Audit Committee or shareholders decide to convene a general meeting on their own, they shall notify the Board of Directors in writing and complete the necessary reports, announcements or filings in accordance with the provisions of the securities regulatory rules where the shares of the Company are listed.

The Audit Committee or convening shareholders shall complete the necessary report or announcement or filings or submit relevant materials in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed when issuing the notice of general meeting and the announcement of resolutions of general meeting.

Before the announcement of the resolution of the general meeting, the shareholding ratio of the convening shareholders shall not be less than 10%.

**Article 58** The Board of Directors and the Secretary to the Board of Directors shall cooperate with the general meeting convened by the Audit Committee or shareholders themselves. The Board of Directors will provide a register of shareholders as at the date of registration. The register of shareholders obtained by the convener shall not be used for any purpose other than convening general meetings.

**Article 59** The Company shall bear the expenses necessary for general meetings convened by the Audit Committee or shareholders themselves.

## **Section V Proposals and Notices of General Meetings**

**Article 60** The content of the proposal shall fall within the scope of power of the general meeting, have clear topics and specific resolutions, and comply with the relevant provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 61** When the Company convenes a general meeting, the Board of Directors, the Audit Committee and shareholders holding more than 1% of the shares of the Company individually or jointly shall have the right to put forward proposals to the Company.

Shareholders who individually or collectively hold more than 1% of the shares of the Company may put forward temporary proposals and submit them to the convener in writing 10 days before the general meeting. The convener shall, issue a supplementary notice of the general meeting announcing the contents of the temporary proposal, within 2 days after receiving the proposal, and submit the temporary proposals to the general meeting for consideration, except for the temporary proposals that violate the laws, administrative regulations or the provisions of the Articles of Association, or are not fall within the duties of the general meeting. If the general meeting is postponed due to the publication of supplementary notice of the general meeting in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed, the convening of the general meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed.

Except as provided above, the convener shall not modify the proposals listed in the notice of general meeting or add new proposals after sending the notice of general meeting.

If the proposal is not specified in the notice of general meeting or does not comply with the Articles of Association, the general meeting shall not vote and make a resolution.

**Article 62** The convener shall notify each shareholder in writing (including announcement) 20 days before the annual general meeting, and the extraordinary general meeting shall notify each shareholder in writing (including announcement) 15 days before the meeting.

The date of the meeting shall not be included in the calculation of the commencement period.

**Article 63** The notice of a general meeting includes the following:

- (I) The time, place and duration of the meeting;
- (II) The matters and proposals to be discussed at the meeting;
- (III) In plain language: all shareholders have the right to attend the general meeting, and may entrust a proxy in writing to attend the meeting and vote. Such a proxy does not need to be a shareholder of the Company;
- (IV) The shareholding registration date of the shareholders entitled to attend the general meeting. The interval between the shareholding registration date of the general meeting and the date of the meeting shall not be more than 7 working days. Once the shareholding registration date is confirmed, it shall not be changed;

- (V) Name and telephone number of the permanent contact person for conference affairs;
- (VI) Voting time and voting procedure for networks or other means.

The start time of voting by network or other means at the general meeting shall not be earlier than 3:00 p.m. on the day before the on-site general meeting, nor later than 9:30 a.m. on the day of the on-site general meeting, and the end time shall not be earlier than 3:00 p.m. on the day of the on-site general meeting.

**Article 64** If the election of Directors is to be discussed at the general meeting, the notice of the general meeting shall fully disclose the detailed information of the candidates for Directors, including at least the following contents:

- (I) Education background, work experience, part-time job and other personal information;
- (II) Whether there is any relationship with the Company or its Directors, senior management members, controlling shareholders, actual controllers and shareholders holding more than 5% of the shares;
- (III) The number of shares held in the Company;
- (IV) Whether it has been punished by CSRC and other relevant departments and punished by stock exchanges;
- (V) Information of other candidates for Directors required to be disclosed by the securities regulatory rules of the place where the shares of the Company are listed.

Except for the election of Directors by cumulative voting system, each candidate for Director shall submit a single proposal.

**Article 65** After the notice of the general meeting has been given, the general meeting shall not be postponed or cancelled without justifiable reasons, and the proposals specified in the notice of the general meeting shall not be cancelled. In case of postponement or cancellation, the convener shall send a notice at least 2 working days before the scheduled date and explain the reasons.

Where the securities regulatory rules of the place where the shares of the Company are listed have special provisions on the procedures for postponing or canceling the general meeting, such provisions shall prevail on the premise of not violating the domestic regulatory requirements.

## **Section VI Holding of General Meetings**

**Article 66** The Company's Board of Directors and other conveners shall take necessary measures to ensure the normal order of the general meeting. Measures shall be taken to stop any behavior that interferes with the operation of the meeting, provokes troubles and infringes upon the legitimate rights and interests of shareholders, which shall also be reported to the relevant departments for investigation and punishment in a timely manner.

**Article 67** All shareholders who are lawfully registered as at the date of shareholding registration in accordance with the securities regulatory rules of the place where the Company's shares are listed, or their proxies, shall be entitled to attend the general meeting and exercise their voting rights in accordance with relevant laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association (unless individual shareholders are required to waive their voting rights on certain matters under the securities regulatory rules of the place where the Company's shares are listed).

A shareholder may attend and vote at the general meeting in person or by proxy (who does not need to be a shareholder of the Company).

**Article 68** Individual shareholders attending the meeting in person shall present their personal identity cards or other valid certificates or documents that can verify their identity; proxies attending the meeting shall present their valid identity cards and the proxy statements from the shareholder.

Corporate shareholders shall be represented at the meeting by the legal representative or a proxy authorized by the legal representative. Legal representatives attending the meeting shall present their personal identity cards or valid documents that can prove its identity as the legal representative; proxies to attend the meeting shall present their personal identity cards, the written proxy statement (with the corporate seal) legally issued by the legal representative of the corporate shareholder.

Shareholders of a partnership enterprise shall be represented at the meeting by the managing partner, the delegate appointed by the managing partner, or a proxy entrusted by the managing partner or the delegate appointed by the managing partner. The managing partner or the delegate appointed by the managing partner attending the meeting shall present their personal identity cards, valid documents that can prove its identity as the managing partner or the delegate appointed by the managing partner; proxies authorized to attend the meeting shall present their personal identity cards, the written proxy statement (with the partnership enterprise seal) legally issued by the managing partner of the partnership enterprise or the delegate appointed by the managing partner.

If a shareholder is a Recognised Clearing House (or its proxy(ies)) as defined by the relevant laws and regulations of the place where the Company's shares are listed, such shareholder is entitled to appoint one or more persons or company representatives as it deems fit to act on its behalf at any meeting (including but not limited to the general meeting and the meeting of creditors); where more than one person is authorized, the letter of authorization shall specify the number and class of shares involving each person so authorized. The letter of authorization should be signed by the authorized officer of the Recognised Clearing House. Such persons so authorized shall be entitled to attend the meeting (who are not required to provide the proof of shareholding, the notarized power of attorney and/or further evidence of his duly authorization), speak at the meeting and exercise their rights on behalf of the Recognised Clearing House (or its proxy(ies)) as if they were individual shareholders of the Company.

**Article 69** The proxy statement to appoint a proxy to attend the general meeting by a shareholder shall contain the following:

- (I) The name of the principal, as well as the class and number of shares of the Company held by him/her;
- (II) The name of the proxy;
- (III) specific instructions from shareholders, including instruction(s) for voting for or against, or abstaining from voting on each resolution as stated in the agenda of the general meeting;
- (IV) The date of issuance and expiry of the proxy statement;
- (V) The signature (or seal) of the principal. If the principal is a corporate shareholder or a shareholder of a partnership enterprise, the seal of the corporate entity or the partnership enterprise shall be affixed.

The proxy statement shall indicate whether the shareholder's proxy may vote at his/her own if the shareholders do not give specific instructions.

**Article 70** Where the instrument appointing a proxy is signed by another person authorised by the principal, the power of attorney or other authorisation documents authorised to be signed shall be notarised. The notarised power of attorney or other authorisation documents and the instrument appointing a proxy shall be kept at the domicile of the Company or at other places designated in the notice of the meeting.

**Article 71** The Company shall be responsible for the preparation of the meeting attendance register. The meeting attendance register shall state the name (or name of the entity), personal identification number, number of shares with voting rights held or represented, name of person being represented (or name of the entity), and other matters of the persons attending the meeting.

**Article 72** The convener and the lawyer engaged by the Company shall jointly verify the legality of shareholders' qualifications according to the shareholders' register provided by the securities registration institution of the place where the Company's shares are listed and the securities regulatory rules of that place, and record the shareholders' names (or titles) and the number of shares held by them with voting rights. Before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the total number of shares held by them with voting rights, the registration of meeting shall be terminated.

**Article 73** Where directors and senior management are required to be present at general meeting, such directors and senior management shall be present at the meeting and answer the queries from shareholders. In compliance with the securities regulatory rules of the place where the Company's shares are listed, the aforementioned persons may attend or participate in the meeting via the internet, video, telephone, or other methods with equivalent effect.

**Article 74** 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 to perform or fails to perform his/her duties more than half of the directors shall jointly elect a director to preside over such meeting.

A general meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. Where the convener of the Audit Committee is unable to perform or fails to perform his/her duties, more than half of the members of the Audit Committee shall jointly elect a member of the Audit Committee to preside over such meeting.

A general meeting convened by shareholders themselves shall be presided over by the convener or a representative elected by the convenor.

If when convening a general meeting, the chairman of the meeting is in violation of these rules of procedures causing the general meeting unable to be continued, subject to the agreement by over half of the attending shareholders with voting rights at the general meeting, the general meeting may elect a person as chairman of the meeting and continue with the meeting.

**Article 75** The Company shall formulate the rules of procedure of the general meeting to specify in details the convening and voting procedures of the general meeting, including notice, registration, deliberation of proposal, voting, vote counting, announcement of voting results, formation of resolutions, minutes, the signing thereof and announcement, as well as the principles of authorization by the general meeting to the Board, of which the contents shall be clear and specific.

The rules of procedure of the general meeting shall be an annex to the Articles and shall be formulated by the Board and approved at the general meeting.

**Article 76** The Board of Directors shall give reports on their work in the past year to the general meeting at the annual general meeting. Besides, each independent director shall also make a report on his/her work. The annual work report of independent directors shall be disclosed at the latest when the Company gives notice of its annual general meeting.

**Article 77** The directors, senior management members shall make reply and explanation to all queries and proposals of the shareholders at the general meeting.

**Article 78** The chairman of the meeting shall announce the number of shareholders and proxies present at the meeting and the total number of shares carrying voting rights held by them before voting. The number of shareholders and proxies present in the meeting and the total number of shares carrying voting rights held by them shall be based on the registration for the meeting.

**Article 79** Minutes of the general meeting shall be kept by the secretary to the Board. The minutes shall contain the following details:

- (I) Time, place, agenda of meetings and names of the conveners;
- (II) The names of the chairman of the meeting, the directors and senior management members present at the meeting;
- (III) The number of attending shareholders and proxies, their total number of shares with voting rights and the proportion of their shares to the total number of the Company's shares;
- (IV) The review procedures, key points of speakers and resolution results of each proposal;
- (V) The inquiry opinions or recommendations of shareholders and the replies or elaborations thereon;
- (VI) The names of lawyers, vote counters and vote scrutineer;

(VII) Other contents being recorded in the minutes in accordance with the requirements of the Articles of Association.

**Article 80** The convenor shall warrant that the contents of the minutes are true, accurate and complete. The directors, secretary to the Board, the convenor or their proxies attending or present at the meeting, the chairman of the meeting shall sign on the minutes. The minutes, record of attendance of the shareholders, the proxy statement and valid information on online and other ways of votings shall be kept all together for a period of not less than 10 years.

**Article 81** The convenor shall ensure the continuation of the general meeting until a final resolution is reached. In the event of special reasons such as force majeure causing the interruption of the general meeting or no resolution can be made, necessary measures shall be adopted to restore the convening of the general meeting at the earliest possible or to directly terminate the general meeting and make announcement in a timely manner. The convenor shall at the same time report to the branch office of the China Securities Regulatory Commission at the place where the Company is domiciled and the securities regulatory authorities in the place where the Company's shares are listed.

## **Section VII Voting and Resolutions of General Meeting**

**Article 82** Resolutions of the general meeting shall be divided into ordinary and special resolutions.

An ordinary resolution of a general meeting shall be passed by over one-half of the voting rights held by the shareholders (including proxies thereof) present at the general meeting.

A special resolution of a general meeting shall be passed by more than two-thirds of the voting rights held by the shareholders (including proxies thereof) present at the general meeting.

**Article 83** The following matters shall require the sanction of an ordinary resolution at a general meeting:

- (I) The working reports of the Board of Directors;
- (II) Plans for distribution of profits and plans for recovery of losses proposed by the Board of Directors;
- (III) The appointment and removal of the members of the Board of Directors and their remuneration and method of payment;

(IV) Other matters except those required by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association to be approved by special resolution.

**Article 84** The following matters shall require the sanction of a special resolution at a general meeting:

- (I) The increase or decrease in registered capital of the Company;
- (II) The demerger, spin-off, amalgamation, dissolution and liquidation of the Company;
- (III) Amendments to the Articles of Association;
- (IV) The purchase and disposal of material assets by the Company within one year or the amount of guarantees provided to other parties exceeding 30% of the Company's latest audited total assets;
- (V) The share incentive schemes;
- (VI) Other matters required by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association to be approved by special resolutions, and which have been determined by ordinary resolutions at the general meeting to have significant impact on the Company.

**Article 85** Shareholders (including proxies thereof) have the right to speak at general meeting and exercise their voting rights based on the number of voting shares they represent. Each share is entitled to one vote, unless individual shareholders are required to abstain from voting on individual matters in accordance with the securities regulatory rules of the place where the shares are listed. On a poll taken at a meeting, a shareholder (including proxies thereof) entitled to two or above votes need not cast all his/her votes for, or against in the same way.

When considering the material matters affecting the interests of minority investors at the general meeting, the votes by minority investors shall be counted separately, and the results of such separate vote counting shall be publicly disclosed in a timely manner.

The shares of the Company held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders attending a general meeting.

Shareholders who purchase the voting shares of the Company in violation of the provisions of Clause 1 and Clause 2 of Article 63 of the Securities Law shall not exercise the voting right of the shares that exceed the prescribed ratio within 36 months after the purchase, and such number shall not be counted in the total number of voting shares represented by shareholders attending a general meeting.

In accordance with the applicable laws, regulations and the Hong Kong Listing Rules, if any shareholder is required to abstain from voting on a resolution matter, or any shareholder is restricted to voting only for or only against it, the number of votes cast by or on behalf of such shareholder in violation of the relevant provisions or restrictions shall not be included in the total number of voting shares.

The Board of Directors, independent directors, shareholders holding more than 1% of voting shares of the Company or investor protection agencies established in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or requirements of the China Securities Regulatory Commission may publicly solicit voting rights from shareholders. Information including the specific voting intention shall be fully disclosed to the shareholders from whom voting rights are being solicited. Consideration or de facto consideration for soliciting shareholders' voting rights is prohibited. The Company shall not impose any minimum shareholding limit for soliciting voting rights, except for statutory conditions.

**Article 86** The transaction between the Company and the related parties (except for guarantees provided by the Company) with the transaction amount accounting for over 1% of the Company's latest audited total assets or market value, and exceeding RMB30 million, in addition to timely disclosure, the Company should provide with an audit or assessment report in respect of the subject matter of the transaction issued by a securities service agency qualified to carry out securities and futures related businesses. The transaction shall obtain the consent of more than half of all independent directors before being submitted to the Board of Directors for deliberation, and after being approved by the Board of Directors, it shall be submitted to the general meeting for deliberation.

Connected transactions related to daily operations may be exempt from audit or assessment. Where otherwise provided by the securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

**Article 87** When the general meeting deliberates on matters related to connected transactions, connected shareholders shall not participate in the voting, and the number of voting shares they represent shall not be included in the total number of valid votes. The announcement of the resolution of the general meeting shall fully disclose the voting situation of non-connected shareholders.

When the general meeting makes a resolution on matters related to connected transactions, connected shareholders shall take the initiative to abstain from voting and not participate in the voting; connected shareholders shall not act as proxies for other shareholders to exercise their voting rights; if connected shareholders do not take the initiative to abstain from voting, other shareholders attending the meeting have the right to request connected shareholders to abstain from voting. After connected shareholders abstain from voting, other shareholders shall vote according to the voting rights they hold, and pass corresponding resolutions in accordance with the provisions of the Articles of Association; the abstention and voting procedures of connected shareholders shall be notified by the chairman of the general meeting and recorded in the minutes.

A resolution of the general meeting on matters related to connected transactions shall only be valid if it is approved by more than half of the voting rights held by non-connected shareholders present at the general meeting. However, if the connected transaction matters involve matters that require adoption by a special resolution as stipulated in the Articles of Association, the resolution of the general meeting shall only be valid if it is approved by more than two-thirds of the voting rights held by non-connected shareholders present at the general meeting.

**Article 88** Unless the Company is in a crisis or under any other special circumstances, the Company shall not enter into any contract with a person other than a Director and senior management member to whom the management of the whole or a significant part of the Company's business is entrusted, except with the approval of the general meeting by a special resolution.

**Article 89** The list of candidates for Directors (excluding candidates for employee Directors; the same shall apply hereinafter) shall be submitted to the general meeting for voting in the form of a proposal.

The following parties have the right to nominate candidates for Directors:

- (I) Nomination of candidates for Directors agreed by the Board of Directors;
- (II) Shareholders holding individually or collectively more than 1% of the shares of the Company have the right to nominate candidates for non-independent Directors (excluding candidates for employee Directors);
- (III) Shareholders holding individually or collectively more than 1% of the shares of the Company have the right to nominate candidates for independent Directors.

In case of the circumstances specified in item (II) and (III) of the second paragraph of this Article, after the Company issues the notice of the general meeting for the election of Directors, shareholders with nomination rights may, in accordance with Article 61 of the Articles of Association, propose candidates for Directors prior to the convening of the general meeting, which shall be submitted to the general meeting for consideration after being reviewed by the Board of Directors in accordance with the procedures for amending proposals for the general meeting.

When the general meeting votes on the election of Directors, if any single shareholder of the Company and his/her parties acting in concert have interest in 30% or more of shares, a cumulative voting system should be adopted, and where the general meeting elects two or more independent Directors, such system should be adopted as well.

The cumulative voting system as mentioned above refers to the system for electing Directors in a general meeting where the voting right of each share shall be equal to the number of Directors to be elected, the voting right owned by a shareholder may be used in a centralized manner. The Board of Directors shall publish an announcement to shareholders providing information on the biographical details and basic particulars of the candidates for Directors.

**Article 90** Except for the cumulative voting system, all proposals at the general meeting shall be voted on item by item, when there is more than one proposal for a particular matter, voting should be conducted on each of the proposals according to their chronological order of being proposed. Unless the general meeting is adjourned or a resolution cannot be passed due to special reasons such as force majeure, the general meeting will not set aside or refrain from voting on the proposals.

**Article 91** When a proposal is considered in a general meeting, no modification to the proposal will be made, otherwise the relevant change shall be deemed a new proposal and cannot be voted in the current general meeting.

**Article 92** The same voting right may only elect one of the voting methods, on-site, internet or other voting methods. In case of repeat voting by the same voting right, only the first vote is valid.

**Article 93** Voting at the general meeting shall be conducted in the form of open ballot.

**Article 94** Before voting on a proposal in the general meeting, two shareholder representatives shall be elected to participate in voting counting and act as scrutineers. Where the matters to be considered are related to the shareholders, such shareholders and proxies are not allowed to participate in vote counting and scrutinizing process.

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

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

**Article 95** The closing time of a physical general meeting must not be earlier than that of internet or other methods. The chairman of the meeting shall announce the voting for each proposal and its result, and shall declare whether the proposal has been approved according to the voting.

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

**Article 96** Shareholders who attend the general meeting in person shall express one of the following indications about the proposal submitted for voting: for, against or abstain, except for securities registration and clearing institutions which serve as the nominal holders of stocks traded in the stock markets of the Mainland and Hong Kong under the stock connect mechanism, or recognized clearing houses, as defined in the relevant regulations in force from time to time under the laws of Hong Kong, or their agents which serve as the nominal holders, and make declarations according to the intention of the actual holders.

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

**Article 97** If the chairman of the meeting has any doubts about the voting result of the submitted resolution, he may arrange re-counting of the votes. If the chairman of the meeting does not arrange re-counting of the votes, shareholders or proxies attending the meeting who dissent from the result announced by the chairman of the meeting shall be entitled to request re-counting of votes immediately after announcement of the voting result, in which case the chairman of the meeting shall immediately arrange re-counting of the votes.

**Article 98** Resolutions of a general meeting shall be announced in a timely manner, the announcement shall set out the number of shareholders and proxies attending the meeting, the total number of shares held with voting rights and the percentage in the total number of shares of the Company with voting right, method of voting, voting result of each proposal and the details of each resolution which has been passed.

**Article 99** If any proposal has not been passed or modification has been made to a resolution of the preceding general meeting by the current general meeting, a special note should be contained in the resolutions announcement of the general meeting.

**Article 100** After the general meeting has passed the resolutions on the election proposal for Directors, the newly elected Directors shall take office on the date when the election proposal is approved by the general meeting through voting.

**Article 101** When a general meeting has passed resolutions on the distribution of cash dividends, bonus shares or increase in share capital by conversion of capital reserves, the Company shall implement the specific proposal within 2 months after conclusion of the general meeting. If the specific proposal cannot be implemented within 2 months due to the requirements of laws, regulations and securities regulatory rules of the place where the Company is listed, the implementation date may be adjusted accordingly in compliance with the relevant regulations and as appropriate.

## **Chapter V Directors and Board of Directors**

### **Section I General Provisions for Directors**

**Article 102** Directors of the Company include executive Directors, non-executive Directors and independent Directors. Non-executive Directors refer to Directors who do not carry out operation and management duties in the Company. Independent Directors refer to Directors who meet the requirements of the Articles of Association. Directors of the Company are natural persons, and a person shall not serve as a Director of the Company if any of the following circumstances applies:

- (I) a person who has no capacity or has restricted capacity for civil conduct;
- (II) a person who has been sentenced to criminal punishment for corruption, bribery, embezzlement of property, misappropriation of property or disruption of the socialist market economic order; or has been deprived of political rights because of committing an offence, in each case where less than 5 years have elapsed since the expiration of the execution period; or who has been declared under probation, where less than 2 years have elapsed since the expiration of the probation period;
- (III) a person who is a former director, factory director or manager of a company or an enterprise which was insolvent and liquidated and who was personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;

- (IV) a person who was the legal representative of a company or an enterprise whose business license has been revoked and was ordered to cease its business due to the violation of laws and who is personally liable for the revocation, where less than 3 years have elapsed since the date of the revocation of the business license or the order to close of such company or enterprise;
- (V) a person who has a relatively large amount of personal indebtedness which is overdue and outstanding and is listed as a dishonest person subject to enforcement by the People's Court;
- (VI) a person who has been banned from entering the securities market by the CSRC and whose term has not yet expired;
- (VII) a person who has been publicly determined by the stock exchange to be unsuitable to serve as a director, a senior management member or other positions of a listed company, and the specified period of such disqualification has not expired;
- (VIII) Other contents stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed.

Any election, appointment or engagement of a Director in violation of the provision of this Article shall be invalid. If a Director falls under the circumstances stipulated above during his/her term of office, the Company shall remove such Director from his/her office and terminate his/her authority to act.

**Article 103** The Directors (excluding those employee representative Directors, hereinafter the same) shall be elected or replaced by the general meeting, and on the premise of complying with the relevant laws, regulations and securities regulatory rules of the place where the Company's shares are listed, the shareholders shall have power by ordinary resolution to remove any Director (including a managing director or any other executive Director) at the general meeting before the expiration of his/her term of office; however, such removal shall not prejudice to any claim for damages under any contract by such Director. The employee representative Directors are democratically elected by the employees of the Company through the employee representative congress, the employee congress or other forms, and do not need to be submitted to the shareholders' meeting for deliberation. The term of office of a Director is three years and upon the expiration of the term, it may be renewable upon re-election in accordance with the securities regulatory rules of the place where the Company's shares are listed.

A Director's term of office shall commence from the date on which he/she takes office and up to the expiry of the current term of office of the Board of Directors. If, upon the expiry of a Director's term of office, a new Director cannot be elected on a timely basis, before the re-elected Director starts his/her term of office, such Director shall continue to perform his/her duties as Director in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the provisions of the Articles of Association.

The senior management member can concurrently serve as a Director, but the total number of Directors who concurrently hold the positions of the senior management members and Directors who are employee representatives shall not be more than 1/2 of the total number of Directors of the Company.

**Article 104** The Directors shall comply with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the provisions of the Articles of Association, and shall fulfill the fiduciary obligation to the Company. They shall take measures to avoid conflicts between their personal interests and the interests of the Company, and shall not exploit their positions to seek improper benefits.

A Director shall fulfill the fiduciary obligation to the Company as follows:

- (I) not to misappropriate the property of the Company or misappropriate the funds of the Company;
- (II) not to deposit the Company's funds in an account opened in his/her own name or in the name of any other individual;
- (III) not to offer bribes by taking advantage of his/her position, or accept other illegal gains;
- (IV) not to enter into contracts or transactions directly or indirectly with the Company without reporting to the Board or the general meeting or approval by the Board or the general meeting by resolutions in accordance with the Articles of Association;
- (V) not to take advantage of his/her position to seek business opportunities that belongs to the Company for himself/herself or others, except where he/she has reported to the Board of Directors or the general meeting and the general meeting has passed a resolution approving such conduct, or the Company is unable to utilize such business opportunity in accordance with laws, administrative regulations or the provisions of the Articles of Association;
- (VI) not to engage in business similar to that of the Company for himself/herself or others, without having reported to the Board of Directors or the general meeting or without the approval by a resolution of the general meeting;

- (VII) not to accept commissions from any person in connection with the Company's transactions for his/her own benefit;
- (VIII) not to disclose the secrets of the Company without authorization;
- (IX) not to take advantage of his/her affiliation to harm the interests of the Company;
- (X) other fiduciary obligations stipulated in laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The revenue derived by a Director in violation of the provisions of this Article shall be returned to the Company. If it causes any losses to the Company, he/she shall be liable for compensation.

The provisions of Item (IV) of the second paragraph of this Article shall apply to contracts or transactions entered into between the Company and a close relative of a Director or a senior management member, an enterprise directly or indirectly controlled by a Director, a senior management member or their close relative, or any other connected person having an association with a Director or a senior management member.

**Article 105** The Directors shall comply with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the provisions of the Articles of Association, shall diligently perform their obligations to the Company, and shall fulfill their obligations with reasonable care generally due to managers in the best interests of the Company.

The Directors shall bear the following responsibilities of diligence to the Company:

- (I) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the requirements of PRC laws, administrative regulations and relevant PRC economic policies and are not beyond the business scope specified in the business license;
- (II) to treat all shareholders fairly;
- (III) to keep abreast of the Company's business operation and management;
- (IV) to sign written confirmations of the Company's periodic reports, to ensure that the information disclosed by the Company is true, accurate and complete;

- (V) to provide the status reports and information to the Audit Committee truthfully, and not to hinder the Audit Committee from exercising its powers;
- (VI) other responsibilities of diligence stipulated in laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 106** A Director who fails to attend two consecutive meetings of the Board of Directors in person or to delegate other Directors to attend the meetings on his/her behalf shall be deemed to be incapable of performing his/her duties, and the Board of Directors shall propose to the general meeting to remove such Director. Subject to the securities regulatory rules of the place where the Company's shares are listed, a Director who attends a meeting of the Board of Directors by internet, video, telephone or other means with equivalent effect shall also be deemed to be attending the meeting in person.

**Article 107** A Director may resign before the expiry of his/her term of office. A Director who resigns shall submit a written resignation report to the Company. The resignation shall take effect upon the Company's receipt of the resignation report. The Company shall disclose the relevant resignation within 2 trading days or within the period required by the securities regulatory rules of the place where the Company's shares are listed.

In the event that the Board of Directors of the Company falls below the quorum minimum due to a Director's resignation, or in the event that the proportion of independent Directors on the Board of Directors of the Company or its specialized committees does not comply with laws, regulations, securities regulatory rules of the place where the Company's shares are listed or the provisions of the Articles of Association due to the resignation of an independent Director, or in the event that there is no accounting professional among the independent Directors, or, in circumstances where the Company is required to have an employee representative Director, such resignation would result in the absence of such an employee representative Director on the Board of Directors, the resignation report of such Director shall not take effect until the successor fills the vacancy arising from his/her resignation. Before the resignation report takes effect, the resigning Director shall continue to perform his/her duties in accordance with relevant laws, regulations and securities regulatory rules of the place where the Company's shares are listed and the provisions of Articles of Association, unless otherwise provided by laws, regulations and securities regulatory rules of the place where the Company's shares are listed. The Company shall complete the by-election within 60 days from the date when the Director submits the resignation and ensure that the composition of the Board of Directors and its special committees comply with laws, regulations, securities regulatory rules of the place where the Company's shares are listed and the provisions of Articles of Association.

**Article 108** The Company shall establish a Director departure management system, specifying safeguard measures for pursuing accountability and seeking compensation for unfulfilled public commitments and other outstanding matters. Upon a Director's resignation becomes effective or his/her term of office expires, he or she shall complete all of the handover procedures with the Board of Directors, and his or her fiduciary obligations to the Company and the Shareholders shall not necessarily be discharged after the expiration of his/her term of office. His/her obligation to maintain the confidentiality of the Company's trade secrets shall remain in effect after the expiration of his/her term of office until such secrets become public information. The duration of the other obligations shall be determined on an equitable basis, depending on the length of time between the occurrence of the event and the departure from office, and the circumstances and conditions under which the relationship with the Company is terminated. A Director's liability arising from the performance of his/her duties during his/her tenure shall not be waived or terminated due to his/her departure.

**Article 109** A Director may be removed by an ordinary resolution passed at a general meeting, and such removal shall be effective upon the passing of the resolution.

If a Director is removed prior to the expiry of his/her term without due cause, the Director may require the Company to provide reasonable compensation.

**Article 110** Where it is not prescribed by the Articles of Association or without the lawful authorization of the Board of Directors, no Director shall act on behalf of the Company or the Board of Directors in his/her personal capacity. Where a Director acts in his/her capacity, such Director shall declare in advance his/her position and identity in circumstances where a third party would reasonably believe that such Director is acting on behalf of the Company or the Board of Directors.

**Article 111** A Director who, in the course of performing duties of the Company, causes damage to any other person shall render the Company liable for compensation; if such Director has acted with intent or gross negligence, he/she shall also be liable for compensation.

A Director who violates laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the provisions of the Articles of Association in the course of performing duties of the Company and causes losses to the Company shall be liable for compensation.

## **Section II Board of Directors**

**Article 112** The Company shall establish a Board of Directors which shall consist of nine Directors, including three Independent Directors and one employee representative Director. The Board of Directors shall have a chairman, who shall be elected by the Board of Directors through a majority vote of all the Directors. The Company shall not have a vice chairman.

**Article 113** The Board of Directors shall exercise the following functions and powers:

- (I) To convene the general meeting to present their work reports at such meetings;
- (II) To execute resolutions of the general meeting;
- (III) To decide on the business and investment plans of the Company;
- (IV) To prepare the profit distribution plan and loss makeup plan of the Company;
- (V) To prepare plans for the increase or reduction of the registered capital of the Company, the issuance of bonds or other securities and the listing;
- (VI) To formulate plans for material acquisitions, purchase of shares of the Company, or merger, division, dissolution and change of corporate form of the Company;
- (VII) To decide on external investment, acquisition and disposal of assets, mortgage of assets, external guarantee, entrusted financial management, related transactions and external donations within the scope of the Articles of Association and the authorization granted by the general meeting;
- (VIII) To resolve on the establishment of internal management organizations of the Company;
- (IX) To appoint or dismiss the Company's general manager; to appoint or dismiss the secretary to the Board of Directors as nominated by the chairman of the Board of Directors; to appoint or dismiss the Company's deputy general manager, chief financial officer (the financial controller), chief technology officer and other senior management members (except the secretary to the Board of Directors) as nominated by the general manager; and determine their remunerations and rewards and penalties;
- (X) To set up the basic management system of the Company;
- (XI) To formulate the proposals for any amendment to the Articles of Association;

- (XII) To manage the disclosure of information by the Company;
- (XIII) To propose to the general meeting the appointment or change of the accounting firm acting as the auditors of the Company;
- (XIV) To listen to the work report of the general manager of the Company and examine the general manager's work;
- (XV) Subject to compliance with securities regulatory rules of the place where the Company's shares are listed, to decide on the acquisition of the shares of the Company (due to circumstances provided in items (III), (V) and (VI) of the first paragraph of Article 25 of the Articles of Association);
- (XVI) Other functions and powers authorized by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

Matters beyond the scope authorized by the general meeting shall be submitted to the general meeting for decision.

**Article 114** The Board of Directors of the Company shall explain the non-standard auditing opinions on the financial reports of the Company issued by a certified public accountant to the general meeting.

**Article 115** The Board of Directors shall formulate the rules of procedures of the meetings of the Board of Directors to ensure the implementation of the general meeting's resolutions, improve the work efficiency and guarantee scientific decision-making.

These rules shall specify the procedures for the convening of and voting at the meetings of the Board of Directors, and shall be appended to the Articles of Association. They shall be drafted by the Board of Directors for approval by the general meeting.

**Article 116** The Board of Directors shall determine the authority of external investment, acquisition and disposal of assets, asset mortgage, external guarantee, entrusted financial management, related transactions, external donations, 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 117** Except as otherwise provided by the securities regulatory rules of the place where the Company's shares are listed, any transaction entered into by the Company (excluding the provision of guarantees and financial assistance) that meets any of the following criteria shall be submitted to the Board of Directors for consideration:

- (I) The total amount of assets involved in the transaction (if the assets involved have both book value and valuation, whichever is higher) accounts for over 10% of the latest audited total assets of the Company;
- (II) The business income of the transaction subject (such as equity) accounts for over 10% of the audited business income of the Company in the latest accounting year, and exceeds RMB10 million;
- (III) The net profit of transaction subject (such as equity) accounts for more than 10% of the audited net profit of the Company in the latest accounting year, and exceeds RMB1 million;
- (IV) The net assets of the transaction subject (such as equity) accounted for over 10% of the Company's market value in the latest accounting year;
- (V) The transaction amount accounts for over 10% of the Company's market value;
- (VI) The profits generated from the transaction account for more than 10% of the audited net profit of the Company in the latest accounting year, and exceed RMB1 million.

Except as otherwise provided by the securities regulatory rules of the place where the Company's shares are listed, if the data involved in the above index calculation is negative, the absolute value of the data shall be taken.

Transactions as mentioned in this Article include purchase or sale of assets (excluding purchase of raw materials, fuels and power, and sale of products or commodities, and other transactions that are related to ordinary operation); external investment (except for the purchase of low-risk wealth management products of banks); transfer or acquisition of research and development projects; signing license agreements; lease-in or lease-out of assets; appointing or being appointed by others to manage assets and businesses; giving or being given assets as gifts; restructuring of claims or debts; waiver of rights (including waiver of preemptive right, the right of first offer, etc.) and other transactions approved by the stock exchange.

Except as otherwise provided by the securities regulatory rules of the place where the Company's shares are listed, when the relevant criteria for the transaction matters are not met, the decision shall be made by the general manager.

Subject to the securities regulatory rules of the place where the Company's shares are listed and except for the external guarantees stipulated in Article 49 of the Articles of Association which shall be submitted to the general meeting for deliberation, all other external guarantees of the Company shall be approved by the Board of Directors. The external guarantees within the scope of authority of the Board of Directors shall also be approved by more than two-thirds of the Directors present at the meeting of the Board of Directors, besides be approved by more than half of all Directors.

A connected transaction between the Company and a connected natural person with the transaction amount exceeding RMB0.3 million (except for guarantees provided by the Company) and between the Company and a connected legal person with the transaction amount exceeding RMB3 million and accounting for over 0.1% of the Company's latest audited total assets or market value (except for guarantees provided by the Company) shall first be approved by more than half of all independent Directors of Company and then submitted to the Board of Directors for approval. Where the connected transaction meets the standards for deliberation by the general meeting, it shall be submitted to the general meeting for approval after being considered by the Board of Directors. Where the relevant indicators of the connected transaction do not meet the above-mentioned standards, the decision shall be made by the general manager.

If the general manager has a connected relationship with the connected transaction matter, such connected transaction shall be submitted to the Board of Directors for review and approval.

When the Board of Directors considers above transactions, related transactions, external guarantees and borrowings, it should establish strict review and decision-making procedures; Major investment projects exceeding the above authority shall be reviewed by relevant experts and professionals and submitted to the general meeting for approval.

The external guarantee that are not considered and approved by the Board of Directors in accordance with above approval authority and review procedures shall be invalid. Where any external guarantee considered and approved in violation of the approval authority or review procedures causes a loss to the Company or the shareholders, the related Directors, senior management members or any other person held liable shall bear the liability for damages in accordance with the laws.

**Article 118** The chairman of the Board of Directors shall perform the following functions and powers:

- (I) To preside over general meetings, convene and preside over the meetings of the Board of Directors, and determine the agenda of the meetings of the Board of Directors;

- (II) To supervise and inspect the implementation of resolutions of the Board of Directors;
- (III) To sign important documents of the Board of Directors and other documents that shall be signed by the chairman of the Board of Directors;
- (IV) To receive reports from the general manager on the implementation of resolutions of the Board of Directors;
- (V) Other authorities stipulated by laws and regulations, the securities regulatory rules of the place where the Company's shares are listed, and those authorized by the Board of Directors.

**Article 119** Where the chairman of the Board of Directors is incapable of performing or is not performing his/her duties, a Director nominated by more than half of the Directors shall perform such duties.

**Article 120** Meetings of the Board of Directors shall be held at least 4 times a year and be convened by the chairman of the Board of Directors. A notice shall be given to all Directors 14 days before the date of the proposed meeting in writing.

**Article 121** An extraordinary meeting of the Board of Directors may be convened upon requisition by either shareholder holding 10% or more of voting shares, or one-third or more of directors or the Audit Committee. The chairman of the Board of Directors shall convene and hold the meeting of the Board of Directors within 10 days after receiving the requisition.

**Article 122** Notice for convening an extraordinary meeting of the Board of Directors shall be given in writing, delivered either in person, by prepaid mail, fax, or email, and shall be issued at least 5 days prior to the meeting. In urgent circumstances requiring prompt convening of an extraordinary meeting of the Board of Directors, notice may be given at any time by telephone or other oral means, provided that the convener shall provide an explanation during the meeting. The obligation to make notification in advance for an extraordinary meeting of the Board of Directors may be waived upon unanimous written consent of all Directors.

**Article 123** The notice of the meeting of the Board of Directors shall specify:

- (I) The date and place of the meeting;
- (II) The duration of the meeting;
- (III) The reasons and issues of discussion;
- (IV) The date of issuance of notice.

A verbal notice of the meeting shall at least include items (I), (II) and (III) above, and an explanation for a meeting of the Board of Directors to be held quickly due to urgent circumstances.

**Article 124** The meeting of the Board of Directors shall be attended by more than one half of the Directors. Unless otherwise stipulated by laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's shares are listed, resolutions made by the Board of Directors must be passed by more than half of all Directors.

When voting on the resolutions of the Board of Directors, each Director shall have one vote.

**Article 125** When the Directors have connected relationship with the enterprise or individual involved in the resolution to be passed at the meeting of the Board of Directors, the Directors shall promptly report to the Board of Directors in writing. Such related Directors shall not vote in respect of such resolution and shall not vote on behalf of other Directors. Such meeting of the Board of Directors shall be held in the attendance of more than half of the Directors without connected relationship. All resolutions to be passed at the meeting of the Board of Directors shall be passed by more than half of the Directors without connected relationship. If number of the Directors without connected relationship attending the meeting of the Board of Directors is less than 3, such matter shall be submitted to the general meeting for consideration. If there are any additional restrictions imposed by laws and regulations and the securities regulatory rules of the place where the Company's shares are listed on the participation of Directors in the meeting of the Board of Directors and voting, such provisions shall apply.

**Article 126** The voting of the Board of Directors shall be conducted by a registered poll or by a show of hands.

Subject to ensuring that Directors can fully express their opinions, a special meeting of the Board of Directors may be convened and resolutions may be adopted by means of video, fax, telephone, or any communication equipment that enables all Directors to communicate, provided that such resolutions are signed by the attending Directors.

Directors may make a reasonable request to seek independent professional advice as required for decision-making under appropriate circumstances, and the expenses incurred shall be borne by the Company.

Unless it is impossible to hold an onsite meeting or a meeting by video or telephone due to any special reasons such as emergencies or force majeure events, the meeting of the Board of Directors shall be held by way of an on-site meeting or by video or telephone.

If an onsite meeting or a meeting by video or telephone cannot be held due to any special reasons such as emergencies or force majeure events, etc., subject to the condition that Directors will express their opinions fully, a resolution can be made in the extraordinary meeting of the Board which can be held by means of communication (such as delivered in person or fax, etc.) and will be signed and voted by the directors attending the meeting. If the number of Directors who vote in favor of the proposal reaches the statutory proportion within the deadline specified in the notice, the proposal becomes a resolution of the Board.

**Article 127** The Directors shall attend the meeting of the Board of Directors in person; If Directors fail to attend for any reasons, such Director may appoint in writing other Directors to attend such meeting on his behalf, the proxy statement shall indicate the name of the agent, the matters delegated, the scope and validity period of authorization, and shall be signed or sealed by the principal. The Directors who attend the meeting on behalf of another Director shall exercise the rights of Directors within the scope of authorization. If Directors fail to attend the meeting of the Board of Directors in person or appoints any representative to attend on his behalf, such Director shall be deemed to have waived his voting rights at such meeting.

**Article 128** The Board meeting shall prepare meeting minutes concerning any matters decided at such meeting. The Directors attending the meeting shall sign the meeting minutes.

The minutes of the meeting of the Board of Directors shall be kept as file of the Company for a period of not less than 10 years.

**Article 129** The minutes of the meeting of the Board of Directors shall include the following:

- (I) Date, venue of the meeting and the name of convener;
- (II) The names of the attending Directors and the names of the Directors (agent) attending the meeting upon entrustment by other Directors;
- (III) The agenda of the meeting;
- (IV) Summary of key points made by Directors;
- (V) The voting method and results with respect to each matter that was the subject of a resolution (the voting results shall state the number of votes for, against or abstention);
- (VI) Other matters that the attending Directors deem necessary to include in the minutes.

### **Section III Independent Directors**

**Article 130** Independent Directors are directors who do not hold any positions in the Company other than that of independent Director, and have no relationship with the Company or its substantial shareholders that may impede their exercise of independent objective judgment. Independent Directors shall diligently perform their duties in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the provisions of the Articles of Association. They shall play their role in the Board of Directors in decision-making participation, supervision and checks, and professional advisory, with a view to safeguarding the overall interests of the Company and protecting the legitimate rights and interests of minority shareholders.

**Article 131** Independent Directors shall possess the qualifications prescribed by laws and regulations as well as the securities regulatory rules of the place where the Company's shares are listed, and must maintain independence. The following persons are ineligible to serve as independent Directors:

- (I) Persons employed by the Company or its affiliated companies, as well as their spouses, parents, children, and key social relationships (referring to siblings, siblings' spouses, spouses' parents, spouses' siblings, children's spouses, parents of children's spouses, etc.);
- (II) Natural person shareholders who directly or indirectly hold more than 1% of the Company's issued shares or are among the top ten shareholders of the Company, as well as their spouses, parents, and children;
- (III) Persons employed by shareholders directly or indirectly holding more than 5% of the Company's issued shares or by any of the Company's top five shareholders, as well as their spouses, parents, and children;
- (IV) Persons employed by the controlling shareholder or the de facto controller's affiliated companies of the Company, as well as their spouses, parents, and children;
- (V) Persons who have material business relationships with the Company and its controlling shareholder, de facto controller, or their respective affiliated companies; or persons employed by any entity with which such material business relationships exist, and its controlling shareholder or de facto controller;
- (VI) Persons providing financial, legal, consultancy, sponsorship and other services to the Company, its controlling shareholder, de facto controller or their respective affiliated companies, including but not limited to all members of the project teams from the intermediaries providing services, reviewing officers at all levels, persons signing the reports, partners, Directors, senior management and principal persons;

- (VII) Persons who have met any of the conditions listed in items (I) to (VI) within the last twelve months;
- (VIII) Other persons who are not independent as stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Independent Directors shall conduct an annual self-examination of their independence and submit such examination results to the Board of Directors. The Board of Directors shall evaluate the independence of the incumbent independent Directors annually and issue a special opinion, which shall be simultaneously disclosed with the annual report.

**Article 132** Persons who act as independent Directors of the Company shall meet the following conditions:

- (I) Qualified to serve as a Director of a listed company in accordance with laws, administrative regulations and other relevant provisions;
- (II) Meet the independence requirements of the Articles of Association;
- (III) Have a basic understanding of the operation of a listed company, and being familiar with relevant laws, regulations and rules;
- (IV) Possess five or more years of experience in law, accounting, economics, or other experience necessary for the performance of duties as an independent Director;
- (V) Excel in virtue and have no bad records such as major breach of trust;
- (VI) Independent Directors must demonstrate acceptable competence and sufficient commercial or professional experience to ensure the interests of all shareholders are adequately represented. Independent Directors shall constitute at least one-third of the members of the Board of Directors, with no fewer than three persons. Among the independent Directors, there shall be at least one who meets the professional qualification requirements prescribed by the securities regulatory rules of the place where the Company's shares are listed, or possesses appropriate accounting or relevant financial management expertise, and the independent Directors shall include at least one who is ordinarily resident in Hong Kong.
- (VII) Other conditions stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 133** As members of the Board of Directors, the independent Directors owe fiduciary duties and duties of diligence to the Company and all shareholders, and shall prudently fulfill the following duties:

- (I) To participate in the decision-making of the Board of Directors and offer clear opinions on the matters deliberated;
- (II) To supervise the matters on potential material conflicts of interest between the Company and its controlling shareholders, de facto controllers, Directors and members of senior management and protect the legitimate rights and interests of minority shareholders;
- (III) To provide professional and objective advice on the operation and development of the Company, promoting the improvement of the decision-making level of the Board of Directors;
- (IV) Other duties prescribed by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 134** Independent Directors shall have the following special powers:

- (I) To independently engage an intermediary organization to audit, consult or verify specific matters of the Company;
- (II) To propose to the Board of Directors the holding of extraordinary general meetings;
- (III) To propose the holding of meetings of the Board of Directors;
- (IV) To publicly solicit shareholders' rights from shareholders according to law;
- (V) To express independent opinions on matters that may be detrimental to the rights and interests of the Company or the minority shareholders;
- (VI) Other powers prescribed by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

In exercising the duties and powers set out in items (I) to (III) above, the independent Directors shall obtain the consent of more than half of all independent Directors.

Where an independent Director exercises his/her powers under item (I), the Company shall make timely disclosure. Where the above powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

**Article 135** The following matters shall be submitted to the Board of Directors for consideration after obtaining the consent of more than half of all the independent Directors of the Company:

- (I) Related party transactions that are required to be disclosed;
- (II) Plan for change or waiver of undertakings by the Company and related parties;
- (III) The decisions made and measures taken by the Board of Directors of the Company in relation to the acquisition when the Company is acquired;
- (IV) Other matters as required by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 136** The Company shall establish a special meeting mechanism attended by all independent Directors. Where the Board of Directors considers the related transactions and other matters, prior approval from special meeting of independent Directors shall be obtained.

The Company shall hold special meetings of independent Directors on a regular or irregular basis. Matters listed in items (I) to (III) of the first paragraph of Article 134 and Article 135 of the Articles of Association shall be considered at a special meeting of independent Directors. The special meeting of independent Directors may study and discuss other matters of the Company as needed.

A special meeting of independent Directors shall be convened and presided over by an independent Director elected by a majority of the independent Directors. In the event that the convener fails to or is unable to perform his/her duties, two or more independent Directors may convene and elect a representative to preside over the meeting on their own.

The minutes of the special meetings of independent Directors shall be prepared according to relevant requirements and shall record the opinions of independent Directors. Independent Directors shall sign and confirm the meeting minutes.

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

**Article 137** The term of office of independent Directors is the same as other Directors, and the term is renewable upon re-election when it expires, but the renewed term shall not exceed 6 years. Before the expiration of the term of office of an independent Director, the Company may terminate his/her office in accordance with legal procedures. In case of early dismissal of an independent Director, the Company shall promptly disclose the specific reasons and basis. If the independent Directors have objections, the Company shall disclose them in a timely manner.

If an independent Director fails to attend two consecutive meetings of the Board of Directors in person and does not delegate another independent Director to attend the meeting on his/her behalf, the Board of Directors shall, within 30 days from the date of such fact, propose to convene a general meeting to remove such independent Director from his/her position. If at any time the Company's independent Directors do not meet the number, qualifications or independence requirements set out in the Hong Kong Listing Rules, the Company shall immediately notify the HKEX and make an announcement stating the relevant details and the reasons thereof, and shall appoint, within 60 days of the non-compliance with the relevant requirements, a sufficient number of independent Directors to fulfill the requirements of the Hong Kong Listing Rules.

**Article 138** Regarding independent Directors, unless explicitly stipulated in this section, they shall be governed by the provisions regarding Directors of the Company under applicable laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

#### **Section IV Special Committees of the Board of Directors**

**Article 139** The Board of Directors of the Company shall establish an Audit Committee, which shall exercise the functions and powers of the Supervisory Committee as stipulated under the Company Law.

**Article 140** The Audit Committee shall consist of three members, all of whom must be non-executive Directors with independent Directors constituting the majority. Among the members, at least one independent Director shall possess appropriate professional qualifications as required by the securities regulatory rules of the place where the Company's shares are listed, or have appropriate accounting or relevant financial management expertise. Audit Committee members shall be principally independent from the Company's daily operation and management affairs and possess the professional knowledge and commercial experience necessary to perform the duties of the Audit Committee. The Audit Committee shall have one convener, who shall be an accounting professional among the independent Directors, responsible for presiding over the work of the Committee.

**Article 141** The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and assessing internal and external audit work and internal control. The following matters shall be submitted to the Board of Directors for consideration only after being approved by more than half of all members of the Audit Committee:

- (I) Disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;
- (II) Appointment or dismissal of accounting firms undertaking the Company's audit business;
- (III) Appointment or dismissal of the Company's financial controller;
- (IV) Changes in accounting policies, accounting estimates or major accounting error corrections for reasons other than changes in accounting standards;
- (V) Other matters stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 142** The Audit Committee shall hold at least one meeting every quarter. Interim meetings may be convened upon proposal by two or more members or when the chairperson deems it necessary. A meeting of the Audit Committee shall be held only if more than two-thirds of its members are present.

Resolutions of the Audit Committee shall be adopted by a majority of the members of the Audit Committee.

In respect of voting on the resolutions of the Audit Committee, each member shall have one vote.

The Audit Committee shall prepare meeting minutes for its resolutions as required, and the members of the Audit Committee who attend the meeting shall sign the meeting minutes.

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

**Article 143** The Board of Directors of the Company shall establish a Strategy and Sustainable Development Committee, a Nomination Committee and a Remuneration and Assessment Committee, which shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Proposals of the special committees shall be submitted to the Board of Directors for deliberation and decision. The working rules of the special committees shall be formulated by the Board of Directors. Independent Directors shall account for a majority of the members of the Nomination Committee and the Remuneration and Assessment Committee, and the chairperson of each such committee shall be an Independent Director.

**Article 144** The Nomination Committee shall be responsible for formulating the selection criteria and procedures for Directors and senior management members, selecting and reviewing candidates for Directors and senior management members and their qualifications for office, and making recommendations to the Board of Directors on the following matters:

- (I) Nominating, appointing or removing Directors;
- (II) Appointing or dismissing senior management members;
- (III) Other matters stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If the Board of Directors does not adopt or does not fully adopt the recommendations of the Nomination Committee, it shall record the opinions of the Nomination Committee and the specific reasons for not adopting such recommendations in the resolutions of the Board of Directors and make disclosure thereof.

**Article 145** The Remuneration and Assessment Committee shall be responsible for formulating assessment criteria for Directors and senior management members and conducting assessments, formulating and reviewing the remuneration policies and plans for Directors and senior management members (including the remuneration determination mechanism, decision-making process, and payment, suspension of payment and recovery arrangements), and making recommendations to the Board of Directors on the following matters:

- (I) Remuneration of Directors and senior management members;
- (II) Formulation or modification of equity incentive plans and employee share ownership plans, and the fulfillment of the conditions for the grant of entitlements to grantees of incentives and the exercise of such entitlements;

- (III) Arrangement of share ownership plans by Directors and senior management members in the proposed spin-off subsidiaries of the Company;
- (IV) Other matters stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If the Board of Directors does not adopt or does not fully adopt the recommendations of the Remuneration and Assessment Committee, it shall record the opinions of the Remuneration and Assessment Committee and the specific reasons for not adopting such recommendations in the resolutions of the Board of Directors and make disclosure thereof.

## **Chapter VI Senior Management Members**

**Article 146** The Company has one general manager, who shall be appointed or dismissed by the Board of Directors.

The company has several deputy general managers, who are nominated or dismissed by the general manager, and appointed or dismissed by the Board of Directors.

The company has one chief financial officer (financial controller), who is nominated or dismissed by the general manager, and appointed or dismissed by the Board of Directors.

The company has one chief technology officer, who is nominated or dismissed by the general manager, and appointed or dismissed by the Board of Directors.

The company has one secretary to the Board of Directors, who is nominated or dismissed by the chairman of the Board, and appointed or dismissed by the Board of Directors.

**Article 147** The Articles of Association regarding the circumstances with respect to disqualified Directors and provisions with respect to the post-resignation management system are applicable to the senior management members.

The provisions of the Articles of Association on the fiduciary duties and the duties of diligence of Directors shall also apply to senior management members.

**Article 148** A person holding other administrative duties other than Director and Supervisor in other units controlled by controlling shareholders and de facto controllers of the Company shall not serve as a senior management member of the Company.

The senior management members shall receive salaries by the Company, and the controlling shareholders shall not pay the salaries on behalf of the Company.

**Article 149** The term of office of the general manager shall be three years, and the general manager can be reappointed.

**Article 150** 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 decide on transaction matters below the standards that require submission to the Board of Directors for consideration as stipulated in Article 117 to the Articles of Association;
- (IV) To draft plans for the establishment of the Company's internal management organization;
- (V) To draft the Company's basic management system;
- (VI) To formulate the specific rules and regulations of the Company;
- (VII) To propose to the Board of Directors appointment or dismissal of deputy general manager, chief financial officer (the financial controller), chief technology officer and other senior management members (except the secretary to the Board of Directors);
- (VIII) To decide on the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (IX) To convene and preside over the general manager's office meetings;
- (X) To exercise the functions and powers stipulated in the work rules of the general manager;
- (XI) To exercise other functions and powers conferred by the Articles of Association or the Board of Directors.

The general manager attends the meeting of the Board of Directors.

**Article 151** The general manager shall prepare the work rules of the general manager for approval by the Board of Directors before implementation.

**Article 152** The work rules of the general manager shall contain the following:

- (I) The conditions and procedures for the convening of a general manager's office meeting and the persons attending such meeting;
- (II) The specific duties for the general manager and other senior management members and the assignment of responsibilities between them;
- (III) The authority with respect to the use of the funds and assets of the Company and the execution of material contracts as well as the reporting system to the Board of Directors;
- (IV) Other matters considered important by the Board of Directors.

**Article 153** The general manager may resign prior to the expiry of his office term. The procedure and rules for the resignation of the general manager shall be specified in the labor contract between the general manager and the Company.

**Article 154** Deputy general manager, chief financial officer (financial controller), and chief technology officer assist the general manager in his work.

**Article 155** The Board of Directors shall have a secretary to the Board of Directors, who shall be responsible for preparing general meetings and board meetings, maintaining relevant documents, managing shareholder information of the Company, handling information disclosure matters, and other related affairs.

The secretary to the Board of Directors shall comply with the provisions of any 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 156** If senior management members, while performing their duties for the Company, causes damage to others, the Company shall bear the liability for compensation. If senior management members acted intentionally or with gross negligence, they shall also bear liability for compensation.

Senior management members who violate the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association in performing their duties towards the Company and thereby cause losses to the Company shall be liable for compensation.

**Article 157** Senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders.

If a senior management member of the Company fails to perform his/her duties faithfully or violates the fiduciary duty, thereby causing damage to the interests of the Company and the public shareholders, he/she shall bear the liability of compensation in accordance with law.

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

### **Section I Financial and Accounting Systems**

**Article 158** The Company shall establish financial and accounting systems according to laws, administrative regulations, the regulations stipulated by the relevant authorities and securities regulatory rules of the place where the Company's shares are listed. The Company shall adopt the Gregorian calendar year for its fiscal year, i.e. the fiscal year shall be from January 1 to December 31.

**Article 159** The Company shall submit and disclose its annual reports to the CSRC and the stock exchange in the place where shares are listed within four months from the end of each fiscal year, and its interim reports to the relevant branch office of the CSRC and the stock exchange in the place where the Company's shares are listed within two months from the end of the first half of each fiscal year. If the securities regulatory authorities of the place where the Company's shares are listed provide otherwise, such provisions shall prevail.

The above-mentioned annual and interim reports shall be prepared in accordance with relevant laws, administrative regulations and the provisions of securities regulatory rules and the stock exchange in the place where the Company's shares are listed.

**Article 160** The Company will not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

**Article 161** The Company is required to withdraw 10% of its profits into its statutory reserve fund when distributing each year's after-tax profits. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further withdrawal is required.

Where the statutory reserve fund of the Company is insufficient to make up the losses of the Company for the preceding year, profits of the current year shall be applied to make up the losses before any allocation to the statutory reserve fund in accordance with the provisions in the preceding paragraph.

Subject to a resolution of the general meeting, after withdrawal has been made to the Company's statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund.

After making up of losses and appropriation to reserve funds, balance of the profit after tax shall be distributed to shareholders in proportion to their shareholdings, unless otherwise stipulated in the Articles of Association.

If the general meeting violates the Company Law to distribute profit to shareholders, the shareholders shall return such distributed profits to the Company; if losses are caused to the Company, shareholders and Directors and senior management members held accountable shall be liable for compensation.

No profit shall be distributed in respect of the shares of the Company which are held by the Company. The Company shall appoint one or more collection agents for H shareholders in Hong Kong. The collection agents shall collect on behalf of the relevant H shareholders the dividends distributed and other funds payable by the Company in respect of the H shares, and hold such monies in their custody pending payment to the H shareholders concerned. The collection agents appointed by the Company shall meet the requirements of the laws, regulations and the securities regulatory rules of the place where the Company's shares are listed.

**Article 162** Reserve funds of the Company are used for recovering losses of the Company and expanding scale of operation of the Company or conversion into its registered capital.

To make up for the losses with the reserve funds, the Company shall first use discretionary reserve funds and statutory reserve funds; if the losses still cannot be made up, the capital reserve funds may be used in accordance with regulations.

When the statutory reserve funds are converted into an increase in registered capital, the remaining balance of such reserve fund must not be less than 25% of its registered capital before such conversion.

**Article 163** After the profit distribution plan has been resolved at the general meeting, or a specific plan has been formulated by the Board of Directors based on the conditions and caps of the interim dividends for the next year which have been considered and approved by the annual general meeting, the Board of Directors shall complete dividend (or share) distributions within two months. If it is not possible to implement the specific profit distribution plan within two months due to the provisions of laws, regulations, and the securities regulatory rules of the place where the Company's shares are listed, the implementation date of the specific plan may be adjusted in accordance with such provisions and the actual situation.

**Article 164** the Company's profit distribution policy:

(I) Principles of profit distribution:

The Company shall implement a continuous and stable profit distribution policy. The profit distribution of the Company attaches importance to providing investors with reasonable and stable investment returns while also taking into account the Company's long-term and sustainable development.

(II) Form of profit distribution:

The Company may distribute dividends in cash, stocks, a combination of cash and stocks, or any other manner permitted by laws and regulations. The cash dividends shall take precedence over the share dividends. Where the conditions of cash dividends are met, profit distribution shall be carried out in form of cash dividends. Under certain conditions, the Company may distribute interim profit distributions. The cash dividend policy aims to achieve stable and growing dividends. When the Company's audit report for the most recent year is a non-unqualified opinion or an unqualified opinion with paragraphs of material uncertainty related to going concern or the asset-liability ratio is higher than 60%, or the net operating cash flow is negative, no profit distribution may be made.

(III) Conditions of profit distribution:

1. Conditions for cash dividends:

- (1) the Company records distributable net profits (i.e. the remaining net profits after covering the Company's losses and making allocations to the reserve) is positive during the year or half year, and there is sufficient cash flow so that payment of cash dividends would not affect the Company's subsequent continuing operation;
- (2) the accumulated distributable profits made by the Company are positive;
- (3) auditors had issued a standard unqualified audit report for the financial statements of the Company for that year;
- (4) the Company has no major investment plans or major cash expenditures. (excluding projects funded by raised proceeds).

The term major investment plans or major cash expenditures in the preceding paragraph refers to cumulative expenditures for proposed investments, asset acquisitions, or equipment purchases within the following 12 months reaching or exceeding 20% of the Company's latest audited total assets attributable to the parent company.

## 2. Conditions for distributing stock dividends

Where the Company is in sound financial condition and the Board of Directors considers that the share price does not reflect the Company's capital scale, and that a stock dividend distribution would be in the overall interests of all shareholders, the Company may propose a stock dividend distribution plan, provided that the aforementioned cash dividend conditions are satisfied.

Where the Company proposes to distribute profits in the form of stock dividends, it shall give due consideration to whether the total share capital after such distribution remains commensurate with the Company's current operational scale, profit growth rate, and potential dilution of net assets per share, so as to ensure that the profit distribution scheme aligns with the overall and long-term interests of all shareholders.

## (IV) Proportion and interval of cash dividend

Subject to fulfilling the cash dividend conditions and ensuring the Company's normal operations and sustainable development, the Company shall generally distribute cash dividends once annually upon approval by the annual general meeting. The Board of Directors may propose interim cash dividend based on the Company's profitability and capital requirements.

The Company shall maintain continuity and stability in its profit distribution policy. Where cash dividend distribution conditions are met, profits distributed by cash every year shall be not less than 20% of the distributable profit achieved for the current year. and in any three consecutive fiscal years, the Company's accumulative profit distributed in cash is not less than 30% of distributable profits achieved during such three years.

The Board of Directors shall, after comprehensive consideration of factors including the Company's industry characteristics, development stage, business model, profitability level and material capital expenditure plans, propose differentiated cash dividend policies in accordance with the procedures stipulated in the Articles of Association, taking into account the following circumstances:

1. Where the Company is at a mature development stage and has no material capital expenditure arrangements, the cash dividend distribution shall account for no less than 80% of the total profit distribution;
2. Where the Company is at a mature development stage and has material capital expenditure arrangements, the cash dividend distribution shall account for no less than 40% of the total profit distribution;
3. Where the Company is at a growth development stage and has material capital expenditure arrangements, the cash dividend distribution shall account for no less than 20% of the total profit distribution.

Where the Company's development stage cannot be clearly determined but material capital expenditure arrangements exist, the preceding provisions may apply.

**Article 165** Decision-making mechanism and procedures for profit distribution:

(I) Decision-making mechanism and procedures for adjusting profit distribution policy:

The Company shall strictly implement the profit distribution policy stipulated in the Articles of Association. Where it is necessary to adjust the profit distribution policy set forth herein, the Company shall proceed from the standpoint of protecting shareholders' rights and interests, provide detailed justification and explanation for the reasons, and ensure that the adjusted profit distribution policy does not violate the relevant regulations of the CSRC and the Shanghai Stock Exchange. The Company shall communicate and engage with minority shareholders, fully soliciting their opinions and addressing their concerns. In the event of any adjustment to the profit distribution policy, if the independent directors deem that such adjustment may harm the interests of the Company or minority shareholders, they shall have the right to express their independent opinions. The adjustment shall then be subject to approval by a two-thirds majority of the voting rights held by shareholders present at the general meeting following passed by the Board. Where the cash dividend distribution is adjusted or amended, the specific reasons shall be disclosed in the annual report.

## (II) Decision-making mechanism and procedures for profit distribution

1. The profit distribution plan of the Company shall be formulated by the Board of Directors and submitted to the general meeting for approval after deliberation and adoption by the Board of Directors. When formulating specific cash dividend plans, the Board of Directors shall carefully study and evaluate matters such as the timing, conditions, minimum ratio of cash dividends, adjustment conditions, and relevant decision-making procedures. Independent directors may solicit opinions from minority shareholders, propose dividend distribution plans, and submit such proposals directly to the Board of Directors for deliberation. The Company shall disclose in detail the formulation and implementation of its cash dividend policy in its annual report.
2. In exceptional circumstances where the Company is unable to determine its annual profit distribution plan in accordance with the established cash dividend policy or minimum cash dividend ratio, it shall disclose the specific reasons in its annual report. The profit distribution plan of the Company for the current year must be approved by more than two-thirds of the voting rights held by shareholders present at the general meeting.
3. The general meeting shall review and vote on the profit distribution proposal submitted by the Board of Directors in accordance with laws and regulations, the securities regulatory rules of the stock exchange where the Company's shares are listed, and the provisions of the Articles of Association. To effectively safeguard the rights of public shareholders to participate in the general meeting, the Board of Directors, independent directors, and shareholders holding more than 1% of the voting shares may publicly solicit voting rights from shareholders. They shall proactively engage with shareholders, particularly minority shareholders, through multiple channels (including but not limited to telephone, fax, email, and interactive platforms), fully solicit their opinions and address their concerns, and promptly respond to issues raised by minority shareholders.
4. When convening its annual general meeting to review the annual profit distribution plan, the Company may consider and approve the conditions, maximum ratio, and ceiling amount for interim cash dividends in the following year. The cap on interim dividends for the subsequent year, as approved at the annual general meeting, shall not exceed the net profit attributable to the Company's shareholders during the corresponding period. The Board of Directors shall formulate specific interim dividend plans in accordance with the resolutions of the general meeting and subject to the conditions of profit distribution.

5. Where the Company's profit distribution plan may adversely affect the interests of the Company or its minority shareholders, the independent directors shall have the right to express their independent opinions.

## **Section II Internal Audit**

**Article 166** The Company shall implement an internal audit system, which shall specify the leadership system, duties and responsibilities, staffing, financial security, utilization of audit results and accountability for internal audit work.

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

**Article 167** The Company's internal audit institution supervises and inspects the Company's business activities, risk management, internal control, financial information and other matters.

The internal audit institution shall maintain its independence, be staffed with full-time audit personnel, and shall not be placed under the leadership of the finance department or co-located with the finance department.

**Article 168** The internal audit institution is accountable to the Board of Directors.

During the supervision and inspection of the Company's business activities, risk management, internal control, and financial information, the internal audit institution shall be subject to the oversight and guidance of the Audit Committee. If the internal audit institution discovers any significant issues or leads, it shall immediately report directly to the Audit Committee.

**Article 169** The internal audit institution is responsible for the specific organization and implementation of the Company's internal control evaluation. Based on the evaluation report issued by the internal audit institution and reviewed by the Audit Committee, along with relevant materials, the Company shall issue its annual internal control evaluation report.

**Article 170** When the Audit Committee communicates with external audit units such as accounting firms and national audit institutions, the internal audit institution shall actively cooperate and provide necessary support and collaboration.

**Article 171** The Audit Committee shall participate in the evaluation of the person in charge of internal audit.

### **Section III Appointment of an Accounting Firm**

**Article 172** The Company shall engage an accounting firm that complies with the laws, regulations, and securities regulatory rules of the place where the Company's shares are listed to audit the financial statements of the Company, verify the net assets and offer other relevant consulting services. The term of service shall be one year, which is renewable upon expiry of the term.

**Article 173** The appointment, removal, or non-renewal of an accounting firm by the Company must be passed by the general meeting by way of an ordinary resolution, and the Board of Directors shall not appoint an accounting firm before the decision is made by the general meeting.

**Article 174** The Company guarantees that it will provide the accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information without any rejection, omission or falsehood.

**Article 175** The remuneration or method of determining remuneration of an accounting firm shall be decided by the general meeting.

**Article 176** In the event of removal or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm 30 days in advance. The accounting firm shall be entitled to make representations when the resolution regarding the removal of the accounting firm is considered at the general meeting of the Company.

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

## **Chapter VIII Notices and Announcements**

### **Section I Notices**

**Article 177** The notices of the Company shall be delivered by the following means:

- (I) in person;
- (II) by mail;
- (III) by announcement;
- (IV) by other means either approved by the securities supervisory authority in the place where the Company's shares are listed or stipulated in the Articles of Association.

**Article 178** Notices given by the Company by way of announcement shall be deemed to have been received by all relevant persons upon such announcement.

Unless the context otherwise requires, “announcement” as mentioned in the Articles of Association, in relation to announcements made to shareholders of A shares or announcements required to be made within China according to relevant provisions and the Articles of Association, refers to information published on the website of Shanghai Stock Exchange and media meeting the requirements of CSRC; in respect of an announcement to shareholders of H Shares or an announcement required to be made in Hong Kong by the relevant provisions and the Articles of Association, such announcement must be published on the website of the Company, the website of the Hong Kong Stock Exchange and such other websites as may be required by the relevant Hong Kong Listing Rules from time to time.

In respect of the manner in which the Company provides and/or distributes corporate communications to the holders of H Shares as required by the listing rules of the place where the Company’s shares are listed, subject to compliance with the relevant listing rules of the place where the Company’s shares are listed, the Company may also send or make available corporate communications to the holders of H Shares of the Company electronically or by means of posting the information on the Company’s website or on the website of the stock exchange of the place where the Company’s shares are listed, in lieu of delivering corporate communications to the holders of H Shares by personal delivery or postage-paid mail.

**Article 179** A notice of convening the general meeting of the Company shall be given by announcement.

**Article 180** A notice of convening the meeting of the Board of Directors of the Company shall be given by personal delivery, prepaid mail, fax, e-mail, or other means.

**Article 181** Where a notice of the Company is sent by personal delivery, the recipient shall sign (or seal) on the receipt of delivery and the date of service shall be the date on which the receipt is signed by the recipient; where a notice of the Company is sent by mail, the date of service shall be the first working day from the date when the notice is delivered to the post office; where a notice of the Company is served by way of announcement, the date of service shall be the date of the first publication of the notice.

**Article 182** Failure to send a notice of the meeting to a person entitled to notice due to accidental omission or failure of the person to receive the notice of the meeting shall not invalidate the meeting and the resolutions made in such meeting.

## **Section II    Announcement**

**Article 183**    The Company has designated media platforms that meet the criteria set by the CSRC, the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>), the HKEXnews website of the Hong Kong Stock Exchange (<https://www.hkexnews.hk>) and the official website of the Company (<https://www.sicc.cc>) as the media for publication of announcements and other information required to be disclosed by the Company.

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

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

**Article 184**    The merger of the Company may take the form of either merger by absorption or merger by new establishment.

In case of merger by absorption, a company absorbs any other company and the absorbed company is dissolved. In case of merger by new establishment, two or more companies merge into a new one and the parties to the merger are dissolved.

**Article 185**    If the consideration for the merger does not exceed ten percent of the Company's net assets, a resolution of the general meeting may be exempted, unless otherwise provided in the Articles of Association.

If the Company merges without a resolution of the general meeting in accordance with the preceding paragraphs, a resolution of the Board of Directors shall be required.

**Article 186**    If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and a property list. Within 10 days from the date of adoption of the merger resolution, the Company notifies its creditors and within 30 days it shall make an announcement on media platforms that meet the criteria set by the CSRC, the National Enterprise Credit Information Publicity System, the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>), and the HKEXnews website of the Hong Kong Stock Exchange (<https://www.hkexnews.hk>). Where there are other requirements imposed by the securities regulatory rules of the place where the Company's shares are listed, such requirements shall prevail.

A creditor may, within 30 days from the date of receipt of the written notice or, if he did not receive a written notice, within 45 days from the date of the announcement, require the Company to pay its debt to him in full or to provide commensurate security. Where there are other requirements imposed by the securities regulatory rules of the place where the Company's shares are listed, such requirements shall prevail.

**Article 187** When the Company is merged, the claims and debts of each party to the merger shall be succeeded to by the Company surviving the merger or the new company established subsequent to the merger.

**Article 188** If the Company is divided, its property shall be divided accordingly.

When the Company is divided, it shall prepare a balance sheet and a property list. Within 10 days from the date of adoption of the resolution on the division, the Company notifies its creditors and within 30 days it shall make an announcement on media platforms that meet the criteria set by the CSRC, the National Enterprise Credit Information Publicity System, the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>), and the HKEXnews website of the Hong Kong Stock Exchange (<https://www.hkexnews.hk>). Where there are other requirements imposed by the securities regulatory rules of the place where the Company's shares are listed, such requirements shall prevail.

**Article 189** The surviving companies shall be jointly liable for the pre-division debts of the Company, unless provided otherwise in a written agreement on debt repayment reached between the Company and a creditor prior to the division.

**Article 190** If the Company reduces its registered capital, it prepares a balance sheet and a property list.

The Company notifies its creditors within 10 days from the date the general meeting adopts the resolution to reduce its registered capital and shall publish a public announcement on media platforms that meet the criteria set by the CSRC, the National Enterprise Credit Information Publicity System, the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>), and the HKEXnews website of the Hong Kong Stock Exchange (<https://www.hkexnews.hk>) within 30 days from the date of such resolution. Creditors shall, within 30 days of receiving notice, or within 45 days of the date of the public announcement for those who have not received notice, be entitled to require the Company to pay its debts in full or to provide a corresponding security. Where there are other requirements imposed by the securities regulatory rules of the place where the Company's shares are listed, such requirements shall prevail.

When reducing its registered capital, the Company shall correspondingly reduce the capital contributions or shares held by shareholders in proportion to their shareholding, unless otherwise provided by laws or the Articles of Association.

**Article 191** Where, after making up losses in accordance with the provisions of subparagraph 2 of Article 162 of the Articles of Association, the Company still has losses, it may reduce its registered capital to cover such losses. In reducing registered capital to cover losses, the Company shall neither distribute profits to shareholders, nor exempt shareholders from their obligations to make capital contributions or payments for shares.

Where the registered capital is reduced in accordance with the preceding paragraph, the provisions of subparagraph 2 of Article 190 of the Articles of Association shall not apply, but the Company shall, within thirty days from the date of the resolution of the general meeting on the reduction of registered capital, make an announcement in the media that meets the conditions stipulated by the CSRC or through the National Enterprise Credit Information Publicity System, the website of Shanghai Stock Exchange (<http://www.sse.com.cn>) and the HKEXnews website of the Hong Kong Stock Exchange (<https://www.hkexnews.hk>).

After reducing its registered capital in accordance with the preceding two paragraphs, until the accumulated statutory reserve and discretionary reserve reach 50% of the registered capital of the Company, no profits may be distributed.

**Article 192** Where the Company reduces its registered capital in violation of the Company Law or other relevant provisions, shareholders shall return the funds they have received, and any reduction or exemption of shareholders' capital contributions shall be restored to their original state; where losses are caused to the Company, the shareholders and the directors and senior management members who are liable shall bear compensation liability.

**Article 193** Where the Company issues new shares to increase its registered capital, the shareholders shall not have pre-emptive subscription rights, unless otherwise provided in the Articles of Association or resolved by the general meeting.

**Article 194** If a change occurs in the Company's registered particulars due to its merger or division, the change shall be registered with the Company's registrar in accordance with the laws. If the Company is dissolved, de-registration of the Company shall be carried out in accordance with the laws. If a new company is established, registration of the establishment of such company shall be carried out in accordance with the laws.

The increase or reduction of registered capital of the Company shall be registered with the Company registrar in accordance with the laws.

## **Section II   Dissolution and Liquidation**

**Article 195**   The Company shall be dissolved for the following reasons:

- (I)   The term of business specified in the Articles of Association has expired or any other cause for dissolution specified in the Articles of Association has occurred;
- (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 Company has its business license revoked, is ordered to close down or is shut down in accordance with the laws;
- (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 at least 10 percent of voting rights may petition the people's court to dissolve the Company.

If any cause of dissolution specified in the preceding paragraphs arises, the Company shall disclose it through the National Enterprise Credit Information Publicity System within 10 days.

**Article 196**   In case of circumstances described in item (I), (II) of Article 195 of the Articles of Association, and where no property has been distributed to shareholders, the Company may continue to exist by amending the Articles of Association or by resolution of the general meeting.

Amendments to the Articles of Association pursuant to the preceding paragraph or by resolution of the general meeting shall be subject to the approval of shareholders representing two-thirds or above of the voting rights present at the general meeting.

**Article 197**   If the Company is dissolved pursuant to items (I), (II), (IV) or (V) of Article 195 of the Articles of Association, it shall undergo liquidation. The directors shall act as the liquidation obligors and it shall establish a liquidation committee and liquidation shall undertake within 15 days from the date on which the cause for dissolution arises.

The liquidation committee shall consist of the directors, unless otherwise provided for in the Articles of Association or unless the shareholders' meeting resolves to elect other person(s).

Where the liquidation obligors fail to perform their liquidation duties in a timely manner, thereby causing loss to the Company or its creditors, they shall bear the relevant compensation liabilities.

**Article 198** The liquidation committee shall exercise the following functions and powers during the liquidation period:

- (I) To liquidate the Company's property and prepare the balance sheet and the list of property;
- (II) To notify creditors by sending notices or making public announcements;
- (III) To deal with the outstanding business of the Company involved in the liquidation;
- (IV) To pay all outstanding taxes and taxes arising in the course of liquidation;
- (V) To liquidate claims and debts;
- (VI) To distribute the remaining property of the Company after paying off debts;
- (VII) To participate in civil litigation activities on behalf of the Company.

**Article 199** The liquidation committee shall notify creditors within a period of 10 days from the date of its establishment and make announcements on media platforms that meet the criteria set by the CSRC, the National Enterprise Credit Information Publicity System, the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>), and the HKEXnews website of the Hong Kong Stock Exchange (<https://www.hkexnews.hk>) within 60 days. Creditors shall declare their claims to the liquidation committee within 30 days from the date of receipt of the notice or, if they did not receive a notice, within 45 days from the date of the announcement. Where there are other requirements imposed by the securities regulatory rules of the place where the Company's shares are listed, such requirements shall prevail.

When declaring their claims, creditors shall explain the particulars relevant to their claims and submit supporting documentation. The liquidation committee shall register the claims.

During the claim declaration period, the liquidation committee shall not pay any debts to creditors.

**Article 200** After the liquidation committee has liquidated the Company's property and prepared a balance sheet and property list, it shall formulate a liquidation plan and submit such plan to the general meeting or the people's court for confirmation.

The Company's property remaining after payment of the liquidation expenses, the wages, social insurance premiums and statutory compensation of the employees, the taxes owed and all the Company's debts shall be distributed by the Company to the shareholders in proportion to the shares they hold.

During liquidation, the Company shall continue to exist but may not engage in any business activities unrelated to the liquidation.

The Company's property will not be distributed to the shareholders until repayment of its debts in accordance with the preceding paragraph.

**Article 201** If the liquidation committee, having liquidated the Company's property and prepared a balance sheet and property list, discovers that the Company's property is insufficient to pay its debts in full, it shall apply to the people's court for a declaration of bankruptcy liquidation in accordance with the laws.

After the people's court has accepted the Company bankrupt, the liquidation committee shall turn over the liquidation matters to the bankruptcy administrator designated by the people's court.

**Article 202** Following completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report, submit the same to the general meeting or the people's court for confirmation, submit the same to the Company registrar and apply for cancellation of the Company's registration.

**Article 203** The members of the liquidation committee shall perform their duties of liquidation and shall be obliged to loyalty and diligence.

The members of the liquidation committee shall be liable for damages caused to the Company due to neglect to fulfill their liquidation duties; the members of the liquidation committee shall be liable for damages caused to the creditors due to willfulness or gross negligence.

**Article 204** Where the Company is declared bankruptcy in accordance with the laws, it shall implement bankruptcy liquidation in accordance with the relevant laws relating to bankruptcy of enterprise.

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

**Article 205** The Company shall amend the Articles of Association if:

- (I) Provisions of the Articles of Association conflict with the Company Law or related laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed after such laws are amended;
- (II) A change occurs in the Company's situation and such change is inconsistent with the matters stated herein;
- (III) The general meeting decides to amend the Articles of Association.

**Article 206** Amendments to the Articles of Association adopted by resolution of the general meeting that are subject to approval by the competent authorities shall be submitted to the competent authorities for approval. If an amendment to the Articles of Association involves a registered particular of the Company, registration of the change shall be carried out in accordance with the laws.

**Article 207** The Board of Directors shall amend the Articles of Association in accordance with the resolution of the general meeting on the amendment to the Articles of Association and the approving opinion of relevant competent authorities.

**Article 208** Amendments to the Articles of Association that are required to be disclosed under the laws, regulations and the securities regulatory rules of the place where the Company's shares are listed shall be announced in accordance with relevant requirements.

## **Chapter XI Supplementary Provisions**

**Article 209** Definitions

- (I) A controlling shareholder refers to a shareholder holding shares representing more than 50% of the total share capital of the Company; or a shareholder holding less than 50% of shares in the Company, but the voting rights vested by the shares held by him/her have a material effect on any resolutions made at the general meeting, or controlling shareholder as defined in the securities regulatory rules of the place where the Company's shares are listed.
- (II) A de facto controller refers to a natural person, legal person or other organization which, through investment relationships, agreements, or other arrangements, may actually control the activities of the Company, or de facto controller as defined in the securities regulatory rules of the place where the Company's shares are listed.

- (III) Related relations refer to relations between a controlling shareholder, de facto controller, Director or senior management members of the Company and the enterprise directly or indirectly controlled by the same, and other relations which may give rise to a transfer of interests of the Company according to the securities regulatory rules of the place where the Company's shares are listed. However, enterprises controlled by the State will not be regarded as having related relations only because they are under common control of the State.
- (IV) Unless otherwise provided by relevant national laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, "independent directors" referred in the Article of the Association shall have the same meaning as the "independent non-executive director" defined in the Hong Kong Listing Rules.

**Article 210** The Board of Directors may formulate the articles in accordance with the provisions of the Articles of Association, provided that such articles shall not be in conflict with the Articles of Association.

**Article 211** The Articles of Association are written in Chinese. In case of any inconsistency between the Articles of Association in any other language or of different version and the Articles of Association, the Chinese version of the Articles of Association last approved and registered with Huaiyin District Market Supervision Bureau of Jinan City shall prevail.

**Article 212** For purpose of the Articles of Association, the terms "above", "within" and "below" shall all include the given figure; the terms "over", "less than", "beyond", "lower than" and "more than" shall all exclude the given figure, unless otherwise specified in the provisions.

**Article 213** The Board of Directors shall be responsible for the interpretation of the Articles of Association.

**Article 214** The appendixes to the Articles of Association include the rules of procedure for the general meeting and the rules of procedure for the Board of Directors.

**Article 215** The Articles of Association will come into effect from the date of consideration and approval by the general meeting. After the Articles of Association come into effect, the original Articles of Association of the Company will automatically become null and void. In the event of any conflict between the Articles of Association and the laws, administrative regulations, normative documents and the securities regulatory rules of the place where the Company's shares are listed as promulgated from time to time, such laws, administrative regulations, normative documents and the securities regulatory rules of the place where the Company's shares are listed shall prevail.