

# **NANJING SAMPLE TECHNOLOGY COMPANY LIMITED**

**南京三寶科技股份有限公司**

(a joint stock limited company incorporated in the  
People's Republic of China with limited liability)

## **ARTICLES OF ASSOCIATION**

Amended at the Shareholders' Meeting  
held on 19 August 2025

## **CHAPTER 1 GENERAL PROVISIONS**

### **Article 1**

In order to safeguard the legitimate rights and interests of Nanjing Sample Technology Co., Ltd. (hereinafter referred to as the “Company”), shareholders, employees and creditors, and to regulate the organization and behavior of the Company, this articles of association (hereinafter referred to as “Articles of Association”) is formulated in accordance with the currently effective “Company Law of the People’s Republic of China” (hereinafter referred to as the “Company Law”), “Securities Law of the People’s Republic of China” (hereinafter referred to as the “Securities Law”), “the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” (hereinafter referred to as the “Hong Kong Listing Rules”) and other laws, administrative regulations, departmental regulations and normative documents (hereinafter collectively referred to as “laws and regulations”).

### **Article 2**

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

The Company was established by way of overall change by Nanjing Sample Computer Technology Company Limited on 29 December 2000. It was registered with the former Nanjing Administration for Industry and Commerce and was granted the Company’s Business License for Enterprises as a Legal Person on 29 December 2000. The Company’s Unified Social Credit Identifier number is: 91320100726074332B.

On 29 March 2004, the Company was approved by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) to issue 20,400,000 overseas listed foreign shares for the first time. The public offering was completed on 9 June 2004, and the Company was listed on the Growth Enterprise Market of the Hong Kong Stock Exchange Limited (hereinafter referred to as the “Hong Kong Stock Exchange”). On 5 July 2010, the Company was approved by the CSRC to transfer its listing, and the Company’s shares were transferred to be listed on the Main Board of the Hong Kong Stock Exchange on 1 December 2010.

### **Article 3**

The registered name of the Company  
(In Chinese): 南京三寶科技股份有限公司  
(In English): Nanjing Sample Technology Co., Ltd.

### **Article 4**

The Company’s legal domicile: No.10 Maqun Avenue,  
Qixia District, Nanjing City  
(南京市棲霞區馬群大道 10 號)

Postcode: 210049

## **Article 5**

The Company's registered capital is RMB 792,058,500.

## **Article 6**

The Director who transacts corporate business on behalf of the Company shall be the legal representative of the Company. The chairman of the Company shall be the Director who transacts corporate business on behalf of the Company and shall be registered in accordance with the laws.

If the Director who serves as the legal representative resigns, he/she shall be deemed to have resigned as the legal representative at the same time. If the legal representative resigns, the Company shall appoint a new legal representative within thirty (30) days from the date of resignation of the legal representative.

The legal consequences of civil activities performed by a legal representative in the name of the Company shall be borne by the Company. Restrictions on the authority of the legal representative imposed by the Company's articles of association or the shareholders' meeting shall not be enforceable against 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, seek compensation from the legal representative at fault in accordance with the laws or its Articles of Association.

## **Article 7**

The Company is a joint stock limited company in perpetual existence.

## **Article 8**

Since the date of the Articles of Association becoming effective, it constitutes 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.

## **Article 9**

The Articles of Association are binding on the Company and its shareholders, directors (hereinafter referred to as the "Director(s)"), senior management, all of whom are entitled to claim rights regarding the Company's affairs in accordance with the Articles of Association.

The Articles of Association are actionable by a shareholder against the Company; shareholders may sue shareholders according to the Articles of Association; and shareholder may sue the Directors, senior management members of the Company. The Company may sue the shareholders, Directors, senior management members of the Company according to the Articles of Association.

Senior management members are the Company's general manager, deputy general manager, chief financial officer and secretary to the board of directors (hereinafter referred to as the "Board").

## **Article 10**

The rights and liabilities of the shareholders of the Company are limited to the shares held by them, and the Company is liable for its debts to the extent of its entire assets.

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

## **Article 11**

The business purposes of the Company are: to serve and rejuvenate the country through industry development and provide the country and the community with system solutions and services regarding, inter alias, computer and communication technology and application software, to provide the users with high quality, efficient and professional services, to achieve the objectives of user satisfaction, investors' benefits and sustainable and stable corporate development by the advantages in technology and talents.

## **Article 12**

The scope of business of the Company shall be based on the projects approved by the company registration authorities.

Having legally registered, the scope of business of the Company: computer networks, engineering design and installation of industrial automation; electronic products, development, manufacturing, testing of electronic computer, sale of self- production products, system integration; electronic computer technology consulting and information services; technology testing and technical services of electronic products; computer software development; design, construction, maintenance of security engineering; research and development of ITS-based basic information collection technology and equipment (excluding commodities under the special control of the State and projects with special approval). (Projects that require approval under law, business can be carried out after the approval by the relevant departments, the specific business projects are subject to the approval results). Licensed projects: sale of Class II and Class III radiation devices (Projects that require approval according to the law can only be carried out after approval by relevant departments, and the specific business projects are subject to the approval results). General projects: international freight forwarding agency; general goods warehousing services (excluding hazardous chemicals and other projects that require approval); domestic freight forwarding agency; sale of Class I medical devices; sale of Class II medical devices. Car park services. Property management, property service evaluation and park management services. (Except for the projects subject to approval in accordance with the law, the business activities should be conducted independently with the business licence(s) in accordance with the law).

## **CHAPTER 3 SHARES**

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

## **Article 13**

The Company shall have ordinary shares, at all times, which include domestic shares and foreign shares. The Company may create other classes of shares as and when necessary after fulfilling the relevant necessary procedures.

#### **Article 14**

The Company shares shall be in the form of share certificates. All the shares issued by the Company shall have a par value which shall be RMB1.00 for each share.

For the purposes of the above paragraph, the term “RMB” shall refer to the legal currency of the PRC.

#### **Article 15**

Issuing of the Company shares shall adopt an open, fair and just principle. Shares of the same class shall rank pari passu with each other.

For the same class of shares issued in the same tranche, each share shall be issued at the same price and subject to the same conditions. For the shares subscribed by subscribers under the same offering, the price payable for each of such shares shall be the same.

#### **Article 16**

Domestic Shares issued by the Company are under centralized depository of China Securities Depository and Clearing Corporation Limited. Overseas listed foreign shares issued by the Company are mainly under the securities depository and clearing company in Hong Kong, and can also be held in the name of individual shareholder.

#### **Article 17**

The Company may issue shares to domestic and foreign investors which shall comply with the registration or filing procedures with the CSRC.

For the purposes of the preceding paragraph, the term “foreign investors” shall refer to investors from foreign countries or from Hong Kong, Macau or Taiwan that subscribe for shares issued by the Company, and the term “domestic investors” shall refer to investors inside the PRC, excluding the above-mentioned regions, that subscribe for shares issued by the Company.

#### **Article 18**

Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares issued by the Company to overseas investors for subscription in foreign currency shall be referred to as foreign shares. Foreign shares which are listed outside the PRC shall be referred to as overseas listed foreign shares.

The foreign currency referred to in the preceding paragraph is a legal currency (other than Renminbi) of other countries or regions which is recognized by the foreign exchange administration authority of the State and can be used for payment of the Company’s shares.

Shareholders of the domestic shares of the Company may have their domestic unlisted shares converted into overseas listed shares and have them listed and circulated on overseas stock exchanges, but shall comply with the relevant regulations of the CSRC and entrust the Company to do the filing with the CSRC. The transferred or converted shares shall be listed and traded on overseas stock exchanges and shall comply with the regulatory procedures, rules and requirements of the overseas

stock markets. A class meeting is not required for listing and trading of the transferred shares on an overseas stock exchange or for the conversion of domestic shares into foreign shares and their listing and trading on an overseas stock exchange.

Overseas listed foreign shares issued by the Company and listed on the Hong Kong Stock Exchange shall be referred to as H shares. H shares refer to the shares approved to be listed on the Hong Kong Stock Exchange, the par value of which are denominated in Renminbi, and are subscribed for and traded in Hong Kong dollars.

Shareholders of domestic shares and shareholders of foreign shares are both shareholders of ordinary shares, and shall enjoy equal rights and assume equal obligations.

## **Article 19**

Upon approval of the company approval authorities that are authorized by the State Council, the total number of issuable ordinary shares of the Company upon its incorporation is 45,000,000 domestic shares of RMB1.00 each. The number of shares issued to the promoters upon the Company's incorporation was 45,000,000 shares, representing 100% of the total number of issuable ordinary shares of the Company, all of which were subscribed by the promoters as follows:

18,000,000 shares subscribed by Nanjing Sample Technology Group Company Limited representing 40.00% of the total number of issuable ordinary shares of the Company upon its incorporation.

12,000,000 shares subscribed by Nanjing Zhongbei (Group) Company Limited representing 26.67% of the total number of issuable ordinary shares of the Company upon its incorporation.

12,000,000 shares subscribed by Nanjing Huadong Electronics Information & Technology Company Limited representing 26.67% of the total number of issuable ordinary shares of the Company upon its incorporation.

1,650,000 shares subscribed by Nanjing Sample Technology Commerce City Company Limited representing 3.66% of the total number of issuable ordinary shares of the Company upon its incorporation.

900,000 shares subscribed by Nanjing Daily Newspaper Office representing 2.00% of the total number of issuable ordinary shares of the Company upon its incorporation.

450,000 shares subscribed by Sha Min representing 1.00% of the total number of issuable ordinary shares of the Company upon its incorporation.

## **Article 20**

(1) The number of ordinary overseas listed foreign shares issued for the first capital increase after incorporation of the Company was 20,400,000 shares (including 19,500,000 new shares and 900,000 exiting sale shares), accounting for 31.63% of the issuable ordinary shares of the Company.

The equity structure of the Company is: 64,500,000 ordinary shares, including 44,100,000 shares held by the promoters, representing 68.37% of the issuable ordinary shares of the Company, and 20,400,000 overseas listed foreign shares held by H shares holders, representing 31.63% of the issuable ordinary shares of the Company.

(2) With the approval of the examination and approval authority authorized by the State Council, 12,000,000 shares acquired by Nanjing Zhongbei (Group) Co., Ltd. at the time of incorporation of the Company were all transferred to Jiangsu Century Gold Bull Technology and Trading Co., Ltd.

(3) With the approval of the examination and approval authority authorized by the State Council, 12,000,000 shares acquired by Nanjing Huadong Electronics Information & Technology Co., Ltd. at the time of incorporation of the Company were all transferred to Active Gold Holding Limited.

(4) With the approval of the examination and approval authority authorized by the State Council, 4,515,000 shares held by the Company's shareholder namely Jiangsu Century Gold Bull Technology and Trading Co., Ltd. were all transferred to foreign shareholder Active Gold Holding Limited.

(5) With the approval of the examination and approval authority authorized by the State Council, the Company issued 96,750,000 bonus shares (15 bonus shares for every 10 shares) and increased 32,250,000 shares by way of capitalization of capital reserve (5 capitalization shares for every 10 shares), thereafter the total equity of the Company changed to 193,500,000 shares, with 132,300,000 shares (68.37% of the total number of the ordinary shares issued by the Company) held by domestic shareholders, including:

54,000,000 shares held by Nanjing Sample Technology Group Co., Ltd., representing approximately 27.91% of the total number of the ordinary shares issued by the Company.

22,455,000 shares held by Jiangsu Century Gold Bull Technology and Trading Co., Ltd., representing approximately 11.60% of the total number of the ordinary shares issued by the Company.

49,545,000 shares held by Active Gold Holding Limited, representing approximately 25.60% of the total number of the ordinary shares issued by the Company.

4,950,000 shares held by Nanjing Sample Technology Commerce City Company Limited, representing approximately 2.56% of the total number of the ordinary shares issued by the Company.

1,350,000 shares held by Sha Min, representing 0.70% of the total number of the ordinary shares issued by the Company.

61,200,000 overseas listed foreign shares held by H shareholders, representing 31.63% of the total number of the ordinary shares issued by the Company.

(6) With the approval of the extraordinary general meeting of the Company held on 3 August 2009, the Company issued additional ordinary shares of 30,600,000 overseas listed foreign shares, thereafter the total equity of the Company changed to 224,100,000 shares, with 132,300,000 shares (59.04% of the total number of the ordinary shares issued by the Company) held by domestic shareholders, including:

54,000,000 shares held by Nanjing Sample Technology Group Co., Ltd., representing approximately 24.10% of the total number of the ordinary shares issued by the Company.

22,455,000 shares held by Jiangsu Century Gold Bull Technology and Trading Co., Ltd., representing approximately 10.02% of the total number of the ordinary shares issued by the Company.

49,545,000 shares held by Active Gold Holding Limited, representing approximately 22.11% of the total number of the ordinary shares issued by the Company.

4,950,000 shares held by Nanjing Sample Technology Commerce City Company Limited, representing approximately 2.21% of the total number of the ordinary shares issued by the Company.

1,350,000 shares were subscribed by Sha Min, representing 0.60% of the total number of the ordinary shares issued by the Company.

91,800,000 overseas listed foreign shares held by H shareholders, representing 40.96% of the total number of the ordinary shares issued by the Company.

(7) With the approval of the examination and approval authority authorized by the State Council, 6,770,000 shares held by the Company's shareholder namely Jiangsu Century Gold Bull Technology and Trading Co., Ltd. were transferred to the Company's shareholder Nanjing Sample Technology Group Co., Ltd.

(8) With the approval of Jiangsu Administration for Industry and Commerce, the Company's shareholder Jiangsu Century Gold Bull Technology and Trading Co., Ltd. changed its name to Jiangsu Red Stone Technology Corporation.

(9) With the approval of the examination and approval authority authorized by the State Council, 15,000,000 shares held by the Company's shareholder namely Jiangsu Red Stone Technology Corporation were transferred to the Jiangsu Ruihua Investment Holding Group Company Ltd.

(10) With the approval of the extraordinary general meeting of the Company, the H shareholders class meeting and the domestic shareholders class meeting, the Company issued 92,723,400 new domestic shares, the total number of shares of the Company is changed to 316,823,400 shares, with 225,023,400 shares (accounting for approximately 71.02% of the total number of the ordinary shares issued by the Company) held by domestic shareholders, including:

153,493,400 shares held by Nanjing Sample Technology Group Company Ltd., accounting for approximately 48.45% of the total number of the ordinary shares issued by the Company.

15,000,000 shares held by Jiangsu Ruihua Investment Holding Group Company Ltd., accounting for approximately 4.73% of the total number of the ordinary shares issued by the Company.

685,000 shares held by Jiangsu Hongshi Technology Industry Company Ltd., accounting for approximately 0.22% of the total number of the ordinary shares issued by the Company.

49,545,000 shares held by Active Gold Holding Limited, accounting for approximately 15.64% of the total number of the ordinary shares issued by the Company.

4,950,000 shares held by Nanjing Sample Commerce City Company Ltd., accounting for approximately 1.56% of the total number of the ordinary shares issued by the Company.

1,350,000 shares held by Sha Min, accounting for approximately 0.42% of the total number of the ordinary shares issued by the Company.



91,800,000 overseas listed foreign shares held by H shareholders, accounting for 28.98% of the total number of the ordinary shares issued by the Company.

(11) With the approval of Nanjing City Administration for Industry and Commerce, Xuanwu Sub-branch, the Company's shareholder Nanjing Sample Technology Commerce City Company Limited changed its name to Nanjing Sample Investment Development Company Limited.

(12) With the approval of the examination and approval authority authorized by the State Council, 1,250,000 shares held by the Company's shareholder namely Jiangsu Ruihua Investment Holding Group Company Ltd. were transferred to Shandong Runbang Agricultural Development Co., Ltd.

(13) With the approval of the examination and approval authority authorized by the State Council, 685,000 shares held by the Company's shareholder namely Jiangsu Hongshi Technology Industry Company Ltd. were transferred to Nanjing Sample Technology Group Company Ltd.

(14) With the approval of the examination and approval authority authorized by the State Council, 4,950,000 shares held by the Company's shareholder namely Nanjing Sample Investment Development Company Ltd. were transferred to Nanjing Sample Technology Group Company Ltd.

(15) With the approval of the examination and approval authority authorized by the State Council, the Company issued 158,411,700 bonus shares (2 bonus shares for every 1 share) and increased 316,823,400 shares by way of capitalization of capital reserve (1 capitalization share for every 1 share), thereafter the total equity of the Company changed to 792,058,500 shares, with 562,558,500 shares (71.02% of the total number of the ordinary shares issued by the Company) held by domestic shareholders, including:

397,821,000 Shares held by Nanjing Sample Technology Group Co., Ltd., representing approximately 50.22% of the total number of the ordinary shares issued by the Company.

123,862,500 Shares held by Active Gold Holding Limited, representing approximately 15.64% of the total number of the ordinary shares issued by the Company.

34,375,000 Shares held by Jiangsu Ruihua Investment Holding Group Company Ltd, representing approximately 4.34% of the total number of the ordinary shares issued by the Company.

3,125,000 Shares held by Shandong Runbang Agricultural Development Co., Ltd, representing approximately 0.39% of the total number of the ordinary shares issued by the Company.

3,375,000 Shares held by Sha Min, representing 0.43% of the total number of the ordinary shares issued by the Company; and

229,500,000 overseas listed foreign Shares held by H shareholders, representing 28.98% of the total number of the ordinary shares issued by the Company.

## **Article 21**

The Company and subsidiaries of the Company (including the affiliated enterprises of the Company) shall not provide financial assistance to others to acquire shares of the Company or its parent company, except when the Company implements an employee stock ownership plan, by way of gift, advancement, guarantee, loans.

For the benefit of the Company, the Company may, by resolution of the shareholders' meeting or resolution of the Board in accordance with the Articles of Association or the authorization of the shareholders' meeting, and in compliance with the Hong Kong Listing Rules, provide financial assistance to others for acquiring shares of the Company or its parent company, but the cumulative total amount of financial assistance shall not exceed 10% of the total issued share capital. Resolution of the Board shall be approved by more than two-thirds of all Directors.

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

## **Article 22**

The Company may, based on its requirements for operation and development and in accordance with laws and regulations and by resolution of shareholders' meeting, increase its share capital in the following manners:

- (1) offering shares to unspecified parties;
- (2) offering shares to specified parties;
- (3) issuing bonus shares to its existing shareholders;
- (4) transfer into share capital from the reserve fund;
- (5) by any other means which is permitted by laws and administrative regulations and the regulatory authorities.

## **Article 23**

In accordance with the Company Law, the Hong Kong Listing Rules, other relevant regulations and the provisions of the Articles of Association, the Company may reduce its registered capital.

## **Article 24**

Except any one of the following circumstances, the Company shall not acquire its own shares:

- (1) reduction of the registered share capital of the Company;
- (2) merging with another company that holds shares in the Company;
- (3) using shares for employee shareholding plans or for equity incentives;
- (4) purchasing the shares held by shareholders who have voted against the resolutions on the merger or division of the Company at a shareholder's meeting upon their request;

- (5) using the shares for conversion of convertible corporate bonds issued by the Company;
- (6) necessary acts by the Company to maintain its value and protect the interests of the shareholders;
- (7) other circumstances permitted by laws, regulations, and approved by regulatory authorities.

If the Company repurchases of its shares, it shall fulfill its information disclosure obligations in accordance with the Securities Law and the Hong Kong Listing Rules.

The Company's repurchase of its shares may be carried out through open centralized trading or other methods recognized by laws, administrative regulations and regulatory authorities. If the Company repurchases of its shares due to the circumstances set out in items (3), (5) or (6) of the first paragraph of this Article, it shall do so through public centralized trading.

Where the Company repurchases of its shares due to the circumstances set out in item (1) and item (2) of the first paragraph of this Article, it shall be approved by the resolution of the shareholders' meeting. If the Company repurchases of its shares for the circumstances set out in items (3), (5) and (6) of the first paragraph of this Article, it shall be resolved by more than two-thirds of the Directors attending the Board meeting according to the provisions of the Articles of Association or the authorization of the shareholders' meeting.

If the Company repurchases shares for the circumstances set out in the first paragraph of this Article, the shares repurchased under item (1) shall be cancelled within ten (10) days from the date of acquisition and the registered share capital shall be deducted accordingly; shares repurchased under items (2) and (4) shall be transferred or cancelled within six (6) months; and shares repurchased by the Company under items (3), (5) and (6) shall not exceed 10% of the Company's total issued shares, and the shares acquired shall be transferred or cancelled within three (3) years.

A controlled subsidiary of the Company shall not acquire shares of the Company. Where a controlled subsidiary of the Company holds shares of the Company due to a merger of the Company or the exercise of the right of pledge, it shall not exercise the voting right corresponding to the shares held and shall dispose of the relevant shares of the Company in a timely manner.

If relevant laws, regulations, normative documents and relevant regulations of the securities regulatory authority where the Company's shares are listed have other provisions on matters related to the aforementioned share repurchase, such provisions shall prevail.

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

#### **Article 25**

The Company's shares should be transferred in accordance with the law.

#### **Article 26**

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

## **Article 27**

Shares issued by the Company before its public offering of shares shall not be transferred within one year from the date on which the Company's shares are listed and traded on the stock exchange.

The Directors and senior managers of the Company shall report to the Company about the Company's shares held by them and the movements. The shares transferred each year during the term of office determined when taking office shall not exceed 25% of the total number of shares of the same category held by them; the shares held by them shall not be transferred within one year from the date of listing of the Company's shares. The above-mentioned personnel shall not transfer the Company's shares held within six months after leaving the company.

If the rules of the stock exchange where the Company's shares are listed have other provisions on the transfer of shares, such provisions shall also be complied with.

## **CHAPTER 4 SHAREHOLDERS**

### **Section 1 General Provisions on Shareholders**

## **Article 28**

The Company shall maintain a register of shareholders based on the certificates provided by the securities registrar. The register of shareholders is sufficient evidence to prove the shareholdings of shareholders in the Company. Shareholders shall enjoy rights and bear obligations according to the class of shares they hold; shareholders holding the same class of shares shall enjoy the same rights and bear the same obligations.

If at any time the share capital of the Company is divided into different classes of shares, the Company intends to change or abolish the rights of any class shareholders which shall be approved by way of special resolution of shareholders of the affected class at a separately convened shareholders' meeting. Class meetings shall be conducted in a manner which is as similar as possible to that of shareholders' meeting. The provisions of the Articles of Association relating to the manner for the holding of shareholders' meeting are also applicable to class meetings.

The Company's branch register of shareholders in Hong Kong shall be open for inspection by shareholders during business hours. However, the Company may close the register in accordance with the terms equivalent to Section 632 of the Hong Kong Companies Ordinance (that is, a total of not exceeding thirty (30) days per year by a Board resolution, or for an extension of up to thirty (30) days by ordinary resolution).

## **Article 29**

If the Company convenes a shareholders' meeting, distributes dividends and carries out liquidation and other actions that require confirmation of the identification of shareholders, the Board or the convener of the shareholders' meeting shall determine the record date, and shareholders whose name appears on the register of shareholders after market close at the record date have relevant interests.

### **Article 30**

The shareholders of the Company shall be entitled to the following rights:

- (1) the right to receiving dividends and other distributions in proportion to the number of shares held;
- (2) the right to file a petition to convene, hold, attend or appoint a proxy to attend shareholders' meetings and to exercise the right to speak and the corresponding voting right thereat (except where a shareholder is required, by the Listing Rules, to abstain from voting to approve the matter under consideration);
- (3) the right to supervise and manage the operation of the Company and to put forward proposals and raise inquiries;
- (4) the right to transfer, donate, or pledge shares held by them in accordance with the laws, administrative regulations and provisions of the Articles of Association;
- (5) the right to inspect and make copies of the Articles of Association, the register of shareholders, the minutes of the shareholders' meetings, the minutes of the meeting of the Board and the financial and accounting reports, the qualified shareholders may review the Company's accounting books and accounting vouchers;
- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the number of shares held;
- (7) to request the Company to purchase their shares for the shareholders who object to the resolution on merger or division of the Company made at the shareholders' meetings;
- (8) other rights conferred by laws, administrative regulations, departmental rules and the Articles of Association.

If a shareholder requests to review or copy relevant materials of the Company, he or she shall comply with the provisions of the Company Law, the Securities Law and other laws and administrative regulations. The shareholder shall keep confidential the information and materials reviewed.

### **Article 31**

If the content of the resolutions of the Company's shareholders or the Board violates laws or administrative regulations, shareholders have the right to request the people's court to declare them invalid.

If the convening procedures or voting methods of the shareholders' meeting or the Board meeting violate the laws, administrative regulations or the Articles of Association, or the content of the resolution violates the Articles of Association, the shareholders have the right to request the people's court to revoke it within sixty (60) days from the date of the resolution. However, this does not apply if the convening procedures or voting methods of the shareholders' meeting or the Board meeting have only minor flaws and have no substantial impact on the resolution.

If the Board, shareholders and other relevant parties have disputes over the validity of the resolution of shareholders' meeting, they shall promptly file a lawsuit with the people's court. Before the people's court makes a judgment or ruling to revoke the resolution, the relevant parties shall implement the resolution of shareholders' meeting. The Company, Directors and senior management shall earnestly perform their duties to ensure the normal operation of the Company.

If the people's court makes a judgment or ruling on the relevant matters, the Company shall perform its obligation of information disclosure in accordance with the laws, administrative regulations, the provisions of the CSRC and the stock exchange regulations, fully explain the impact, and actively cooperate in the execution after the judgment or ruling takes effect. If it involves correcting previous matters, it will handle it in a timely manner and perform the corresponding obligation of information disclosure.

## **Article 32**

The resolutions of the meetings of the shareholders and the Board shall be invalid if any of the following circumstances occurs:

- (1) failure to convene a shareholders' meeting or the Board meeting to make a resolution;
- (2) the shareholders' meeting and the Board meeting do not vote on the resolution;
- (3) the number of attendees or the number of votes held does not reach the attendance number or number of votes specified in the Company Law or the Articles of Association;
- (4) the number of attendees who vote for the resolution or the number of votes held does not reach the number required or number of votes specified in the Company Law or the Articles of Association.

## **Article 33**

If Directors or senior management other than members of the audit committee of the Company (hereinafter referred to as the "Audit Committee") violate the laws, administrative regulations or the provisions of the Articles of Association when performing their duties and cause losses to the Company, shareholders who individually or collectively hold more than 1% of the Company's shares for more than one hundred and eighty (180) consecutive days have the right to request the Audit Committee in writing to file a lawsuit with the people's court; if members of the Audit Committee violate the laws, administrative regulations or the provisions of the Articles of Association when performing their duties and cause losses to the Company, the aforementioned shareholders may request the Board in writing to file a lawsuit with the people's court.

If the Audit Committee or the Board refuses to file a lawsuit after receiving the written request from the shareholders specified in the preceding paragraph, or fails to file a lawsuit within thirty (30) days from the date of receipt of the request, or if the situation is urgent and failure to file a lawsuit immediately will cause irreparable damage to the interests of the Company, the shareholders specified in the preceding paragraph have the right to file a lawsuit directly in their own name with the people's court in the interests of the Company.

If others infringe on the Company's legitimate rights and interests and cause losses to the Company, the shareholders specified in the first paragraph of this article may file a lawsuit with the people's court in accordance with the provisions of the previous two paragraphs.

If the Directors or senior management of the Company's wholly-owned subsidiaries violate the laws, administrative regulations or the provisions of this Articles of Association in the performance of their duties and cause losses to the Company, or if others infringe on the legitimate rights and interests of the Company's wholly-owned subsidiaries and cause losses, shareholders who individually or collectively hold more than 1% of the Company's shares for more than one hundred and eighty (180) consecutive days may request in writing the board of directors of the wholly-owned subsidiary to file a lawsuit with the people's court in accordance with the provisions of the first three paragraphs of Article 189 of the Company Law or directly file a lawsuit in their own name with the people's court.

#### **Article 34**

If Directors or senior management violate the provisions of laws, administrative regulations or the Article of Association and harm the interests of shareholders, shareholders may file a lawsuit with the people's court.

#### **Article 35**

The shareholders of the Company shall assume the following obligations:

- (1) To abide by the laws, administrative regulations and these Articles of Association;
- (2) To pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) Not to withdraw their contribution unless required by the laws and administrative regulations;
- (4) Not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders, and not to abuse the status of the Company as an independent legal entity and the limited liability of shareholders to jeopardize the interests of any creditors of the Company;
- (5) Other obligations imposed by laws, administrative regulations and the Articles of Association.

If any shareholder of the Company abuses the shareholder's rights and causes loss to the Company or other shareholders, he/she shall be liable for the compensation according to the laws. If any shareholder of the Company abuses the independent legal person status of the Company and the limited liability of shareholders to evade debts and severely damage the interests of the creditors of the Company, he/she shall bear joint liability for the debts owed by the Company.

## **Section 2 Controlling Shareholders and Actual Controllers**

### **Article 36**

The Company's controlling shareholder and actual controller shall exercise their rights and perform their obligations to safeguard the interests of the listed company in accordance with laws, administrative regulations, and the regulations of the CSRC and the stock exchange.

### **Article 37**

The controlling shareholder and actual controller of the Company shall comply with the following provisions:

- (1) exercise shareholder's rights in accordance with the law and do not abuse control or use affiliated relationships to damage the legitimate rights and interests of the Company or other shareholder;
- (2) strictly implement the public statements and commitments made, and do not change or exempt them without authorization;
- (3) strictly perform obligations of information disclosure in accordance with relevant regulations, actively cooperate with the Company in information disclosure, and promptly inform the Company of major events that have occurred or are about to occur;
- (4) do not occupy the Company's funds in any way;
- (5) do not force, instruct or require the Company and related personnel to provide guarantees in violation of laws and regulations;
- (6) do not use the Company's undisclosed major information to seek benefits, do not disclose undisclosed significant information related to the Company in any way, and do not engage in insider trading, short-term trading, market manipulation and other illegal and irregular activities;
- (7) the legal rights and interests of the Company and other shareholders shall not be damaged by any means such as unfair connected transactions, profit distribution, asset restructuring, external investment, etc.;
- (8) the integrity of the Company's assets, personnel independence, financial independence, institutional independence and business independence shall be guaranteed, and the independence of the Company shall not be affected in any way;
- (9) other provisions of laws, administrative regulations, regulations of the CSRC, the stock exchange and the Articles of Association.

If the controlling shareholder or actual controller of the Company does not serve as a Director of the Company but actually executes the Company's affairs, the provisions of this Articles of Association regarding the Directors' fiduciary duties and duties of diligence shall apply.



If the controlling shareholder or actual controller of the Company instructs the Directors or senior management to engage in acts that harm the interests of the Company or shareholders, they shall bear joint and several liability with the Directors or senior management.

#### **Article 38**

If a controlling shareholder or actual controller pledges the Company's shares that he/she holds or actually controls, he/she shall maintain the Company's controlling right and the stability of production and operation.

#### **Article 39**

If a controlling shareholder or actual controller transfers the shares of the Company held by him/her, he/she shall comply with the restrictive provisions on share transfer in laws, regulations, the Hong Kong Listing Rules, administrative rules, regulations of the CSRC and the stock exchanges, as well as his/her commitments made on restricting share transfer.

### **CHAPTER 5 SHAREHOLDERS' MEETINGS**

#### **Section 1 General provisions of shareholders' meetings**

#### **Article 40**

The Company's shareholders' meeting is composed of all shareholders. The shareholders' meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with the laws.

#### **Article 41**

The shareholders' meeting may exercise the following functions and powers:

- (1) to elect and replace Directors and decide on matters relating to the remuneration of Directors;
- (2) to examine and approve reports of the Board;
- (3) to examine and approve the Company's profit distribution plans and plans for making up losses;
- (4) to decide on increases or reductions in the Company's registered share capital;
- (5) to decide on matters such as merger, division, dissolution, liquidation or change of corporate form of the Company;
- (6) to decide on the issue of bonds by the Company;
- (7) to adopt resolutions on the Company's appointments, dismissals or non-reappointments of accounting firm and the remuneration of accounting firms;

- (8) to amend the Articles of Association;
- (9) to examine and approve the significant external guarantee of the Company;
- (10) to review matters concerning the purchase or sale of significant assets by the Company within one year that exceed 30% of the Company's latest audited total assets;
- (11) to review and approve changes in the use of funds raised;
- (12) to review equity incentive plans and employee stock ownership plans;
- (13) other matters required by the relevant laws, the Hong Kong Listing Rules, administrative regulations, departmental rules and the Articles of Association to be resolved by the shareholders' meeting.

The shareholders' meeting may authorize the Board to make a resolution on the issuance of Company's bonds.

The specific implementation shall comply with laws, administrative regulations, the regulation of the CSRC, the Hong Kong Listing Rules and the stock exchanges.

#### **Article 42**

Except as otherwise provided in the Articles of Association, all matters concerning the Company's external guarantees shall be reviewed and approved by the Board. The following significant matters concerning the Company's external guarantees shall be reviewed and approved by the shareholders' meeting:

- (1) any guarantee provided by the Company and its controlled subsidiaries after the total amount of external guarantees exceeds 50% of the latest audited net assets;
- (2) any guarantee provided by the Company after the total amount of external guarantees exceeds 30% of the latest audited total assets;
- (3) guarantees provided by the Company to others within one year in an amount exceeding 30% of the latest audited total assets of the Company;
- (4) guarantees provided to a guarantor with an asset-liability ratio exceeding 70%;
- (5) guarantees with a single guarantee amount exceeding 10% of the latest audited net assets;
- (6) guarantees provided to shareholders, actual controllers and their connected parties;
- (7) guarantees that must be approved by the shareholders' meeting as stipulated in the Hong Kong Listing Rules.

In the above-mentioned external guarantee matters, if 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 equal proportion according to the rights and interests they enjoy, and it does not harm the interests of the Company and complies with the Hong Kong Listing Rules, it may be reviewed by the Board.

### **Article 43**

When the shareholders' meeting is deliberating on a proposal to provide guarantees to shareholders, actual controllers and their connected parties, such shareholder or shareholder controlled by the actual controller shall not participate in the vote, and the vote shall be passed by more than half of the voting rights held by other shareholders attending the shareholders' meeting.

If Directors or senior management violate the laws, administrative regulations or the provisions of the Articles of Association regarding the approval authority and review procedures for external guarantees, and cause losses to the Company, they shall bear liability for compensation, and the Company may bring a lawsuit against them in accordance with the law.

### **Article 44**

Shareholders' meetings are divided into annual general meetings and extraordinary general meetings. An annual general meeting shall be convened by the Board. The annual general meeting shall be held once every year and within six (6) months after the end of the previous financial year.

The Company shall hold an extraordinary general meeting within two months upon the occurrence of one of the following circumstances:

- (1) the number of Directors is less than the number required by the Company Law or less than two-thirds of the number required by the Articles of Association;
- (2) the uncovered losses reach one third of the Company's total share capital;
- (3) upon request by shareholders individually or collectively holding at least 10% of the Company's shares (excluding treasury shares);
- (4) the Board considers it necessary;
- (5) the Audit Committee proposes to convene;
- (6) other circumstances stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

### **Article 45**

The place where the Company holds the shareholders' meeting shall be the Company's domicile or the meeting place clearly recorded in the meeting notice. The shareholders' meeting will be held at a venue and in person or by electronic communication or a combination of the two. After the shareholders' meeting notice is issued, the venue of the shareholders' meeting shall not be changed without a justifiable reason. If it is necessary to change, the convener shall announce it and explain the reason at least two working days before the date of the on-site meeting.

The Company can provide convenience for shareholders to attend the shareholders' meeting through various modern information technology means, provided that the shareholders' meeting is legal, valid and the conditions are met. Shareholders who participate in the shareholders' meeting virtually through the above-mentioned technology shall be deemed to be present, and can vote electronically through the internet.

When the Company holds a shareholders' meeting in the form of electronic communication and votes online, it shall be carried out in accordance with the Company Law and the relevant regulations of the securities regulatory authorities and stock exchanges where the Company's stocks are listed.

## **Section 2 Convening of Shareholders' Meetings**

### **Article 46**

The Board shall convene the shareholders' meeting on time within the prescribed time limit.

With the consent of more than half of all independent (non-executive) Directors, independent (non-executive) Directors have the right to propose to the Board to convene an extraordinary shareholders' meeting. In response to the proposal of the independent (non-executive) Directors to convene an extraordinary shareholders' meeting, the Board shall, in accordance with the provisions of laws and regulations, the Hong Kong Listing Rules and the Articles of Association, provide written feedback on whether it agrees or disagrees to convene an extraordinary shareholders' meeting within ten (10) days after receiving the proposal.

If the Board agrees to convene an extraordinary shareholders' meeting, it shall issue a notice to convene a shareholders' meeting within five (5) days after making the Board resolution. If the Board disagrees to convene an extraordinary shareholders' meeting, it shall state the reasons and make an announcement.

### **Article 47**

The Audit Committee has the right to propose to the Board to convene an extraordinary shareholders' meeting, and shall submit such proposal to the Board in written form. The Board shall, in accordance with the provisions of the law, the Hong Kong Listing Rules and the Articles of Association, provide written feedback on whether it agrees or disagrees to convene an extraordinary shareholders' meeting within ten (10) days after receiving the proposal.

If the Board agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within five (5) days after making the Board resolution. Any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee. If the Board disagrees to convene an extraordinary shareholders' meeting, or fails to provide feedback within ten (10) days after receiving the proposal, it shall be deemed that the Board cannot or does not perform its duties of convening a shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

### **Article 48**

Shareholders who individually or collectively hold more than 10% of the Company's shares (excluding treasury shares) have the right to request the Board to convene an extraordinary shareholders' meeting, which shall be submitted to the Board in writing. The Board shall, in accordance with the provisions of the law, the Hong Kong Listing Rules and the Articles of Association, provide written feedback on whether it agrees or disagrees to convene an extraordinary shareholders' meeting within ten (10) days after receiving the request.

If the Board agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening a shareholders' meeting within five (5) days after making the Board resolution. Any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. If the Board disagrees to convene an extraordinary shareholders' meeting, or fails to provide feedback within ten (10) days after receiving the request, shareholders who individually or collectively hold more than 10% of the Company's shares (excluding treasury shares) have the right to propose to the Audit Committee to convene an extraordinary shareholders' meeting, and shall submit a request to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within five (5) days after receiving the request. Any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Audit Committee fails to issue a shareholders' meeting notice within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the shareholders' meeting. Shareholders who hold more than 10% of the Company's shares (excluding treasury shares) individually or in total for more than 90 consecutive days may convene and preside over the meeting on their own.

#### **Article 49**

The Board and the secretary to the Board shall cooperate with the shareholders' meeting convened by the Audit Committee or shareholders themselves. The Board shall provide the register of shareholders on the shareholders' record date.

#### **Article 50**

The expenses necessary for a shareholders' meeting convened by the Audit Committee or shareholders themselves shall be borne by the Company.

### **Section 3 Motions and Notices of Shareholders' Meeting**

#### **Article 51**

When the Company convenes an annual general meeting, it shall notify the shareholders twenty-one (21) days prior to the meeting in relation to the time and place of the meeting as well as the matters to be examined at the meeting. When the Company convenes an extraordinary general meeting, it shall notify the shareholders fifteen (15) days prior to the meeting in relation to the time and place of the meeting as well as the matters to be examined at the meeting. For the purpose of calculating the starting date of the aforesaid periods for convening a shareholders' meeting, the date of the meeting shall be excluded.

#### **Article 52**

The contents of the motions to be raised should be within the scope of duties of the shareholders' meetings. It should have a specified subject and specific resolution to be decided, in compliance with the laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association.

### **Article 53**

When the Company convenes a shareholders' meeting, the Board and the Audit Committee as well as shareholder(s) individually or jointly holding at least 1% of the Company's shares shall have the right to propose motions.

Shareholder(s) individually or jointly holding at least 1% of the Company's shares may submit a provisional motion in writing to the convener ten (10) days before the shareholders' meeting is convened; the convener shall issue a supplementary notice of the shareholders' meeting to announce the content of the provisional motion within two (2) days after receipt of the motion. However, this does not apply if the provisional motion violates the provisions of laws, administrative regulations or the Articles of Association, or is not within the scope of powers of the shareholders.

Except for circumstances stipulated in the preceding paragraph, upon announcement of the notice of shareholders' meeting, the convener shall not amend the motions set out in the notice of shareholders' meeting or insert new motions.

### **Article 54**

A notice of the shareholders' meeting shall be in writing and including the following contents:

- (1) the place, date and duration of the meeting;
- (2) the matters and motions raised for consideration at the meeting;
- (3) a clear statement to state that: all ordinary shareholders (including the preferred shareholders who has resumed their voting rights) are entitled to attend the shareholders' meeting and entrust a proxy in writing to attend the meeting and vote, and that such proxy need not be a shareholder;
- (4) the date of registration of equity entitlements for shareholders entitled to attend the shareholders' meeting;
- (5) name and telephone number of the permanent contact person for the meeting;
- (6) voting time and voting procedures online or by other means;
- (7) other matters specified in laws, administrative regulations, departmental rules or the Hong Kong Listing Rules.

### **Article 55**

Unless otherwise provided in the Articles of Association, notices of shareholders' meetings shall be issued in the manner prescribed in Article 176 of the Articles of Association, and the address of the recipient shall be the address registered in the register of shareholders (there is no prohibition on issuing notices to shareholders whose registered addresses are outside Hong Kong). Notices of shareholders' meetings may also be issued by way of announcement.

Notices of shareholders' meetings, circulars to shareholders and related documents may be published on the Company's website and the website designated by the Hong Kong Stock Exchange, subject to the conditions of laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association. Once announced, all shareholders shall be deemed to have received the notice of the shareholders' meeting.

After the notice of shareholders' meeting is issued, the shareholders' meeting shall not be postponed or cancelled without justifiable reasons, and the motions listed in the notice of shareholders' meeting shall not be cancelled. In the event of postponement or cancellation, the convener shall issue a notice and explain the reasons at least two (2) working days before the originally scheduled date of the meeting.

#### **Section 4 Convening of Shareholders' Meetings**

##### **Article 56**

The Board of the Company and other conveners will take necessary measures to ensure the normal order of the shareholders' meeting. Measures will be taken to stop any acts that interfere with the shareholders' meeting, provoke trouble, and infringe upon the legitimate rights and interests of shareholders, and the acts will be reported to the relevant departments for investigation and punishment in a timely manner.

##### **Article 57**

All shareholders registered as at the shareholders' record date or their proxies have the right to attend the shareholders' meeting and exercise their voting rights in accordance with relevant laws and regulations, the listing rules of the Company's stock listing place, and the Articles of Association.

Shareholders may attend the shareholders' meeting in person or appoint proxies to attend and vote on their behalf.

##### **Article 58**

Any shareholder entitled to attend and vote at the shareholders' meeting shall have the right to appoint one (1) or several persons (who may not be shareholders) to act as his proxy to attend and vote at the meeting on his behalf. Any shareholder being a corporation shall be entitled to appoint a representative to attend and vote at any shareholders' meeting and, where a corporation is so represented, it shall be treated as being present at any meeting in person. A corporate shareholder may sign a shareholder's proxy form by its duly authorized officer, unless an individual shareholder is required by the Hong Kong Listing Rules to abstain from voting on certain matters. Such shareholder and/or the proxy so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:

- (1) the right which the shareholder has to speak at the shareholders' meeting;
- (2) the right to demand a poll alone or jointly with others;
- (3) unless otherwise provided by laws and regulations, or by the securities regulatory authorities or stock exchanges where the Company's shares are listed, the right to exercise voting rights on a show of hands or on a poll, provided that where two or more proxies are appointed, the proxies may only exercise such voting rights on a poll.

If the said shareholder is a recognized clearing house by the law of Hong Kong, the shareholder may authorize suitable representative or corporate representative to act as its representative at any shareholders' meeting and creditors' meeting; representative or corporate representative so authorized shall have the same statutory rights as other shareholders, including the right to speak and vote.

#### **Article 59**

If an individual shareholder attends the meeting in person, he/she shall present his/her identification card or other valid documents or certificates that can prove his/her identity; if someone attends the meeting on behalf of another person, he/she shall present his/her valid identification documents and shareholder's proxy form.

Corporate shareholders shall be represented by their legal representative or a proxy authorized by the legal representative to attend the meeting. If the legal representative attends the meeting, he/she shall present his/her identification card and a valid certificate that can prove his/her qualifications as a legal representative; if a proxy attends the meeting, the proxy shall present his/her identification card and a proxy form issued by the corporate shareholder.

#### **Article 60**

The instrument appointing a proxy must be in writing under the hand of the shareholder or his attorney duly authorized in writing; for a corporate shareholder, the proxy must be affixed with the common seal or signed by its director or attorney or officer duly authorized in writing. The letter of authorization shall contain the number of the shares to be represented by the attorney. If several persons are authorized as the attorney of the shareholder, the letter of authorization shall specify the number of the shares to be represented by each attorney.

#### **Article 61**

Proxy forms shall be lodged at the domicile of the Company or other places specified in the notice of meeting 24 hours before the relevant meeting for voting according to the proxy form, or 24 hours before the designated time of voting. Where the proxy form is signed by a person under a power of attorney on behalf of the appointer, the power of attorney or other authorization documents authorized to be signed shall be notarized. A notarially certified copy of that power of attorney or other authorization documents, together with the proxy form, shall be deposited at the domicile of the Company or other places specified in the notice of meeting.

#### **Article 62**

The Company shall be responsible for preparing the attendance register of the meeting. The attendance register of the meeting shall state the names (or corporate names) of the attendees, their identification numbers, the number of shares held or represented with voting rights, the names (or corporate names) of the principal, etc.

#### **Article 63**

If the shareholders' meeting requires Directors and senior management to attend the meeting, the Directors and senior management shall attend and accept inquiries from the shareholders.



#### **Article 64**

The shareholders' meeting shall be chaired by the chairman of the Company. If the chairman of the Company is unable to perform his duties or fails to perform his duties, a Director jointly nominated by more than half of the Directors shall preside over the meeting.

The shareholders' meeting convened by the Audit Committee shall be chaired by the convener from the Audit Committee. If the convener from the Audit Committee is unable to perform his/her duties or fails to perform his/her duties, a member of the Audit Committee jointly nominated by more than half of the members of the Audit Committee shall preside over the meeting.

The shareholders' meeting convened by the shareholders shall be chaired by a representative nominated by the convener.

When convening a shareholders' meeting, if the chairperson of the meeting violates the provisions of laws, regulations and the Articles of Association and makes it impossible for the shareholders' meeting to continue, the shareholders may nominate one person to serve as the chairperson of the meeting and continue the meeting with the consent of more than half of the shareholders with voting rights attending the shareholders' meeting.

If for any reason, the shareholders are unable to elect a chairperson of the meeting, the shareholder (including shareholder's agents) holding the most voting shares attending the meeting shall serve as the chairperson of the meeting.

#### **Article 65**

Directors and senior management shall explain and clarify shareholders' inquiries and suggestions at shareholders' meetings, except for those involving the Company's commercial secrets that cannot be disclosed at shareholders' meetings.

#### **Article 66**

The meeting host shall announce the number of shareholders and proxies present at the meeting and the total number of voting shares held before voting. The number of shareholders and proxies present at the meeting and the total number of voting shares held shall subject to registration of the meeting.

#### **Article 67**

The shareholders' meeting shall have a meeting minutes, which shall be the responsibility of the secretary to the Board. The meeting minutes shall record the following contents:

- (1) the time, place, agenda and name of the convener of the meeting;
- (2) the name of the meeting host and the Directors and senior management attending the meeting;
- (3) the number of shareholders and proxies attending the meeting, the total number of voting shares held and the proportion of the total number of shares of the Company;

- (4) the review process, key points of speeches and voting results of each proposal;
- (5) shareholders' inquiries, comments or suggestions and corresponding replies or explanations;
- (6) the names of the vote counter and vote scrutineer;
- (7) other contents that should be included in the meeting minutes as stipulated in the Articles of Association.

#### **Article 68**

The convener shall ensure that the minutes of the meeting are true, accurate and complete. The Directors, secretary to the Board, convener or their representatives, and meeting host who attend or sit in on the meeting shall sign the minutes of the meeting. The minutes of the meeting shall be kept together with the signature book of shareholders attending the meeting on site, the power of attorney for proxy attendance, and the valid data of voting by internet and other means, and the preservation period shall not be less than ten (10) years.

#### **Article 69**

The convener shall ensure that the shareholders' meeting is held continuously until the final resolution is reached. If the shareholders' meeting is suspended or unable to make a resolution due to force majeure or other special reasons, necessary measures shall be taken to resume the shareholders' meeting as soon as possible or directly terminate the shareholders' meeting, and timely announce it.

### **Section 5 Voting and Resolutions of Shareholders' Meetings**

#### **Article 70**

There shall be two (2) types of resolutions of shareholders' meetings, namely ordinary resolutions and special resolutions.

To adopt an ordinary resolution of shareholders' meeting, votes representing over one-half of the voting rights represented by the shareholders (including proxies) present at the shareholders' meeting must be exercised in favour of the resolution in order for it to be passed.

To adopt a special resolution of shareholders' meeting, votes representing at least two-thirds of the voting rights represented by the shareholders (including proxies) present at the shareholders' meeting must be exercised in favour of the resolution in order for it to be passed.

#### **Article 71**

A shareholder (including proxy) when voting at a shareholders' meeting may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote.

Shares held by the Company have no voting rights. This portion of shares is not considered as part of the total number of shares with voting rights and present at the shareholders' meetings.

Where any shareholder is, under the Hong Kong Listing Rules and/or any applicable laws and regulations, required to abstain from voting on a particular resolution or restricted to voting only in favour of or against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

## **Article 72**

Except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands, all votes of the shareholders at the shareholders' meeting shall be taken by poll.

## **Article 73**

When the shareholders' meeting resolves on the related party transactions of the Company or on a particular resolution for which any shareholders shall be refrained from voting or shall be restricted to vote for (or against) in accordance with the Hong Kong Listing Rules, any votes cast by such shareholders or their representative in contravention of such requirement or restriction shall not be counted in the total number of valid voting. The public announcement of the shareholders' meeting shall fully disclose the voting of non-related shareholders.

## **Article 74**

The following matters shall be resolved by an ordinary resolution at a shareholders' meeting:

- (1) work reports of the Board;
- (2) plans formulated by the Board for distribution of profits and for making up losses;
- (3) the appointment and removal of members of the Board and their remuneration and payment methods;
- (4) matters other than these required by the applicable laws and regulations or by the Articles of Association to be adopted by special resolutions.

## **Article 75**

The following matters shall be resolved by a special resolution at a shareholders' meeting:

- (1) increase or reduction of the registered share capital of the Company;
- (2) division, merger, dissolution, liquidation of the Company;
- (3) amendments to the Articles of Association;
- (4) purchase or sale of major assets, or provision of guarantee by the Company in excess of 30% of the Company's latest audited total assets within one year;
- (5) the equity incentive plans;

- (6) other matters which are provided for by the laws, the Hong Kong Listing Rules, administrative regulations or the Articles of Association and considered by the shareholders' meeting, by way of an ordinary resolution, to have a substantial impact on the Company and require approval by a special resolution;
- (7) other matters required by the listing rules of the stock exchange where the Company's shares are listed and other normative documents.

#### **Article 76**

When the shareholders' meeting deliberates on matters related to connected transactions, connected shareholders and shareholders who have a significant interest in the relevant matters under consideration (hereinafter referred to as "Connected Shareholders") shall not participate in the voting, and the number of voting shares represented by them shall not be counted in the total number of valid votes; the announcement of the resolutions of the shareholders' meeting shall fully disclose the voting situation of non-connected shareholders.

When the shareholders' meeting deliberates on matters related to connected transactions, Connected Shareholders shall abstain; if the meeting requires Connected Shareholders to attend the meeting to explain, Connected Shareholders shall attend the meeting and make a truthful explanation.

The matters on which Connected Shareholders abstain from voting and do not participate in the voting shall be announced by the meeting host at the beginning of the meeting.

For matters related to connected transactions to be formed into ordinary resolutions, they must be passed by more than half of the number of voting shares of non-connected shareholders attending the shareholders' meeting; for special resolutions to be formed, they must be passed by more than two-thirds of the number of voting shares of non-connected shareholders attending the shareholders' meeting.

#### **Article 77**

Except when the Company is in crisis or other special circumstances, the Company will not enter into a contract with a person other than a Director or senior management to entrust the management of all or important business of the Company to that person without the approval of the shareholders by special resolution.

#### **Article 78**

When the shareholders' meeting deliberates on a proposal, it will not modify the proposal. If it is modified, it shall be regarded as a new proposal and cannot be voted on at that shareholders' meeting.

#### **Article 79**

The shareholders' meeting shall vote by open ballot.

## **Article 80**

Before the shareholders vote on the proposal, two shareholder representatives shall be nominated to participate in the counting and scrutinizing the votes. If the deliberation matters are connected to certain shareholders, the relevant shareholders and their proxies shall not participate in the counting and scrutinizing the votes.

When the shareholders vote on the proposal, the shareholder representatives shall be responsible for counting and scrutinizing the votes, and the voting results shall be announced on the spot, and the voting results of the resolution shall be recorded in the minutes of the meeting.

The shareholders of the Company or their proxies who vote through the internet or other means have the right to check their voting results through the corresponding voting system.

## **Article 81**

The on-site shareholders' meeting shall not end earlier than that by online or other methods. The meeting host shall announce the voting situation and results of each proposal and announce whether the proposal is passed based on the voting results.

Before the voting results are officially announced, the Company, vote counters, vote scrutineer, shareholders, network service providers and other relevant parties involved in the shareholders' meeting by on-site, online and other voting methods shall have the obligation to keep the voting situation confidential.

## **Article 82**

Shareholders attending the shareholders' meeting shall express one of the following opinions on the proposals submitted for voting: agree, oppose or abstain.

Unfilled, incorrectly filled, illegible votes, and uncast votes shall be deemed as the voter's waiver of voting rights, and the voting results of the number of shares held by the voter shall be counted as "abstain".

## **Article 83**

The resolutions of the shareholders' meeting shall be announced in a timely manner in accordance with laws and regulations, the regulatory rules of the Company's stock listing place or the provisions of the Articles of Association. The announcement shall state, the total number of voting shares held and the proportion of the total number of voting shares of the Company, the voting method, the voting results of each proposal and the details of each resolution passed.

## **Article 84**

If the proposal is not passed, or the current shareholders' meeting amends the resolution of the previous shareholders' meeting, a special reminder shall be made in the announcement of resolutions of shareholders' meeting.

#### **Article 85**

If the shareholders' meeting passes the proposal on the election of Directors, the new Directors shall take office on the date of the shareholders' resolution, unless otherwise provided in the shareholders' resolution.

#### **Article 86**

If the shareholders' meeting passes the proposal on cash dividend, bonus shares or conversion of capital reserve into capital, the Company shall implement the specific plan within two (2) months after the shareholders' meeting.

### **CHAPTER 6 DIRECTORS AND BOARD OF DIRECTORS**

#### **Section 1 General Provisions for Directors**

#### **Article 87**

A Director of the Company is a natural person who shall not serve as a Director of the Company if he/she has any of the following circumstances:

- (1) lack of civil capacity or limited civil capacity;
- (2) being sentenced to a punishment for corruption, bribery, embezzlement, misappropriation of property or disruption of the socialist market economic order, or being deprived of political rights for a crime, and the term of execution has not expired for more than five years, and being given a suspended sentence, the term of probation has not expired for more than two years;
- (3) serving as a director or factory director or manager of a company or enterprise that is undergoing bankruptcy liquidation and is personally responsible for the bankruptcy of the company or enterprise, and the period of time has not exceeded three years since the completion of the bankruptcy liquidation of the company or enterprise;
- (4) served as the legal representative of a company or enterprise whose business license was revoked or ordered to close due to illegal activities and was personally responsible, and the period of time has not exceeded three years since the company or enterprise was revoked its business license or ordered to close;
- (5) listed as a dishonest person subject to enforcement by the people's court for a relatively large amount of personal debts that were not repaid when due;
- (6) banned from the securities market by the CSRC, and the term has not expired;
- (7) publicly identified by the stock exchange as unsuitable to serve as a director, senior management, etc. of a listed company, and the term has not expired;
- (8) other contents stipulated by laws, the Hong Kong Listing Rules, administrative regulations or departmental regulations.

If the election or appointment of a Director violates the provisions of the Articles of Association, the election, delegation or appointment shall be invalid. If a Director encounters the circumstances described in this article during his/her term of office, the Company will remove him/her from his/her position and stop him/her from performing his/her duties.

#### **Article 88**

Directors shall be elected or replaced by the shareholders' meeting and may be removed from office by the shareholders' meeting before the expiration of their term of office. The term of office of a Director is three years and he/she may be re-elected upon the expiration of his/her term of office.

The term of office of a Director shall be calculated from the date of his appointment until the expiration of the term of office of the current Board. If a Director's term of office expires and is not re-elected in time, before the re-elected Director takes office, the original Director shall still perform the duties of a Director in accordance with the provisions of laws, administrative regulations, departmental regulations and the Articles of Association.

#### **Article 89**

Directors shall abide by the provisions of laws, administrative regulations and the Articles of Association, have a duty of loyalty to the Company, take measures to avoid conflicts between their own interests and the interests of the Company, and shall not use their power to seek improper benefits. Directors shall have the following fiduciary duties to the Company:

- (1) not to embezzle the Company's property or misappropriate the Company's funds;
- (2) not to deposit the Company's funds in an account opened in their own name or in the name of any other individual;
- (3) not to use their power to bribe or accept other illegal income;
- (4) not to directly or indirectly enter into a contract or conduct transactions with the Company without reporting to the Board or the shareholders' meeting and obtaining a resolution of the Board or the shareholders' meeting in accordance with the provisions of the Articles of Association;
- (5) not to use their position to seek business opportunities belonging to the Company for themselves or others, except where they have reported to the Board or the shareholders' meeting and obtained a resolution of the shareholders' meeting, except the Company cannot take advantage of the business opportunity in accordance with the provisions of laws, administrative regulations or the Articles of Association;
- (6) not to operate similar business as the Company's for themselves or for others without reporting to the Board or the shareholders' meeting and obtaining a resolution of the shareholders' meeting;
- (7) not to accept commission from transactions between others and the Company and keep it for himself;

- (8) not to disclose secrets of the Company without authorization;
- (9) not to use their affiliated relationships to harm the interests of the Company;
- (10) other fiduciary obligations stipulated in applicable laws, regulations, departmental rules and regulations and the Articles of Association.

The income obtained by the Directors in violation of this article shall belong to the Company; if losses are caused to the Company, they shall bear liability for compensation.

Subject to the Hong Kong Listing Rules, the provisions of paragraph 2, item (4) of this article shall apply to contracts or transactions entered into between the Company and the close relatives of Directors and senior management, enterprises directly or indirectly controlled by Directors, senior management or their close relatives, and related persons with other affiliated relationships with Directors and senior management.

#### **Article 90**

Directors shall abide by the provisions of laws, administrative regulations and the Articles of Association, have a duty of diligence to the Company, and shall perform their duties with due care that management should normally take and for the best interests of the Company.

Directors shall have the following duties of diligence to the Company:

- (1) exercise the rights granted by the Company with caution, seriousness and diligence to ensure that the Company's business behavior complies with the requirements of national laws, administrative regulations and various national economic policies, and that business activities do not exceed the business scope specified in the business license;
- (2) treat all shareholders fairly;
- (3) keep abreast of the Company's business operations and management;
- (4) sign written confirmation on the Company's regular reports to ensure that the information disclosed by the Company is true, accurate and complete;
- (5) provide the Audit Committee with relevant information and materials truthfully and shall not hinder the Audit Committee from exercising its powers;
- (6) other duties of diligence stipulated by applicable laws, regulations, departmental rules and the Articles of Association.

#### **Article 91**

A Director who fails to attend the Board meeting in person for two consecutive times and does not authorize other Directors to attend the Board meeting shall be deemed to be unable to perform his/her duties, and the Board shall recommend the shareholders' meeting to remove him/her.



## **Article 92**

A Director may resign before the expiration of his/her term of office. A Director shall submit a written resignation report to the Company when resigning, and the resignation shall take effect on the day the Company receives the resignation report. The Company will disclose the relevant circumstances within one trading day.

If the resignation of a Director causes the number of members of the Company's Board to fall below the statutory minimum number, before the re-elected Director takes office, the original Director shall still perform the duties of a Director in accordance with the laws, administrative regulations, departmental regulations and the provisions of the Articles of Association.

## **Article 93**

The shareholders' meeting may, by ordinary resolution, remove any Director (including the managing Director or other executive Director) before the expiration of his/her term of office. Such removal shall not affect the Director's claim for damages under any contract, and the removal shall take effect on the day the resolution is made.

If a Director is dismissed before the expiration of his/her term of office without justifiable reasons, the Director may demand compensation from the Company.

## **Article 94**

No Director may act on behalf of the Company or the Board in his/her personal name without the provisions of the Articles of Association or the legal authorization of the Board. When a Director acts in his/her personal name, if a third party would reasonably believe that the Director is acting on behalf of the Company or the Board, the Director shall declare his/her position and identity in advance.

## **Article 95**

If a Director causes damage to others while performing his/her duties, the Company shall bear the liability for compensation; if the Director is intentional or grossly negligent, he/she shall also bear the liability for compensation.

If a Director violates the provisions of laws, administrative regulations, departmental regulations or the Articles of Association while performing his/her duties and causes losses to the Company, he/she shall bear the liability for compensation.

## **Section 2 Board of Directors**

## **Article 96**

The Company sets a Board which is responsible to the shareholders' meeting. The Board shall comprise seven (7) Directors, and the number of independent (non-executive) Directors shall not be less than three (3) at any time and shall account for at least one-third of the total number of Directors of the Board. The chairman of the Company and the Director who transacts corporate business shall be elected and replaced by the Board.

## **Article 97**

The Board shall have a Chairman. The Chairman of the Board shall be elected and removed by over one-half of all Directors. The term of office of the Chairman shall be three (3) years, renewable upon re-election.

The Directors shall not be required to hold shares of the Company.

## **Article 98**

The Board shall report to the shareholders' meeting and exercises the following powers:

- (1) to convene shareholders' meetings and report its work to the shareholders' meeting;
- (2) to implement the resolutions of shareholders' meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the Company's profit distribution plans and plans on making up losses;
- (5) to formulate the proposals for the increase or decrease of the registered share capital of the Company and the issue and listing of the Company's bonds or other securities;
- (6) to formulate plans for significant acquisitions of the Company, acquisitions of the Company's own shares or merger, division, dissolution and change in the form of the Company;
- (7) to determine the establishment of the Company's internal management structure;
- (8) to appoint or remove the general manager, secretary to the Board and other senior management of the Company and decide on their remuneration, rewards and penalties; and to appoint or remove the deputy manager and other senior management members of the Company such as the person in charge of finance based on the nomination by the general manager and to decide on their remunerations and rewards and penalties;
- (9) to formulate the basic management system of the Company;
- (10) to formulate proposals for amendment to the Articles of Association;
- (11) managing the Company's information disclosure;
- (12) within the scope authorized by the shareholders' meeting, to decide the Company's external investment, acquisition and disposal of assets, assets pledge, external guarantees, consigned financial management, connected transactions, external donations and such matters;
- (13) to propose the appointment or change of the Company's auditors to the shareholders' meetings;

- (14) listen to the work report of the Company's general manager and inspect the general manager's work;
- (15) other duties conferred by the provisions of the applicable laws, regulations, departmental rules, the Articles of Association or shareholders' meeting.

Except for the Board resolutions in respect of the matters specified in items (5), (6) and (10) of the preceding paragraph which shall be passed by more than two-thirds of the Directors, the above Board resolutions in respect of all other matters may be passed by over one-half of the Directors.

Board resolutions in respect of the Company's related party transactions must be endorsed by Independent (non-executive) Director before they can become effective.

Matters beyond the scope of authority granted by the shareholders shall be submitted to the shareholders' meeting for deliberation.

#### **Article 99**

The Board shall explain to the shareholders' meeting the non-standard audit opinions issued by the certified public accountant on the Company's financial reports.

#### **Article 100**

The Chairman of the Board is entitled to the following powers:

- (1) to preside over shareholders' meetings and to convene and preside over Board meetings;
- (2) to supervise and review the implementation of resolutions of the Board;
- (3) to exercise other powers conferred by the Board.

If the Chairman is unable or fails to perform his duties, a Director jointly elected by over one-half of members of the Board shall perform the duties of the Chairman.

#### **Article 101**

The Board shall hold meetings at least four times a year, approximately once a quarter. When the Board holds a regular meeting, it shall notify all Directors fourteen (14) days before the regular meeting. When the Board holds an extraordinary meeting, it shall notify all Directors three (3) days or a reasonable time before the meeting.

Shareholders representing at least one-tenth of the voting rights, or at least one-third of the Board or the Audit Committee may propose to hold an extraordinary Board meeting. The chairman of the Company should convene and preside over a Board meeting within ten (10) days after the proposal is received.

#### **Article 102**

The convening of the meeting of Board shall be notified in the following manner:

- (1) the notice of the meeting of the Board shall include the following contents: the date and place of the meeting, the duration of the meeting, the reasons and agenda, and the date of issuance of the notice;

- (2) the Company shall be responsible for submitting the written notice of the convening of the meeting to all Directors by direct delivery, fax, express mail or other electronic communication methods. If it is not delivered directly, it shall be confirmed by telephone and corresponding records shall be made;
- (3) if the situation is urgent and an extraordinary meeting of the Board needs to be held as soon as possible, the Company may issue a meeting notice at any time by telephone or other oral means, but the convener shall explain it at the meeting;
- (4) the notice shall be in Chinese, with English attached if necessary, and shall include the meeting agenda. Any Director may waive the right to request a notice of the meeting of the Board.

### **Article 103**

Notice of a meeting shall be deemed to have been given to any Director who attends the meeting without protest against, before or at its commencement, any lack of notice.

### **Article 104**

The Board meeting may not be held unless over one-half of the Directors are present. The voting method for Board resolutions is by open ballot. Voting on board resolutions shall be on a one vote per person basis.

Resolutions of the Board shall be passed by over one-half of all Directors, unless otherwise required by the Articles of Association.

Where a Director who has associated relationship with the enterprises or individuals involved in any resolution proposed at a Board meeting, the relevant Director shall promptly submit a written report to the Board. The Director who has associated relationship shall abstain from voting for the Board resolution and shall not represent another Director in exercise of voting rights. The Board meeting may be held with the quorum of over one-half of unrelated Directors, and resolutions passed by the Board meeting shall require over one-half of votes of unrelated Directors. Where the number of unrelated Directors present at the Board meeting is less than three, the said matter shall be tabled at a shareholders' meeting for deliberation.

### **Article 105**

The Board shall hold meetings by on-site meetings, electronic communications (including fax, letter, e-mail, etc.) or other methods agreed by all Directors, it can also be carried out on-site and in other ways at the same time. When a meeting is held on-site, all Directors attending the meeting by telephone conference or similar communication equipment shall be deemed to have attended the meeting in person, provided that the communication effect is guaranteed.

Under the premise of ensuring that the Directors can fully express their opinions and in compliance with the securities regulatory rules of the place where the Company's shares are listed, the Board meeting can be convened by means of e-mail, voting by correspondence or voting by signature in written form, and the Directors attending the meeting shall sign accordingly.

## **Article 106**

Directors shall attend Board meetings in person. Where a Director is unable to attend a meeting for any reason, he may by a written power of attorney appoint another Director to attend the meeting on his behalf. The power of attorney shall specify the name of the proxy, the matters to be authorised, the extent of authorization and validity period and shall be signed by the appointor or a chop shall be affixed.

A Director appointed as the representative of another Director to attend the meeting shall exercise the rights of a Director within the scope of authority conferred by the appointing Director. Where a Director is unable to attend a Board meeting and has not appointed a proxy to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting.

The general manager and the secretary to the Board who do not concurrently serve as Directors shall attend the Board meeting. If the convener of the meeting deems it necessary, he/she may notify other relevant persons to attend the Board meeting.

## **Article 107**

The Board shall keep minutes of resolutions passed at Board meetings. The minutes shall be signed by the Directors present at the meeting. The minutes of Board meeting shall be kept as corporate files for a period of not less than ten years.

## **Article 108**

Minutes of a Board meeting shall include the following content:

- (1) the date, venue and name of the convener of the meeting;
- (2) the names of the Directors present at the meeting and the names of the Directors (proxies) appointed by others to attend the meeting;
- (3) agenda of the meeting;
- (4) summaries of the speeches of Directors;
- (5) the voting methods and results of each resolution (the voting results shall specify the number of votes for, against or abstention).

### **Section 3 Independent (Non-Executive) Directors**

## **Article 109**

An independent (non-executive) Director refers to a Director who does not hold any other position in the Company except as a Director, and does not have any relationship with the Company and its major shareholders (for the purpose of this section only, major shareholders refer to shareholders who hold more than 5% of the total voting shares of the Company individually or in total) that may hinder them from making independent and objective judgments, and who complies with the independence provisions of the listing rules of the place where the Company's shares are

listed. At least one-third of the Company's Board members shall be independent (non-executive) Directors, the total number of independent (non-executive) Directors shall not be less than three, and at least one of them shall be a financial or accounting professional. The Company must have at least one independent (non-executive) Director who usually resides in Hong Kong. Independent (non-executive) Directors shall faithfully perform their duties and safeguard the interests of the Company, and pay particular attention to the protection of the legitimate rights and interests of public shareholders so as to ensure that the interests of all shareholders are fully represented.

#### **Article 110**

Independent (non-executive) Directors shall conscientiously perform their duties in accordance with the provisions of laws, administrative regulations, the CSRC, the stock exchanges, the Hong Kong Listing Rules and the Articles of Association, play a role in participating in decision-making, supervising and balancing, and providing professional advice in the Board, safeguard the overall interests of the Company, and protect the legitimate rights and interests of small and medium-sized shareholders.

#### **Article 111**

The term of office of independent (non-executive) Directors is three years per term and they may be re-elected, unless otherwise provided by relevant laws, regulations and the listing rules of the exchange where the Company's shares are listed.

If an independent (non-executive) Director fails to meet the independence requirements or is otherwise unsuitable to perform the duties of an independent (non-executive) Director, resulting in the Company's number of independent (non-executive) Directors failing to meet that requirement of the Articles of Association, the Company shall make up the number of independent (non-executive) Directors in accordance with the regulations.

#### **Article 112**

As the members of the Board, independent (non-executive) Directors shall have a duty of loyalty and diligence to the Company and all shareholders and shall prudently perform the following duties:

- (1) participate in the decision-making of the Board and express clear opinions on the matters under discussion;
- (2) supervise the potential significant conflicts of interest between the Company and the controlling shareholder, actual controller, Directors and senior management, and protect the legitimate rights and interests of small and medium shareholder;
- (3) provide professional and objective advice on the Company's business development and promote the improvement of the decision-making level of the Board;
- (4) other duties stipulated by laws, administrative regulations, the Hong Kong Listing Rules, regulation of the CSRC and the Articles of Association.

### **Article 113**

Independent (non-executive) Directors shall exercise the following special powers:

- (1) independently hire intermediary institutions to audit, consult or verify specific matters of the Company;
- (2) propose to the Board to convene an extraordinary shareholders' meeting;
- (3) propose to convene a meeting of the Board;
- (4) publicly solicit shareholder's rights from shareholders in accordance with the law;
- (5) express independent opinions on matters that may harm the interests of the Company or small and medium shareholders;
- (6) other powers stipulated by laws and regulations, regulations of the CSRC, the Hong Kong Listing Rules and the Articles of Association.

If an independent (non-executive) Director exercises the powers listed in the first to third items of the preceding paragraph of this Article, the consent of more than half of all independent (non-executive) Directors shall be obtained.

If an independent (non-executive) Director exercises the powers listed in the first paragraph of this Article, the Company shall disclose it in a timely manner. If the above powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

### **Article 114**

The following matters shall be submitted to the Board for review after being approved by more than half of all independent (non-executive) Directors of the Company:

- (1) connected transactions that should be disclosed;
- (2) plans for change to or waive commitments by the Company and related parties;
- (3) decisions and measures taken by the Board the acquired listed company in response to the acquisition;
- (4) other matters stipulated by laws and regulations, regulations of the CSRC, the Hong Kong Listing Rules and the Articles of Association.

### **Article 115**

The Company shall establish a special meeting mechanism composed entirely of all independent (non-executive) Directors. If the Board deliberates on matters such as connected transactions, it shall be approved in advance by the special meeting of independent (non-executive) Directors.

The Company shall hold special meetings of independent (non-executive) Directors regularly or irregularly. The matters listed in items (1) to (3) of the first paragraph of Article 113 and Article 114 of the Articles of Association shall be deliberated by the special meeting of independent (non-executive) Directors.

The special meeting of independent (non-executive) Directors may study and discuss other matters of the Company as needed.

The special meeting of independent (non-executive) Directors shall be convened and presided over by an independent (non-executive) Directors jointly nominated by more than half of the independent (non-executive) Directors; when the convener fails to perform his/her duties or is unable to perform his/her duties, two or more independent (non-executive) Directors may convene and nominate a representative to preside over the meeting.

The minutes of the special meeting of independent (non-executive) Directors shall be prepared in accordance with regulations, and the opinions of independent (non-executive) Directors shall be recorded in the minutes. Independent (non-executive) Directors shall sign and confirm the minutes.

The Company shall facilitate and support the convening of special meetings of independent (non-executive) Directors.

#### **Article 116**

For matters concerning independent (non-executive) Directors that are not regulated in this section, they shall be handled in accordance with the relevant laws, regulations, rules and the listing rules of the exchange where the Company's shares are listed.

### **Section 4 Special Committees of the Board of Directors**

#### **Article 117**

The Board of the Company shall set up four special committees, namely, strategy, nomination, remuneration and audit, which shall perform their duties in accordance with the Articles and Association and the authorization of the Board. The proposals of the special committees shall be submitted to the Board for deliberation and decision. The rules of procedures of the special committees shall be formulated by the Board.

#### **Article 118**

The Audit Committee shall exercise the powers of the supervisory committee as stipulated in the Company Law, there is no more supervisory committee.

The Audit Committee shall have three (3) members, all of whom shall be independent (non-executive) Directors, and at least one of them shall be an independent (non-executive) Director with appropriate professional qualifications or appropriate accounting or related financial management expertise as stipulated in the Hong Kong Listing Rules. The accounting professional among the independent (non-executive) Directors shall serve as the chairman (convener).



#### **Article 119**

Independent (non-executive) Directors shall account for the majority of the nomination committee and the remuneration committee, and an independent (non- executive) Director shall serve as the convener.

### **CHAPTER 7 SENIOR MANAGEMENT**

#### **Section 1 Secretary to the Board**

#### **Article 120**

The Company shall have a secretary to the Board, appointed by the Board. Responsible for the preparation of the Company's shareholders' meeting and Board meeting, document storage, and shareholder data management, as well as information disclosure matters.

The secretary to the Board shall abide by the relevant provisions of laws, regulations and the Articles of Association.

#### **Article 121**

The Company's Director or other senior management members may concurrently hold the post of the secretary to the Board. The accountant(s) of the accounting firm appointed by the Company shall not concurrently hold the post of the secretary to the Board.

Where the office of the secretary to the Board is held concurrently by a Director, and an act is required to be done by a Director and the secretary to the Board separately, the person who holds the office of Director and secretary to the Board may not perform the act in dual capacity.

#### **Section 2 General Manager**

#### **Article 122**

The Company shall have one general manager, who shall be appointed and dismissed by the Board.

The Company has several deputy managers, who are appointed or dismissed by the Board; and one chief financial officer, who is appointed or dismissed by the Board after being nominated by the general manager. The general manager serves a three-year term and can be reappointed.

#### **Article 123**

The general manager shall be accountable to the Board and exercise the following powers:

- (1) to lead the Company's production, operation and management, organize resources to carry out the Board's resolutions and report to the Board;
- (2) to organize the implementation of the Company's annual business plan and investment plan;

- (3) to draft plans for the establishment of the Company's internal management structure;
- (4) to draft the Company's basic management system;
- (5) to formulate the specific rules and regulations of Company;
- (6) to propose to the Board the appointment or dismissal of the Company's deputy manager(s), chief financial officer;
- (7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board;
- (8) to exercise other powers conferred by the Articles of Association and the Board.

#### **Article 124**

The general manager of the Company shall attend Board meetings. The general manager who is not a Director does not have any voting rights at Board meetings.

#### **Article 125**

In exercising the powers, the general manager and the deputy general manager shall not alter the resolutions of the shareholders' meeting and the Board meeting or act beyond his/her scope of authority. The deputy manager exercises relevant powers according to the instructions of the general manager.

#### **Article 126**

The general manager may resign before the end of his/her term. The specific procedures and methods for the general manager's resignation shall be stipulated in the labor contract between the general manager and the Company.

#### **Article 127**

If the Company's senior management violates the provisions of laws, administrative regulations, departmental regulations or the Articles of Association when performing their duties and causes losses to the Company, they shall bear liability for compensation.

#### **Article 128**

The Company's senior management shall faithfully perform their duties and safeguard the maximum interests of the Company and all shareholders.

If the Company's senior management fail to faithfully perform their duties or violate the obligation of good faith, causing damage to the interests of the Company and public shareholders, they shall bear liability for compensation in accordance with the law.

#### **Article 129**

The provisions of the Articles of Association regarding the circumstances in which a person shall not serve as Directors shall also apply to senior management.

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

### **CHAPTER 8 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT**

#### **Section 1 Financial Accounting System**

#### **Article 130**

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the requirement of relevant regulatory departments of the PRC.

#### **Article 131**

At the end of each fiscal year, the Company shall compile a financial accounting report which shall be audited by an accounting firm in compliance with the laws. The financial accounting report shall be prepared in accordance with the laws, administrative regulations and the provisions of the Ministry of Finance of the PRC.

#### **Article 132**

The Board shall place before the shareholders at every annual general meeting such financial reports as are required by any laws, administrative regulations or normative documents promulgated by local government and competent authorities to be prepared by the Company.

#### **Article 133**

The Company's financial reports shall include Directors' report, balance sheet (including documents to be attached in accordance with PRC laws, other laws, and administrative regulations), income statement, cash flow statement or (under condition of not violating PRC laws) summary financial report approved by the Hong Kong Stock Exchange. The Company's financial reports shall be made available for shareholders' inspection at the Company twenty (20) days before the date of an annual general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this Article.

The Company shall provide the aforesaid report together with the Directors' report to shareholders in the form prescribed in Article 176 of the Articles of Association at least twenty-one (21) days before the date of an annual general meeting.

#### **Article 134**

The financial statements of the Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the overseas place where the Company's shares are listed. When the Company is to distribute its after-tax profits, the lower of the after-tax profits as shown in the two financial statements shall be adopted.

#### **Article 135**

The interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC Accounting Standards and regulations as well as the international accounting standards or such accounting standards in the place of listing overseas.

#### **Article 136**

The Company shall release two financial reports for each accounting year.

The Company shall undergo the necessary procedures and publish the completed interim accounting reports and annual accounting reports in accordance with the relevant securities laws and regulations of the PRC and the listing rules of the stock exchange where the shares of the Company are listed.

#### **Article 137**

The Company shall not keep accounts other than those provided by law. No funds of the Company shall be deposited under any account opened in the name of any individual.

#### **Article 138**

The Company shall implement an internal audit system, and shall retain full-time audit personnel to conduct internal audit of its income and expenditure and economic activities.

#### **Article 139**

The internal audit system and responsibilities of the audit personnel of the Company shall be implemented after the approval by the Board. The head of audit shall be accountable and reported to the Board.

#### **Article 140**

Profit after taxation of the Company is used in the following order:

- (1) to offset losses;
- (2) to provide for statutory reserve fund;
- (3) to provide for discretionary reserve fund as resolved at shareholders' meeting;
- (4) to pay for dividends of ordinary shares.

The Company shall not distribute dividends or proceed with other distributions in the form of bonuses before offsetting against losses and allocation to the statutory reserve fund.

#### **Article 141**

The Company's reserve fund includes surplus reserve fund and capital reserve fund. The surplus reserve fund is divided into statutory surplus reserve fund and discretionary surplus reserve fund.

#### **Article 142**

When distributing each year's after-tax profits, the Company shall set aside 10 per cent of its after-tax profits for the Company's statutory surplus reserve fund. When the aggregate balance in the statutory surplus reserve fund has reached 50 per cent or more of the Company's registered share capital, the Company need not make any further allocations to that fund.

Where the Company's statutory surplus reserve fund is not enough to make up losses of the Company for the previous years, the current year's profits shall be applied firstly to make up the losses before being allocated to the statutory surplus reserve fund in accordance with the preceding paragraph.

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

The remaining profit after making up of losses and appropriation of surplus reserve fund shall be distributed to shareholders in proportion to their shareholdings.

If a shareholders' meeting violates the provisions in the Company Law and profits are distributed to the shareholders, the shareholders should return the profits distributed in violation of the provisions to the Company. If losses are caused to the Company, shareholders and responsible Directors and senior management shall bear liability for compensation.

The Company's shares held by the Company are not entitled to any profit distribution.

#### **Article 143**

Capital reserve fund includes the following items:

- (1) premium received when shares are issued at a premium to their par value;
- (2) any other income required to be included in the capital reserve fund by the governing finance department of the State Council.

#### **Article 144**

The reserve fund of the Company can be used for making up the Company's losses, expansion of the Company's production and operation or conversion to increase the registered share capital of the Company. When the reserve fund is used to make up the Company's losses, the discretionary surplus reserve fund and the statutory surplus reserve fund shall be prioritized; the capital reserve fund may be used in accordance with the regulations if such reserves is not sufficient to cover the losses.

When the statutory surplus reserve fund is converted to increase the registered share capital, such retained reserve fund shall not be less than 25% of the Company's registered share capital before conversion.

#### **Article 145**

Dividends shall be distributed in proportion to the shareholdings of the shareholders within six (6) months after the end of each fiscal year. Annual dividends shall be approved by shareholders' meeting, and the amount of any dividends to be distributed is recommended by the Board.

After approval by the shareholders' meeting, the Board may decide to distribute interim dividend or bonus.

After the shareholders' meeting of the Company makes a resolution on the profit distribution plan, or after the Company's Board formulates a specific plan based on the conditions and upper limit of the next year's interim dividend approved by the annual general meeting, the distribution of dividends (or shares) should be completed within two (2) months.

#### **Article 146**

The Company shall pay dividends and other amounts to holders of Foreign- Invested Shares in accordance with the relevant foreign exchange control regulations of the State. If there is no applicable regulation, the applicable exchange rate shall be the average closing rate for the relevant foreign currency announced by the People's Bank of China during the week prior to the announcement of payment of dividend and other amounts.

#### **Article 147**

When distributing dividends to its shareholders, the Company shall, in accordance with the tax law of the PRC, withhold and pay on behalf of shareholders the tax payable on their dividend income.

#### **Article 148**

The Company shall appoint receiving agents on behalf of the holders of overseas listed foreign-invested shares to receive on behalf of such shareholders dividends declared and all other monies owing by the Company in respect of such shares.

The receiving agents appointed by the Company shall satisfy the relevant requirements of the laws of the place and relevant regulations of the stock exchange where the Company's shares are listed.

The receiving agents appointed on behalf of holders of overseas-listed foreign invested shares listed on the Hong Kong Stock Exchange shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

## **Section 2 Appointment Of Accounting Firm**

### **Article 149**

The Company shall appoint accounting firm which meets the requirements of the Securities Law to audit the Company's accounting statements, verify the net assets of the Company and to provide other relevant consultation services. The accounting firm shall be engaged for a term of one year, which shall be renewable upon reappointment.

The appointment or removal of an accounting firm for the Company must be approved by shareholders' meeting.

### **Article 150**

The Company shall ensure that it will provide the accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information without any refusal, concealment or false statement.

### **Article 151**

The remuneration of the accounting firm shall be determined by an ordinary resolution of the shareholders' meeting.

### **Article 152**

In the event of termination or the non-renewal of the appointment of an accounting firm, the Company shall notify the accounting firm at least fifteen (15) days in advance. When the voting on termination of appointment of an accounting firm at shareholders' meeting, the accounting firm shall be entitled to make its representation. Where the accounting firm resigns from its post, it shall make clear to the shareholders' meeting whether there has been any impropriety on the part of the Company.

## **CHAPTER 9 PARTY ORGANIZATION**

### **Article 153**

As required by the Constitution of the Communist Party of the PRC, the Company shall establish an organization of the Communist Party of the PRC, in which the Party Committee shall play the core leadership role, providing direction, managing the overall situation and ensuring implementation, and discussing and determining major issues of enterprises in accordance with the regulations. The Company shall establish the working institutions of the Party, which shall be equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization, so as to provide necessary conditions for the activities of the Party organization.

### **Article 154**

The Board shall hear the opinions of the Party Committee of the Company before making decisions on material issues of the Company.

#### **Article 155**

The Company shall set up the Party Committee. The Party Committee shall consist of one secretary and certain other members. The Chairman of the Board and the secretary to the Party Committee shall be held by the same individual and the Company shall appoint a deputy secretary who shall be mainly responsible for Party construction. Eligible members of the Party Committee may join the Board and management through statutory procedures. Eligible members in the Board and management may join the Party Committee in accordance with relevant requirements and procedures. Meanwhile, the Company shall set up a discipline committee according to relevant requirements.

#### **Article 156**

The Party Committee of the Company shall perform its duties pursuant to the Constitution of the Communist Party of China and the relevant regulations of the Party:

- (1) To ensure and supervise the effective implementation of directions and policies of the Party and the State as well as the execution of material strategic decisions of the Party Central Committee and the State Council and the arrangement on relevant material works of the Party organizations of higher levels;
- (2) To adhere to the principle of the Party exercising leadership over the cadres, the principle of the legitimate selection of operators by the Board, and the exercise of power as regards the right of cadres' appointment by the operators in accordance with laws. The Party Committee shall deliberate and give opinions on the proposed candidates nominated by the Board or the general manager or recommend candidates to be nominated to the Board or the general manager as well as assess the proposed candidates and give opinions collectively upon inspection over such candidates with the Board;
- (3) To study and discuss reform, development and stability of the Company, and substantial matters on operation and management decided by the Company as well as material issues relating to the interests of the Company's staff, and provide advice and recommendations in this regard;
- (4) To assume full responsibility for enforcing strict discipline of the Party. To lead the Company's ideological and political work, united front work, creation of spiritual civilization, creation of corporate culture as well as mass organizations such as the labor union and the Communist Youth League. To play a leading role in the construction of a clean and honest government and support the disciplinary committee in fulfilling its responsibility of supervision in practice.

### **CHAPTER 10 TRADE UNION**

#### **Article 157**

The employees of the Company may organize trade union and carry out activities of the union in accordance with the Trade Union Law of the PRC and other laws and regulations of the State, and to protect the lawful interests of the employees. The Company shall provide the requisite facilities for the activities of the labor union of the Company.



## **Article 158**

If the employees have established a trade union, the Company shall allocate certain fund to the trade union every month based on the actual situation. Such funds shall be used by the trade union of the Company in accordance with the Measures for the Management of Trade Union Funds formulated by the All China Federation of Trade Unions.

## **CHAPTER 11 MERGER AND DIVISION OF THE COMPANY**

## **Article 159**

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

In the case of merger by absorption, the company being absorbed shall be dissolved. Merger by establishment of a new company shall refer to the establishment of a new company as a result of merger of two or more companies and the merger parties shall be dissolved.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and list of assets. The Company shall notify its creditors within ten (10) days of, and shall make an announcement in newspaper or on the National Enterprise Credit Information Publicity System within thirty (30) days of, the date of the Company's resolution on merger.

When the Company merges with another company in which it holds 90% or more of the shares, the merged company does not need to pass a resolution at the shareholders' meeting, unless otherwise provided by the Articles of Association and the stock exchange and securities regulatory authority in the place where the Company's shares are listed. However, other shareholders should be notified and they have right to request the Company to purchase their equity or shares at a reasonable price.

If the price paid by the Company for the merger does not exceed 10% of the Company's net assets, it may be decided without a resolution of the shareholders' meeting, unless otherwise provided by the Articles of Association or the stock exchange and securities regulatory authority in the place where the Company's shares are listed.

If the Company merges in accordance with the fourth and fifth paragraphs of this Article without a resolution of the shareholders' meeting, it should be decided by a resolution of the Board.

Creditors may require the Company to repay the debts or to provide corresponding guarantee within thirty (30) days from receipt of notification or within forty-five (45) days from the date of announcement if they do not receive notification.

After the merger, claims and liabilities of parties to the merger shall be taken over by the continuing company or the newly established company.

## **Article 160**

When the Company is divided, its assets shall be split up accordingly.

In the event of a division of the Company, all the parties involved shall execute a division agreement and prepare the balance sheets and list of assets. The Company shall notify its creditors within ten (10) days of, and shall make an announcement in newspaper or on the National Enterprise Credit Information Publicity System within thirty (30) days of, the date of the Company's resolution on division.

Debts incurred by the Company before its division shall be borne by the companies jointly and severally after the division, except as otherwise stated in the written agreement entered into between the Company and the creditors for debt settlement prior to the division.

#### **Article 161**

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

If the Company increases or decreases its registered capital, it shall apply to the company registration authority for registration of the change in accordance with the law.

### **CHAPTER 12 DISSOLUTION AND LIQUIDATION OF THE COMPANY**

#### **Article 162**

The Company shall be dissolved due to the following reasons:

- (1) Expiry of term of business stipulated in the Articles of Association or occurrence of any other trigger for dissolution stipulated in the Articles of Association;
- (2) a special resolution on dissolution is passed by shareholders' meeting;
- (3) dissolution is necessary due to a merger or division of the Company;
- (4) the Company's business license is revoked or it is ordered to close down or it is cancelled according to law;
- (5) where the Company gets into serious trouble in operations and management and its continuation may cause substantial loss to the interests of its shareholders, and no solution can be found through any other channel, shareholders representing at least 10% of the total voting rights of the Company may request the people's court to dissolve the Company.

If the Company encounters the reasons for dissolution as stipulated in the preceding paragraph, it shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten (10) days.

#### **Article 163**

Under the circumstances specified set out in items (1) and (2) of Article 162 of the Articles of Association and distribution of assets has not yet made to shareholders, it may subsist by amending the Articles of Association or by a resolution of shareholders' meeting.

Amendments to the Articles of Association or resolution made by shareholders' meeting in accordance with the provisions of the preceding paragraph must be approved by shareholders who hold at least two-thirds of the voting rights present at the shareholders' meeting.

#### **Article 164**

Where the Company is to be dissolved under items (1), (2) (4), (5) of the Article 162 of the Articles of Association, it shall be liquidated. The Directors shall be the Company's liquidation obligor and a liquidation committee shall be set up within fifteen (15) days from the day of the occurrence of the cause of dissolution and carry out the liquidation. The liquidation committee is composed of Directors, unless the shareholders' meeting decides to elect another person. The liquidation obligors shall bear the liability for damages suffered by the Company or creditors due to their failure to perform the obligations of liquidation in a timely manner.

The Company shall be liquidated in accordance with the provisions of the preceding paragraph. If a liquidation committee is not set up within the specified period or failure to liquidate after establishing a liquidation committee, interested parties may apply to the people's court for appointment of relevant persons to form a liquidation committee so as to proceed with the liquidation.

#### **Article 165**

The liquidation committee shall notify creditors within ten (10) days, and shall make an announcement in newspaper or on the National Enterprise Credit Information Publicity System within sixty (60) days, from the date of its establishment.

Creditors should, within thirty (30) days after receipt of the notice, or within forty-five (45) days from the date of the announcement for those who have not received notice, declare their claims to the liquidation committee.

When declaring their claims, creditors shall explain relevant particulars of their claims and provide supporting materials. The liquidation committee shall register the claims.

During the period for declaration of claims, the liquidation committee shall not make repayment to creditors.

#### **Article 166**

During the liquidation period, the liquidation committee shall exercise the following functions and duties:

- (1) to ascertain the Company's assets and separately prepare a balance sheet and an inventory of assets;
- (2) to notify creditors by sending notice or by making announcement;
- (3) to deal with and settle the Company's outstanding business deals in relation to the liquidation;
- (4) to settle outstanding taxes as well as taxes arising in the course of liquidation;

- (5) to ascertain all claims and debts;
- (6) to dispose of the remaining assets of the Company after the repayment of debts;
- (7) to represent the Company in any civil proceedings.

#### **Article 167**

After checking the Company's assets and preparing a balance sheet and assets list, the liquidation committee shall formulate a liquidation plan and submit the same to shareholders' meeting or the people's court for confirmation.

The Company's assets shall be applied respectively for payment of liquidation expenses, employees' wages, social security premiums and statutory compensation, and payment of tax in arrears and the Company's debts. The remaining assets of the Company thereafter shall be distributed in accordance with the shareholders' percentage of the shareholdings.

During the liquidation period, the Company shall subsist but shall not engage in business activities unrelated to liquidation. The Company's assets shall not be distributed to shareholders prior to making repayment pursuant to the provisions of the preceding paragraph.

#### **Article 168**

If the liquidation committee, after ascertaining the Company's assets and preparing a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to repay its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the laws.

After the people's court accepts the bankruptcy application, the liquidation committee shall transfer the liquidation matters to the bankruptcy administrator appointed by the people's court.

#### **Article 169**

Following the completion of liquidation, the liquidation committee shall compile a liquidation report which shall be submitted to the shareholders' meeting or the people's court for confirmation and shall also be submitted to the company registration authorities for the cancellation of the registration of the Company.

#### **Article 170**

The members of the liquidation committee shall perform their obligations of liquidation and bear duties of loyalty and diligence.

Members of the liquidation committee shall bear the liability for damages suffered by the Company due to their negligence to perform the obligations of liquidation and shall bear the liability for damages suffered by the Company or any creditor due to their intentional or gross negligence.

#### **Article 171**

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

## **CHAPTER 13 PROCEDURES FOR AMENDMENT TO THE ARTICLES OF ASSOCIATION**

### **Article 172**

In any of the following circumstances, the Company shall amend the Articles of Association:

- (1) if upon amendments to the Company Law, relevant laws, administrative regulations, any terms contained in the Articles of Association become inconsistent with the provisions of the amended laws and administrative regulations;
- (2) a change in the Company causes inconsistency with those contained in the Articles of Association;
- (3) a special resolution passed at the shareholders' meeting to amend the Articles of Association.

### **Article 173**

Where the approval from the competent authority is required for the amendments to the Articles of Association passed by the shareholders' meeting, such amendments shall be submitted to the competent authority for approval. Where an amendment to the Articles of Association involves the Company's registration particulars, change registration formalities shall be completed pursuant to the laws.

### **Article 174**

The Board shall amend the Articles of Association pursuant to the special resolution of the shareholders' meeting on amendment of Articles of Association and the examination and approval opinion of the authorities in charge.

### **Article 175**

If any amendment to the Articles of Association contains information required to be disclosed by laws and regulations, an announcement shall be made pursuant to the provisions.

## **CHAPTER 14 NOTICE AND ANNOUNCEMENT**

### **Section 1 Notice**

### **Article 176**

Subject to the laws, regulations and the relevant rules governing the listing of securities of the place where the Company's shares are listed, notice of the Company, including corporate communications and other written materials, may be sent by any of the following means, unless otherwise stated in the Articles of Association:

- (1) by hand;
- (2) by postage-paid mail;

- (3) by public announcements;
- (4) by email, fax or information carrier;
- (5) by publishing on the website of the Company and the website designated by the Hong Kong Stock Exchanges;
- (6) other methods agreed in advance by the Company or the notified party or approved by the notified party after receiving the notice;
- (7) by any other means recognised by the securities regulatory authorities and stock exchange where the Company's shares are listed or provided in the Articles of Association.

#### **Article 177**

If the Company's notice is delivered by a special person, the recipient shall sign (or stamp) on the delivery receipt, and the date of receipt by the recipient shall be the date of delivery.

If the Company's notice is delivered by mail, the fifth working day from the date of delivery to the post office shall be the date of delivery.

If the Company's notice is delivered by fax, the second working day after the fax is delivered shall be the date of delivery, and the fax delivery date shall be the date shown on the fax machine report.

If the Company's notice is delivered by way of public announcement, the date of first publication shall be the date of delivery; If the Company's notice is delivered by email or publication on the website, the date of sending out/publication shall be the date of delivery.

#### **Article 178**

Except as otherwise provided in the Articles of Association, if the Company issues a notice to shareholders of foreign shares listed overseas in the form of an announcement, it shall submit an electronic version of the notice available for real-time publication to the Hong Kong Stock Exchange through the Hong Kong Stock Exchange's electronic publication system on the same day in accordance with the requirements of the Hong Kong Listing Rules for publication on the website of the Hong Kong Stock Exchange. The announcement shall also be published on the Company's website at the same time.

Shareholders of foreign shares of the Company listed overseas may choose in writing to receive electronically or by mail the Company's communications which the Company must send to shareholders, and may choose to receive only the Chinese version or the English version, or both the Chinese and English versions. They may also give the Company written notice in advance within a reasonable time to modify the method and language version of receiving the aforementioned information in accordance with appropriate procedures.

## **Article 179**

If the notice of the Company is made by announcement, once the notice is made, it is deemed that all relevant persons have received the notice. The notice of the shareholders' meeting of the Company shall be made by announcement. The notice of the Board meeting shall be made by special delivery, email, fax, telephone or announcement, etc., as specified in the Articles of Association.

The meeting and the resolutions made at the meeting shall not be invalidated due to accidental omission of sending the meeting notice to a person who is entitled to receive the notice or the person not receiving the meeting notice.

## **Section 2 Announcement**

## **Article 180**

The Company designates the Hong Kong Stock Exchange's disclosure website ([www.hkexnews.hk](http://www.hkexnews.hk)) and other media or websites approved by the stock exchange where the Company's shares are listed as the media for publishing the Company's announcements and other disclosable information.

## **CHAPTER 15 MISCELLANEOUS**

## **Article 181**

Explanation:

- (1) A controlling shareholder refers to a shareholder whose shares account for more than 50% of the total share capital of a joint stock company; or a shareholder whose shareholding ratio does not exceed 50% but whose voting rights are sufficient to have a significant impact on the resolutions of the shareholders' meeting.
- (2) An actual controller refers to a natural person, legal person or other organization that can actually control the Company's behavior through investment relations, agreements or other arrangements.
- (3) An connected relationship refers to the relationship between a Company's controlling shareholder, actual controller, Director, senior management and the enterprise directly or indirectly controlled by them, as well as other relationships that may lead to the transfer of the Company's interests. However, state-controlled enterprises are not only related because they are all state-controlled.
- (4) The meaning of "accounting firm" in the Articles of Association is the same as that of "auditor"; The meaning of "Audit Committee" in the Articles of Association is the same as "Audit Committee" in the Company Law.

## **Article 182**

All expressions of "more than" and "at least" in the Articles of Association shall be inclusive of the stated figure; "less than", "over one-half" and "below" shall be exclusive of the stated figure.

**Article 183**

The Board may formulate detailed rules of the Articles of Association in accordance with the provisions thereof. Such detailed rules shall not contravene the provisions in the Articles of Association.

**Article 184**

The Articles of Association is written in Chinese. In case of any discrepancy between versions in other languages or different versions and the Articles of Association, the latest Chinese version approved for registration with the company registration authorities, shall prevail.

**Article 185**

The Board shall be responsible for the interpretation of the Articles of Association.

(no text below)

Legal person (Signed)

Nanjing Sample Technology Company Limited  
19 August 2025