

Z.AI Co., Ltd.

Articles of Association

June 2026

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Z.AI Co., Ltd.

Articles of Association

CHAPTER 1 GENERAL PROVISIONS

- Article 1** In order to safeguard the legitimate rights and interests of Z.AI Co., Ltd. (the “Company”) and its shareholders, employees and creditors and to regulate the organization and activities of the Company, these Articles of Association of Z.AI Co., Ltd. (the “Articles of Association”) are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Guidelines for Articles of Association of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant laws, administrative regulations and normative documents.
- Article 2** The Company is a joint stock limited company incorporated in accordance with the Company Law and other relevant provisions. The Company was incorporated by way of promotion and registered with the Beijing Haidian District Market Supervision Bureau with a business license (unified social credit code: 91110108MA01KP2T5U).
- Article 3** The Company was filed with the China Securities Regulatory Commission (the “CSRC”) on December 15, 2025 and initially issued 37,419,500 overseas listed ordinary shares (H shares) with a nominal value of RMB0.1 each to investors on January 7, 2026 with approval of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) and was listed on the Main Board of the Hong Kong Stock Exchange on January 8, 2026. The Company exercised the over-allotment option for a total of 5,612,900 shares (H shares) with the approval of the Hong Kong Stock Exchange on February 4, 2026.
- Article 4** The Company’s registered name: 北京智譜華章科技股份有限公司.
Name in English: Z.AI Co., Ltd.
- Article 5** The Company’s address: The entire 10th Floor, Building 9, Yard 1, Zhongguancun East Road, Haidian District, Beijing.
Postal code: 100084.
- Article 6** The registered capital of the Company is RMB44,584,309.
- Article 7** The Company is a joint stock limited liability company with perpetual existence.

Article 8 The chairman of the Board of Directors who acts on behalf of the Company in conducting its affairs serves as the legal representative of the Company, and is elected or replaced by a majority of all directors of the Board of Directors. Where the chairman of the Board of Directors who concurrently serves as the legal representative resigns from his/her position as chairman, he/she shall be deemed to have resigned as the legal representative simultaneously. In the event of the resignation of the legal representative, the Company shall appoint a new legal representative within thirty days from the date of such resignation.

Article 9 Any legal consequences of civil activities conducted by the legal representative in the name of the Company shall be borne by the Company.

The restrictions on the functions and powers of the legal representative by the Articles of Association or the shareholders' meeting shall not be used against any bona fide counterparty.

If the legal representative causes damage to others in the performance of his/her duties, the Company shall bear civil liability. After the Company assumes civil liability, it may, in accordance with laws or the provisions of the Articles of Association, seek compensation from the legal representative who is at fault.

Article 10 The liability of a shareholder of the Company shall be limited to the shares subscribed by that shareholder. The Company shall be held liable for its debts with all of its assets.

Article 11 From the date upon which the Articles of Association come into effect, it shall become a legally binding document regulating the Company's organization and activities as well as the rights and obligations between the Company and each shareholder and between the shareholders, and shall be legally binding on the Company and its shareholders, directors and senior management. Pursuant to the Articles of Association, a shareholder may take legal action against another shareholder, directors and senior management of the Company; a shareholder may take legal action against the Company; the Company may take legal action against any shareholder, director and senior management.

The term "take legal action" referred to in the preceding paragraph includes filing a lawsuit with a court or applying for arbitration with an arbitration institution.

Article 12 The senior management referred to in the Articles of Association represent the general manager, deputy general managers, financial controller, secretary to the Board of Directors and such other persons as explicitly appointed by the Board of Directors as senior management of the Company.

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

CHAPTER 2 BUSINESS OBJECTIVE AND BUSINESS SCOPE

Article 14 The business objective of the Company is: with the vision of “teaching machines to think like humans”, to be committed to building a new generation of large cognitive agent models and focusing on Chinese innovation in large models, and connecting billions of users in the physical world through large models to bring continuous innovation and change to thousands of industries and accelerate towards the era of general artificial intelligence.

Article 15 The business scope of the Company registered under the laws are: general projects: technical services, technology development, technology consultation, technological exchange, technology transfer and technology promotion; development for artificial intelligence basic software; development of artificial intelligence application software; software development; data processing and storage support services; data processing services; information technology consulting services; artificial intelligence theory and algorithm software development; digital content creation services (excluding publication and distribution); big data services; conference and exhibition services; corporate image planning; business management; advertisement release; sales of mechanical equipment; retail of computer software, hardware and auxiliary equipment; professional design services; industrial design services; sales of electronic products; technology intermediary services; human resources services (excluding occupational intermediary activities and labor dispatch services); software sales. (Except for projects that require approval according to law, business activities can be carried out independently based on the business license in accordance with the law) Licensed projects: occupational intermediary activities; class II value-added telecommunications services. (Projects subject to approval in accordance with the law can only be carried out after approval by relevant departments, and specific business projects are subject to the approval documents or licenses from relevant departments) (No business activities of the projects prohibited and restricted by the industrial policies of the State and the city shall be carried out).

CHAPTER 3 SHARES

Section 1 Issuance of Shares

- Article 16** The shares of the Company are in the form of share certificates, which are registered share certificates. Share certificates are the certificates issued by the Company proving the shares held by shareholders. The items that should be stated in the share certificates of the Company, in addition to those stipulated in the Company Law, shall include any items required to be stated by the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed.
- Article 17** The Company shall issue shares in an open, fair and just manner, and each share of the same class shall have equal rights. Shares of the same class issued at the same time shall be issued under the same conditions and at the same price per share; subscribers shall pay the same price per share for the shares they subscribe for.
- Article 18** The shares issued by the Company shall be denominated in RMB, and each share shall have a par value of RMB0.1.
- All classes of ordinary shares issued by the Company (domestic unlisted shares and overseas listed shares) shall have the same rights in respect of any distribution in the form of dividends or otherwise.
- Article 19** The shares of the Company listed on the Hong Kong Stock Exchange are referred to as "H shares", which are approved for listing on the Hong Kong Stock Exchange, denominated in RMB and subscribed for and traded in Hong Kong dollars.
- The shares of the Company that have been issued but have not been listed and traded on overseas trading venues are referred to as "domestic unlisted shares" (including unlisted shares held by the Company's shareholders before overseas listing and unlisted shares additionally issued in China after overseas listing).
- The domestic unlisted shares issued by the Company shall be centrally deposited with the China Securities Depository and Clearing Corporation Limited.
- The overseas listed shares issued by the Company shall be centrally deposited with the local share registrar or held by shareholders in their personal names.

Article 20

Upon approval by and filing with the securities regulatory authority under the State Council and with the consent of the Hong Kong Stock Exchange, all or part of the domestic unlisted shares of the Company may be converted into overseas listed shares, and the converted overseas listed shares may be listed and traded on overseas stock exchanges. Listing and trading of the converted shares on overseas stock exchanges shall also comply with the regulatory procedures, rules and requirements of the overseas securities markets.

The conversion of domestic unlisted shares into overseas listed shares and their listing and trading on overseas stock exchanges do not require holding a shareholders' meeting for voting.

Article 21

The promoters of the Company and the number of shares held by them, percentage of shareholding and method and time of contribution are as follows:

No.	Name of promoter	Number of shares held (ten thousand shares)	Percentage of shareholding (%)	Method of contribution	Date of contribution
1.	Tsinghua Control Technology Transfer Co., Ltd.	155.3439	4.2884	Net assets converted into shares	January 31, 2025
2.	Tang Jie	268.3533	7.4081	Net assets converted into shares	January 31, 2025
3.	Li Juanzi	33.6776	0.9297	Net assets converted into shares	January 31, 2025
4.	Liu Debing	9.2515	0.2554	Net assets converted into shares	January 31, 2025
5.	Xu Bin	7.9904	0.2206	Net assets converted into shares	January 31, 2025
6.	Zhang Peng	3.9952	0.1103	Net assets converted into shares	January 31, 2025
7.	Beijing Lianpai Technology Development Center (Limited Partnership)	348.9679	9.6335	Net assets converted into shares	January 31, 2025

No.	Name of promoter	Number of shares held (ten thousand shares)	Percentage of shareholding (%)	Method of contribution	Date of contribution
8.	Zhuhai Hengqin Huihui Enterprise Management Partnership (Limited Partnership)	394.8271	10.8994	Net assets converted into shares	January 31, 2025
9.	Zhuhai Hengqin Zhideng Enterprise Management Partnership (Limited Partnership)	271.9633	7.5077	Net assets converted into shares	January 31, 2025
10.	Beijing CAS Star Hard Technology Venture Capital Partnership (Limited Partnership)	59.1227	1.6321	Net assets converted into shares	January 31, 2025
11.	Beijing Innovation Zhiyuan Technology Co., Ltd	25.9398	0.7161	Net assets converted into shares	January 31, 2025
12.	Beijing Xinglian Zhaoji Enterprise Management Partnership (Limited Partnership)	103.4555	2.8560	Net assets converted into shares	January 31, 2025
13.	Zaozhuang Tongzhi Equity Investment Partnership (Limited Partnership)	70.6767	1.9511	Net assets converted into shares	January 31, 2025
14.	Shenzhen Dachen Chuanghong Private Equity Investment Partnership (Limited Partnership)	82.3341	2.2729	Net assets converted into shares	January 31, 2025
15.	Beijing Huakong Industrial Investment Fund (Limited Partnership)	30.0752	0.8302	Net assets converted into shares	January 31, 2025

No.	Name of promoter	Number of shares held (ten thousand shares)	Percentage of shareholding (%)	Method of contribution	Date of contribution
16.	Qingdao Huakong Growth Equity Investment Partnership (Limited Partnership)	52.8047	1.4577	Net assets converted into shares	January 31, 2025
17.	Beijing Rongpin Investment Management Co., Ltd.	30.0752	0.8302	Net assets converted into shares	January 31, 2025
18.	Beijing The Jiangmen Venture Capital Center (Limited Partnership)	15.0376	0.4151	Net assets converted into shares	January 31, 2025
19.	Luster LightTech Co., Ltd.	15.0376	0.4151	Net assets converted into shares	January 31, 2025
20.	Shenzhen Caizhi Chuangying Private Equity Investment Partnership (Limited Partnership)	5.8443	0.1613	Net assets converted into shares	January 31, 2025
21.	Suzhou Junlian Xiangdao Equity Investment Partnership (Limited Partnership)	162.5991	4.4887	Net assets converted into shares	January 31, 2025
22.	Suzhou Junlian Jinfa Venture Capital Partnership (Limited Partnership)	17.5241	0.4838	Net assets converted into shares	January 31, 2025
23.	Suzhou Qiming Rongqian Equity Investment Partnership (Limited Partnership)	59.0524	1.6302	Net assets converted into shares	January 31, 2025

No.	Name of promoter	Number of shares held (ten thousand shares)	Percentage of shareholding (%)	Method of contribution	Date of contribution
24.	Kunshan Qiming Rongkai Equity Investment Partnership (Limited Partnership)	41.1369	1.1356	Net assets converted into shares	January 31, 2025
25.	Tianjin Sankuai Technology Co., Ltd.	172.1731	4.7530	Net assets converted into shares	January 31, 2025
26.	Shanghai Yunya Enterprise Management Consulting Co., Ltd.	53.9323	1.4888	Net assets converted into shares	January 31, 2025
27.	Hangzhou Duoxiang Network Technology Co., Ltd.	67.8294	1.8725	Net assets converted into shares	January 31, 2025
28.	Shanghai Feiya Technology Co., Ltd.	106.9151	2.9515	Net assets converted into shares	January 31, 2025
29.	Trend Mega Limited	113.4991	3.1332	Net assets converted into shares	January 31, 2025
30.	Tianjin Heyuan Youze Yihao Venture Capital Partnership (Limited Partnership)	46.2690	1.2773	Net assets converted into shares	January 31, 2025
31.	Hangzhou Guanghe II Venture Capital Partnership (Limited Partnership)	8.6629	0.2391	Net assets converted into shares	January 31, 2025
32.	Guangxi Tencent Venture Capital Co., Ltd.	69.4854	1.9182	Net assets converted into shares	January 31, 2025
33.	TAL Education (Beijing) Co., Ltd.	34.7427	0.9591	Net assets converted into shares	January 31, 2025
34.	Beijing Xiaofeng Technology Co., Ltd.	41.7190	1.1517	Net assets converted into shares	January 31, 2025

No.	Name of promoter	Number of shares held (ten thousand shares)	Percentage of shareholding (%)	Method of contribution	Date of contribution
35.	Social Security Zhongguancun Innovation Investment Fund (Beijing) Partnership (Limited Partnership)	62.0506	1.7130	Net assets converted into shares	January 31, 2025
36.	Xiamen HongShan Yaheng Equity Investment Partnership (Limited Partnership)	38.2309	1.0554	Net assets converted into shares	January 31, 2025
37.	Ningbo Meishan Free Trade Port Zone Mingheng Enterprise Management Consulting Partnership (Limited Partnership)	34.7427	0.9591	Net assets converted into shares	January 31, 2025
38.	Beijing Shunying Equity Investment Partnership (Limited Partnership)	52.1141	1.4386	Net assets converted into shares	January 31, 2025
39.	Wuxi Yunhui Digital Economy Investment Management Partnership (Limited Partnership)	23.2545	0.6420	Net assets converted into shares	January 31, 2025
40.	Shenzhen Zhaoshang Shuke Innovation Private Equity Fund Partnership (Limited Partnership)	13.9527	0.3852	Net assets converted into shares	January 31, 2025
41.	AI Fund Partnership (Limited Partnership)	46.5090	1.2839	Net assets converted into shares	January 31, 2025
42.	Piqi China Holdings Protected Unit Co., Ltd.	49.5390	1.3676	Net assets converted into shares	January 31, 2025

No.	Name of promoter	Number of shares held (ten thousand shares)	Percentage of shareholding (%)	Method of contribution	Date of contribution
43.	Beijing Lianrong Zhiyuan Equity Investment Partnership (Limited Partnership)	11.6272	0.3210	Net assets converted into shares	January 31, 2025
44.	Hubei Yangtze CITIC Technology Mobile Communication Industry Investment Fund Partnership (Limited Partnership)	20.9290	0.5778	Net assets converted into shares	January 31, 2025
45.	Beijing Zhongguancun Science City Phase II Technology Growth Equity Investment Partnership (Limited Partnership)	82.6211	2.2808	Net assets converted into shares	January 31, 2025
46.	Beijing Daxing Industrial Fund Partnership (Limited Partnership)	49.5726	1.3685	Net assets converted into shares	January 31, 2025
47.	Tianjin Haihe Fuxin Youda Venture Capital Fund Partnership (Limited Partnership)	156.9800	4.3335	Net assets converted into shares	January 31, 2025
Total		3,622.4375	100	/	

Note: In order to achieve a total sum of 100% of the percentages of shareholding of all shareholders of the Company subject to keeping the percentages of shareholding to four decimal places, the percentage of shareholding of Zhuhai Hengqin Huihui Enterprise Management Partnership (Limited Partnership) decreased by 0.0001% (from 10.8995% to 10.8994%).

Article 22 The total number of shares of the Company is 445,843,090, with a par value of RMB0.1 each, all of which are ordinary shares, including 224,528,485 domestic unlisted shares and 221,314,605 H shares.

Article 23 No financial assistance in the form of grants, advances, guarantees or borrowings shall be given by the Company or by a subsidiary of the Company (including an affiliate of the Company) to a person who acquires shares of the Company or its parent company, unless such assistance is given under the Company's employee stock ownership plan.

In the interests of the Company, and pursuant to a resolution passed at a shareholders' meeting or by the Board of Directors in accordance with these Articles of Association or as authorised by the shareholders' meeting, the Company may provide financial assistance to any person for the purpose of acquiring shares of the Company or its parent company, provided that the aggregate amount of such financial assistance shall not exceed ten percent of the total issued share capital. A resolution of the Board of Directors shall be passed by more than two-thirds of all Directors.

Section 2 Increase and Reduction of Capital and Repurchase of Shares

Article 24 The Company may, based on its business and development needs and in accordance with the laws and regulations, increase its capital in the following manners upon resolutions being adopted by the shareholders' meetings:

- (1) issuance of shares to unspecified parties;
- (2) issuance of shares to specified parties;
- (3) distributing bonus shares to its existing shareholders;
- (4) conversion of capital reserve to share capital;
- (5) other means required by the laws, administrative regulations and approved by the CSRC and Hong Kong Stock Exchange.

Subject to the provisions of laws, regulations and the securities regulatory rules of the place where the Company's shares are listed, the shareholders' meeting may authorize the Board of Directors to decide, within three years, the issuance of shares not exceeding fifty percent of the already issued shares. If the Board of Directors decides to issue shares in accordance with the aforementioned provisions, resulting in changes to the Company's registered capital or the number of issued shares, the amendment to the relevant provisions of the Articles of Association regarding such matters shall not require further vote by the shareholders' meeting.

Article 25 The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the procedures stipulated in the Company Law, other relevant regulations of the PRC, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 26 The Company shall not repurchase its own shares, except in one of the following circumstances:

- (1) to reduce the registered capital of the Company;
- (2) to merge with other companies which hold the shares of the Company;
- (3) to utilize its shares in employee stock ownership plans or share incentive;
- (4) where the shareholders, who disagree with the resolution in relation to merger or division of the Company made at the shareholders' meeting, require the Company to repurchase the shares held by such shareholders;
- (5) to use the shares for conversion of corporate bonds issued by the Company which are convertible into shares;
- (6) to safeguard the value of the Company and the interests of the shareholders when necessary;
- (7) other circumstances approved by the laws, administrative regulations, the CSRC and Hong Kong securities regulatory authorities.

Article 27 The Company may repurchase its shares by open centralized transaction method or other method approved by laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed and the CSRC (if necessary).

The repurchase of the Company's shares under the circumstances specified in items (3), (5) and (6) of Article 26 of the Articles of Association, subject to compliance with the requirements of the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed, shall be conducted by way of open and centralized trading.

Article 28

When the Company repurchases its own shares under any of the circumstances specified in item (1) or (2) of Article 26 of the Articles of Association, a resolution adopted by shareholders' meeting is required. Where the Company repurchases its own shares under the circumstances specified in items (3), (5) and (6) of Article 26 of the Articles of Association, it shall be resolved by a resolution of a meeting of Board of Director attended by more than two-thirds of the directors.

In the event that the Company repurchases its shares under the circumstances set out in Article 26 of the Articles of Association, where it falls under the circumstances set out in item (1) thereof, the shares shall be cancelled within 10 days from the date of repurchase; where it falls under the circumstances set out in item (2) or (4) thereof, the shares shall be transferred or cancelled within 6 months; where it falls under the circumstances set out in items (3), (5) and (6) thereof, the total number of shares of the Company held by the Company shall not exceed 10% of the total number of shares issued by the Company and shall be transferred or cancelled within 3 years.

In the event of a repurchase of the Company's H Shares, the Company may elect either to cancel such shares forthwith or to hold them as treasury shares in compliance with the Hong Kong Listing Rules. Should the Directors fail to specify the relevant shares to be held as treasury shares, such shares shall be cancelled.

The Company shall deposit its treasury shares in a segregated account within the Central Clearing and Settlement System which shall be clearly identified as containing treasury shares. The Company shall not exercise any rights attaching to treasury shares, nor shall it declare or pay any dividends in respect thereof. Subject to compliance with these Articles of Association and the Hong Kong Listing Rules, the Company may dispose of any treasury shares on such terms and conditions as the Directors may determine.

Where the Company, due to the repurchase of its shares, cancels such shares, it shall apply to the original company registry for registration of changes in the registered capital. The total nominal value of the cancelled shares shall be deducted from the Company's registered capital.

Section 3 Transfer of Shares

- Article 29** Shares of the Company shall be transferred in accordance with the law.
- Article 30** The Company shall not accept any of its own shares as the subject of pledge.
- Article 31** The shares of the Company issued before public offering shall not be transferred for one year from the date on which the Company's shares are listed and traded on a stock exchange.

The Directors and senior officers of the Company shall report to the Company the number of shares of the Company they hold (including preferred shares, if any) and changes thereof and shall not transfer more than 25% of the total number of their shares of the same class in the Company per annum during their terms of office as determined when they take office. The shares of the Company they hold shall not be transferred within one year from the date when the Company's shares are listed and traded. The aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company.

If there are other provisions on the transfer of shares held by shareholders in the Company in laws, administrative regulations or relevant requirements of the CSRC, Hong Kong Stock Exchange or securities regulatory authorities, such provisions shall prevail.

CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Section 1 Shareholders

- Article 32** The Company shall establish a share register in accordance with certificates from the securities registration and clearing organization. The share register of the Company is sufficient evidence of the shareholders' shareholdings in the Company. A shareholder shall enjoy rights and assume obligations in accordance with the class of shares he/she holds. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

Article 33

The transfer and assignment of shares shall be registered in the share register. The original share register of overseas listed shares listed in Hong Kong shall be maintained in Hong Kong. All transfers of H shares shall be effected through a written instrument of transfer in general or ordinary format or any other format acceptable to the Board of Directors (including such standard format of transfer or transfer forms as may be prescribed by the Hong Kong Stock Exchange from time to time); and such instrument of transfer may be signed by hand or stamped with the Company's valid seal (if the transferor or transferee is a company). If the transferor or transferee is a recognized clearing house or its agent within the meaning of the relevant ordinance of the laws of Hong Kong in force from time to time, the instrument of transfer may be signed by hand or by machine. All instruments of transfer shall be maintained at the legal address of the Company or such places as the Board of Directors may designate from time to time.

The Company shall keep a complete share register. The share register shall specify the following items:

- (1) Names or designation and addresses of shareholders;
- (2) Classes and numbers of shares subscribed for by each shareholder;
- (3) Serial number of shares if they are issued in paper form;
- (4) Dates on which each shareholder acquires shares;
- (5) Other items required to be specified by laws, regulations and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other securities regulatory rules of the place where the Company's shares are listed.

Any alteration or correction of any part of the share register shall be effected in accordance with the laws of the place where the part of the share register is maintained.

The Company shall maintain a duplicate copy of the share register of overseas listed shares at the Company's address. The entrusted overseas agency shall ensure the consistency between the original and the duplicate copy of the share register of overseas listed shares at any time. In the event of any discrepancy arises between the original and the duplicate copy of the share register of overseas listed shares, the original shall prevail. The share register maintained in Hong Kong shall be available for inspection by shareholders but be permitted to be temporarily closed for registration of shareholders by the Company under the provisions equivalent to Section 632 of the Companies Ordinance (Chapter 622).

Article 34

When the Company convenes a shareholders' meeting, distributes dividends, conducts liquidation or engages in other acts that require confirmation of the identity of shareholders, the Board of Directors or the convener of the shareholders' meeting shall determine the record date for shareholding, and the shareholders registered on the share register after the close of business on the record date shall be shareholders entitled to the relevant interest.

Article 35

Any shareholder whose name is registered on the share register, or any person whose name is required to be registered on the share register, in the event of theft, loss or destruction of his/her share certificate (i.e. the "original share certificate"), may apply to the Company for a replacement share certificate for such shares (the "relevant shares").

Where a shareholder holding domestic unlisted shares, in the event of theft, loss or destruction of his/her share certificate, applies for a replacement share certificate, such application shall be handled in accordance with the relevant provisions of the Company Law.

Where a shareholder holding H shares, in the event of theft, loss or destruction of his/her share certificate, applies for a replacement share certificate, such application may be handled in accordance with the laws of the place where the original share register of H shares is maintained, the rules of the stock exchanges or other relevant regulations.

Article 36

The shareholders of the Company shall enjoy the following rights:

- (1) to receive dividends and other forms of distribution of benefits in proportion to the number of shares held by them;
- (2) to request, convene, preside over, attend or appoint a proxy to attend shareholders' meetings and to exercise the corresponding rights to speak and vote in accordance with the law;
- (3) to supervise the Company's business operations, to present proposals and to raise enquiries;
- (4) to transfer, give as a gift or pledge shares held by them in accordance with laws, administrative regulations and the Articles of Association;
- (5) to inspect and duplicate the Articles of Association, the register of members, minutes of shareholders' meetings, resolutions of Board meetings and financial accounting reports. Qualified shareholders may request an inspection of 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 proportion to the number of shares held by them;
- (7) for shareholders who vote against any resolution adopted at the shareholders' meeting on the merger or division of the Company, to demand the Company to repurchase their shares;
- (8) other rights under laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Article 37

Shareholders requesting to inspect or copy the relevant materials of the Company shall comply with the provisions of laws and administrative regulations such as the Company Law, the Securities Law, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed.

Article 38

If the content of a resolution of the shareholders' meeting or a meeting of the Board of Directors violates laws or administrative regulations, shareholders shall have the right to request the people's court to declare it to be invalid.

If the convening procedure or voting method of the shareholders' meeting or a meeting of the Board of Directors violates laws, administrative regulations or the Articles of Association, or if the content of a resolution violates the Articles of Association, shareholders shall have the right to request the people's court to revoke the resolution within sixty days from the date of passing the resolution, except where the convening procedure or voting method of the shareholders' meeting or the meeting of the Board of Directors are only slightly defective and have no substantial impact on the resolution.

Where the Board of Directors, shareholders and other relevant parties have a dispute over the validity of a resolution of the shareholders' meeting, they shall promptly file a lawsuit with the people's court. Before the people's court makes a judgement or ruling for the revocation of the resolution, the relevant parties shall execute the resolution of the shareholders' meeting. The Company, directors and senior management shall perform in real earnest their duties to ensure the normal operation of the Company.

Where the people's court makes a judgement or ruling on a relevant matter, the Company shall fulfil its obligation to disclose the information in accordance with the provisions of laws and administrative regulations and the provisions of the CSRC and the stock exchanges, fully explain the impact, and actively cooperate with the enforcement of the judgement or ruling after it has come into effect. Where corrections to prior events are involved, they will be handled in a timely manner and the corresponding obligation to disclose the information will be fulfilled.

Article 39

A resolution of the shareholders' meeting or a meeting of the Board of Directors of the Company shall not be valid under any of the following circumstances:

- (1) no shareholders' meeting or meeting of the Board of Directors has been convened to pass the resolution;
- (2) the resolution is not voted on at the shareholders' meeting or the meeting of the Board of Directors;
- (3) the number of persons present at the meeting or the number of voting rights held does not reach the number of persons or the number of voting rights held as provided for in the Company Law or the Articles of Association;
- (4) the number of persons agreeing to the resolution or the number of voting rights held does not reach the number of persons or the number of voting rights held as provided for in the Company Law or the Articles of Association.

Article 40

Where the Company incurs losses as a result of directors and senior management other than members of the Audit Committee having violated any laws, administrative regulations or the Articles of Association in performing their duties for the Company, shareholders severally or jointly holding 1% or more of the Company's shares for 180 consecutive days or more shall be entitled to request in writing the Audit Committee to file a lawsuit with a people's court; where the Company incurs losses as a result of the any member of the Audit Committee having violated any laws, administrative regulations or the Articles of Association in performing its duties for the Company, the aforementioned shareholders may request in writing the Board of Directors to file a lawsuit with a people's court.

In the event that the Audit Committee or the Board of Directors refuses to file a lawsuit after receiving the written request of shareholders stated in the preceding paragraph, or fails to file a lawsuit within 30 days from the date on which such request is received, or in case of urgency where failure to file a lawsuit immediately would cause irreparable damage to the Company's interests, shareholders as specified in the preceding paragraph shall have the right to file a lawsuit with a people's court directly in their own name for the benefit of the Company.

Where another person infringes upon the legitimate rights and interests of the Company and causes losses to the Company, shareholders as specified in the first paragraph of this Article may file a lawsuit with a people's court in accordance with the provisions of the preceding two paragraphs.

Where the Company incurs losses as a result of any directors, supervisors and senior management of a wholly-owned subsidiary of the Company having violated any laws, administrative regulations or the Articles of Association in performing their duties, or if another person infringes upon the legitimate rights and interests of the wholly-owned subsidiary of the Company and causes losses, shareholders severally or jointly holding 1% or more of the Company's shares for 180 consecutive days or more may request in writing the Board of Supervisors or Board of Directors of the wholly-owned subsidiary to file a lawsuit with a people's court or directly file a lawsuit with a people's court in its own name in accordance with the provisions of the first three paragraphs of Article 189 of the Company Law.

Article 41 Shareholders may file a lawsuit with a people's court if a director or senior management violates any laws, administrative regulations or the Articles of Association and harms the interests of shareholders.

Article 42 Shareholders of the Company shall assume the following obligations:

- (1) to comply with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;
- (2) to pay subscription monies according to the number of shares subscribed for by them and the method of subscription;
- (3) not to withdraw their share capital unless under circumstances required by laws and regulations;
- (4) not to abuse their shareholders' rights to harm the interests of the Company or other shareholders; and not to abuse the Company's position as an independent legal person and the limited liability of shareholders to harm the interests of any creditor of the Company;

- (5) other obligations required by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Shareholders of the Company who abuse their shareholders' rights and cause losses to the Company or other shareholders shall be liable for compensation in accordance with the law.

Where shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for the purpose of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

Section 2 Controlling Shareholders and De Facto Controllers

Article 43 The controlling shareholders and de facto controllers of the Company shall exercise their rights and perform their obligations in accordance with the provisions of the laws, administrative regulations, the CSRC and the stock exchanges to protect the interests of the Company.

Article 44 The controlling shareholders and de facto controllers of the Company shall comply with the following provisions:

- (1) to exercise their rights as shareholders in accordance with the laws, and not to abuse their control or use their connected (related) party relationship to damage the legitimate rights and interests of the Company or other shareholders;
- (2) to strictly fulfill the public statements and undertakings made, and not to change or waive them without authorization;
- (3) to fulfil the obligation to disclose the information in strict accordance with the relevant regulations, to actively cooperate with the Company in information disclosure and to inform the Company in a timely manner of major events that have occurred or are about to occur;
- (4) not to occupy the Company's funds in any way;
- (5) not to order, instruct or require the Company and relevant personnel to provide guarantees in violation of laws and regulations;
- (6) not to make use of the Company's undisclosed material information to gain benefits, not to divulge in any way undisclosed material information relating to the Company, and not to engage in acts in violation of laws and regulations;

- (7) not to damage the legitimate rights and interests of the Company and other shareholders through unfair connected (related) transactions, profit distribution, asset restructuring, external investment or any other means;
- (8) to ensure the integrity of the Company's assets and the independence of personnel, finance, organisation and business, and not to affect the independence of the Company in any way;
- (9) other provisions prescribed by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Where the controlling shareholders and de facto controllers of the Company do not act as directors of the Company but actually carry out the Company's affairs, the provisions of the Articles of Association on fiduciary and diligence obligations of directors shall apply.

Where the controlling shareholder or the de facto controller of the Company instructs a director or senior management to engage in an act that damages the interests of the Company or shareholders, he/she shall be jointly and severally liable with such director or senior management.

Article 45 Where the controlling shareholder or the de facto controller pledges the shares of the Company that he/she holds or actually controls, he/she shall maintain the stability of the Company's control and production operations.

Article 46 Where the controlling shareholder or the de facto controller transfers the shares of the Company held by him/her, he/she shall comply with the restrictive provisions on the transfer of shares as specified in the laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed as well as his/her undertakings in respect of the restriction on the transfer of shares.

Section 3 General Provisions of Shareholders' Meetings

Article 47 The shareholders' meeting of the Company shall consist of all shareholders. The shareholders' meeting shall be the authority of power of the Company and shall exercise the following functions and powers in accordance with laws:

- (1) to elect and change directors who are not appointed as employee representatives, and decide on matters relating to the remunerations of directors;
- (2) to consider and approve reports of the Board of Directors;

- (3) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (4) to resolve on the increase or reduction of the registered capital of the Company;
- (5) to resolve on the issuance of corporate bonds;
- (6) to resolve on the merger, division, dissolution, liquidation or change in the form of the Company;
- (7) to amend the Articles of Association;
- (8) to resolve on the Company's appointment or dismissal of accounting firms that provide audit service to the Company;
- (9) to consider and approve the guarantees as stipulated in Article 50 of the Articles of Association;
- (10) to consider 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 consider and approve changes in the use of funds raised;
- (12) equity incentive plans and employee share schemes requiring consideration and approval by the shareholders' meeting as prescribed under the Hong Kong Listing Rules;
- (13) to consider other matters which shall be resolved at the shareholders' meeting in accordance with laws, administrative regulations, departmental rules or the Articles of Association.

The shareholders' meeting may authorize the Board of Directors to make resolutions on issuance of corporate bonds. The Company may issue shares or corporate bonds convertible into shares upon resolution of the shareholders' meeting or resolution of the Board of Directors authorized by these Articles of Association or the shareholders' meeting, the implementation of which shall comply with the provisions of laws, administrative regulations, the CSRC and the securities regulatory rules of the place where the Company's shares are listed.

Save as otherwise provided by laws, administrative regulations, departmental rules or the securities regulatory rules of the place where the Company's shares are listed, the aforementioned powers of the shareholders' meeting shall not be delegated to the Board of Directors or any other institution or individual for exercise on its behalf by way of authorization.

Article 48

Transactions of the Company (excluding financial assistance, provision of guarantees or the Company's receipt of cash assets as gifts, obtaining debt relief and other transactions that do not involve payment of considerations and transactions without any obligations), which fall within the definition of a transaction and have met the following criteria by the relevant calculation methods as stipulated in the Hong Kong Listing Rules, shall be submitted to the shareholders' meeting for consideration in addition to being considered and approved by the Board of Directors:

- (1) material transactions;
- (2) very substantial disposals;
- (3) very substantial acquisitions;
- (4) reverse takeover.

If the data involved in the above indicators are negative, the absolute value will be used for calculation.

The aforesaid "transactions" in this Article include purchases or sales of assets; external investments (including entrusted financial management, investments in subsidiaries, etc.); lease-in or lease-out of assets; entrusting or accepting entrusted management of assets and businesses; giving gift or accepting gift of assets; external donations; restructuring of creditors' rights and debts; entering into license agreements; transferring or accepting R&D projects; granting, accepting, transferring, exercising, terminating or waiving the rights (including waiver of pre-emptive right and right of first refusal to subscribe for capital contributions), etc.

The aforesaid transactions do not include the following types of transactions related to daily operations of the Company: purchase of raw materials, fuel and power; acceptance of labor services; sales of products and commodities; provision of labor services; engineering contracting and other transactions related to daily operations, but the aforesaid transactions involved in the asset replacement are still included.

The method of calculating the transaction amount involved in this Article shall refer to the relevant provisions of Chapter 14 of the Hong Kong Listing Rules for calculation as applicable.

Article 49

Subject to complying with the provisions of Article 23 of the Articles of Association, the matters of financial assistance (including interest-bearing or interest-free loans, entrusted loans, etc.) of the Company shall be submitted to the shareholders' meeting for approval as required by the Hong Kong Listing Rules. In addition to being considered and approved by the Board of Directors, such matters shall also be submitted to the shareholders' meeting for consideration.

Where the target for financial assistance is a controlled subsidiary within the scope of the Company's consolidated statements, and other shareholders of such controlled subsidiary do not include the controlling shareholders and de facto controllers of the Company and their connected (related) parties, the application of the provisions of the preceding paragraph may be exempted.

Article 50

The following external guarantees of the Company shall be considered and approved at the shareholders' meeting:

- (1) any guarantee provided after the total amount of external guarantees by the Company and its controlled subsidiaries exceeds 50% of the latest audited net assets;
- (2) any guarantee provided after the total amount of external guarantees by the Company exceeds 30% of the latest audited total assets;
- (3) any guarantee by the Company within one year with guaranteed amount in excess of 30% of the latest audited total assets of the Company;
- (4) any guarantee provided for a target party whose debt to asset ratio is over 70%;
- (5) any guarantee with a single guaranteed amount in excess of 10% of the latest audited net assets;
- (6) any guarantee provided to shareholders, de facto controllers and their connected (related) parties.

When the above guarantees in item (3) of the first paragraph are considered by the shareholders' meeting, they shall be approved by more than two-thirds of the total voting rights held by shareholders present at the meeting.

Where the provision of guarantees by the Company for its wholly-owned subsidiaries or for its controlled subsidiaries, and other shareholders of the controlled subsidiaries provide guarantees in equal proportion to their respective rights and interests, without prejudice to the interests of the Company, may be exempted from the application of the provisions as specified in items (1), (4) and (5) of the first paragraph of this Article.

The Board of Directors has the power to consider and approve any external guarantees other than those mentioned above that require approval by the shareholders' meeting.

Article 51

When a resolution on providing guarantee for a shareholder, de facto controller and their respective connected (related) parties is considered at the shareholders' meeting, the shareholder or the shareholders controlled by the de facto controller shall not participate in the voting, and the resolution shall be approved by more than half of the total voting rights held by other shareholders present at the shareholders' meeting. A resolution on the provision of guarantees by the Company for the connected (related) parties shall have a reasonable business logic, and shall be submitted to the shareholders' meeting for consideration after being considered and approved by the Board of Directors.

Where the Company provides guarantees for controlling shareholders, de facto controllers and their respective connected (related) parties, controlling shareholders, de facto controllers and their respective connected (related) parties shall provide counter guarantees.

Article 52

Shareholders' meetings are divided into annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be held once a year within 6 months after the end of the previous accounting year.

Article 53

Upon occurrence of the following events, the Company shall convene an extraordinary shareholders' meeting within 2 months from the date of occurrence:

- (1) when the number of directors falls below the minimum requirement of the Company Law, or is less than two thirds of the number specified by the Articles of Association;
- (2) when the unrecovered losses of the Company amount to one third of the total amount of its paid-up share capital;
- (3) when shareholder(s) severally or jointly holding at least 10% of the Company's voting shares request(s) to convene such meeting (including preferred shares with resumed voting rights);
- (4) when the Board considers necessary;
- (5) when the Audit Committee proposes to convene such meeting; and
- (6) other circumstances stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Article 54

The place where the Company convenes a shareholders' meeting shall be the Company's address or any other place as clearly stated in the notice of the meeting. The shareholders' meeting shall have a venue and be held in the form of an on-site meeting or through electronic communication methods such as telephone and video. The Company will also provide online voting to facilitate shareholders to the extent permitted by the applicable laws, administrative regulations, departmental rules, regulatory documents and the securities regulatory rules of the place where the Company's shares are listed. Shareholders who attend the shareholders' meeting through the aforesaid methods shall be deemed to have attended the shareholders' meeting.

Section 4 Convening of Shareholders' Meetings**Article 55**

Shareholders' meeting shall be convened by the Board of Directors within the prescribed period.

Article 56

Upon the approval of a majority of all independent directors, independent directors shall have the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting. For the proposal requesting to convene an extraordinary shareholders' meeting by the independent directors, the Board of Directors shall, in accordance with laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, give a written feedback on whether or not it agrees to hold an extraordinary shareholders' meeting within ten days upon receipt of the proposal. Where the Board of Directors agrees to hold an extraordinary shareholders' meeting, it will send out a notice thereon within five days after the relevant resolution of the Board of Directors is made. If the Board of Directors does not agree to hold an extraordinary shareholders' meeting, it shall state reasons.

Article 57

The Audit Committee may propose to the Board of Directors to hold an extraordinary shareholders' meeting and shall put forward the proposal to the Board of Directors in written form. The Board of Directors shall, in accordance with laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, give written feedback on whether or not it agrees to hold an extraordinary shareholders' meeting within 10 days upon receipt of the proposal.

Where the Board of Directors agrees to hold an extraordinary shareholders' meeting, it shall send out a notice thereon within 5 days after the relevant resolution of the Board of Directors is made; any change to the original proposal in the notice is subject to the consent of the Audit Committee.

In case the Board of Directors does not agree to convene an extraordinary shareholders' meeting, or does not give any response within 10 days upon receipt of the proposal, the Board of Directors shall be deemed to be unable or have failed to perform its duty to convene the shareholders' meeting, and the Audit Committee may convene and preside over the meeting by itself.

Article 58

Shareholder(s) severally or jointly holding at least 10% of the voting shares of the Company, including preferred shares with resumed voting rights, shall be entitled to request the Board of Directors to convene an extraordinary shareholders' meeting, and shall put forward such request to the Board of Directors in written form. The Board of Directors shall, in accordance with laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, give written feedback on whether or not it agrees to hold an extraordinary shareholders' meeting within 10 days upon receipt of the request.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, a notice for convening such meeting shall be issued within 5 days after the relevant resolution of the Board of Directors is made, and any changes to the original request contained in the notice shall be subject to the approval of the relevant shareholders.

If the Board of Directors does not agree to convene an extraordinary shareholders' meeting, or fails to give a response within 10 days after receipt of the request, shareholders holding at least 10% of the voting shares of the Company (including preferred shares with resumed voting rights) separately or in aggregate shall have the right to propose to the Audit Committee to convene an extraordinary shareholders' meeting, and shall put forward such request to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary shareholders' meeting, a notice for convening such meeting shall be issued within 5 days after receipt of the request, and any changes to the original request contained in the notice shall be subject to the approval of the relevant shareholders.

If the Audit Committee fails to issue a notice convening the shareholders' meeting within the prescribed period, the Audit Committee shall be deemed to refuse to convene and preside over such meeting, and shareholders holding at least 10% of the voting shares of the Company (including preferred shares with resumed voting rights) separately or in aggregate for no less than 90 consecutive days may convene and preside over the meeting on their own.

- Article 59** Where the Audit Committee or shareholders resolve to convene a shareholders' meeting on their own, a written notice shall be given to the Board of Directors. Prior to the announcement of the resolution on convening the shareholders' meeting, the proportion of the voting shares (including preferred shares with resumed voting rights) held by the convening shareholders shall not be less than 10%.
- Article 60** The Board of Directors and the secretary to the Board of Directors shall cooperate with the Audit Committee or shareholders in convening a shareholders' meeting on their own. The Board of Directors shall provide the share register as of the record date for shareholding.
- Article 61** Where a shareholders' meeting is convened by the Audit Committee or shareholders on their own, all necessary expenses for the meeting shall be borne by the Company.

Section 5 Proposals and Notices of Shareholders' Meetings

- Article 62** The contents of proposals shall fall within the scope of functions and powers of the shareholders' meeting, have clear issues for discussion and specific matters to be resolved, and comply with the relevant requirements of the laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.
- Article 63** When the Company convenes a shareholders' meeting, the Board of Directors, the Audit Committee and shareholders holding 1% or more of the shares of the Company (including preferred shares with resumed voting rights) separately or in aggregate shall be entitled to put forward proposals to the Company.

Shareholders severally or jointly holding 1% or more of the shares of the Company (including preferred shares with resumed voting rights) may submit ad hoc proposals which shall contain clear issues for discussion and specific matters for resolution, to the convener of a shareholders' meeting in writing 10 days prior to the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting to announce the information of such ad hoc proposals within 2 days after receipt thereof, and submit such proposals to the shareholders' meetings for consideration, unless such proposals violate laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, or falls outside the scope of the shareholders' meeting's authority.

Except as provided in the preceding paragraph, the convener shall not amend the proposals set out in the notice of the shareholders' meeting or put up any new proposals after the issuance of the notice of the shareholders' meeting.

Proposals which are not specified in the notice of the shareholders' meeting or do not comply with Article 62 of the Articles of Association shall not be voted on and resolved at the shareholders' meeting.

Article 64

The convener shall convene an annual shareholders' meeting by notifying shareholders in writing 20 days prior to the meeting and an extraordinary shareholders' meeting by notifying shareholders in writing 15 days prior to the meeting. When calculating the number of days for the aforementioned periods, the date of the shareholders' meeting convened shall not be included but the issue date of such notice shall be included. Where otherwise provided by laws, regulations or the securities regulatory authorities of the place where the Company's shares are listed, such provisions shall prevail.

Article 65

A notice of a shareholders' meeting shall include the following:

- (1) the date, venue and duration of the meeting;
- (2) matters and proposals submitted for consideration at the meeting;
- (3) an express statement specifying that all ordinary shareholders (including preferred shareholders with resumed voting rights), shareholders holding shares with special voting rights and other shareholders shall have the right to attend the shareholders' meeting, and may appoint in writing a proxy to attend and vote on their behalf at the meeting, and that such proxy need not be a shareholder of the Company;
- (4) the shareholding record date of the shareholders who have the right to attend a shareholders' meeting;
- (5) the name and telephone number of the permanent contact person for meeting affairs;
- (6) the time of and procedures for voting to be conducted online or by other ways.

The notice of the shareholders' meeting and its supplementary notice shall fully and completely disclose the entire details of all proposals, as well as all the materials or explanations necessary for shareholders to make reasonable judgments on the matters to be discussed. If the matters to be discussed require the opinions of independent directors, the opinions of independent directors and the reasons therefor shall be disclosed at the same time when the notice of the shareholders' meeting or its supplementary notice is issued.

Article 66

For matters related to the election of directors to be discussed at a shareholders' meeting, detailed particulars of the candidates for directors shall be fully disclosed in the notice of the shareholders' meeting, including at least the following:

- (1) personal information such as educational background, work experience and part-time jobs;
- (2) connected (related) relationship with the Company or its controlling shareholders and de facto controllers (if any);
- (3) number of shares held in the Company;
- (4) penalty imposed by the CSRC or other relevant authorities and punishment imposed by the stock exchanges (if any).

Except for the election of directors carried out through the accumulative voting system, each candidate for a director shall be nominated by a separate proposal.

Article 67

After a notice of a shareholders' meeting is issued, the shareholders' meeting shall not be postponed or cancelled without proper reasons, and the proposals set out in the notice of the shareholders' meeting shall not be cancelled. In the case of any postponement or cancellation of the meeting, the convenor shall make a supplementary notice at least 2 working days prior to the original date of the convening and state the reasons therefor.

Section 6 Holding of Shareholders' Meetings

Article 68

The Board of Directors of the Company and other conveners shall take necessary measures to ensure the normal order of shareholders' meetings. Measures shall be taken to stop any acts of interfering with shareholders' meetings, provoking trouble, and infringing on the legitimate rights and interests of shareholders, which shall be reported to the relevant authorities in a timely manner for investigation and punishment.

Article 69

All ordinary shareholders (including preferred shareholders with resumed voting rights), shareholders holding shares with special voting rights and other shareholders registered on the shareholding record date or their proxies shall be entitled to attend the shareholders' meeting and to exercise their voting rights in accordance with the relevant laws and regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

A shareholder may attend the shareholders' meeting in person, or appoint a proxy to attend and vote on his/her behalf. Any shareholder who has the right to attend and vote at a shareholders' meeting shall have the right to appoint one or more persons (who may not be a shareholder) as his/her proxy(ies) to attend and vote at the meeting on his/her behalf.

Article 70

Individual shareholders attending a shareholders' meeting in person shall produce their identity cards or other valid proof or evidence indicating their identities, and in the case of attendance by proxies, the proxies shall produce valid proof of their identities and the proxy forms from shareholders.

For a corporate shareholder, its legal representative or a proxy appointed by such legal representative shall attend the meeting. In the case of attendance by legal representatives, they shall produce their identity cards and valid proof of their eligibility as legal representatives and, in the case of attendance by proxies of such legal representatives, such proxies shall produce their identity cards and the written letters of authorization issued by such legal representatives of the corporate shareholder entity according to the laws.

For a partnership enterprise shareholder, its managing partner or a proxy appointed by such managing partner shall attend the meeting. In the case of attendance by managing partners, they shall produce their identity cards and valid proof of their eligibility as managing partners and, in the case of attendance by proxies, such proxies shall produce their identity cards and the written letters of authorization issued by such managing partners of the partnership enterprise shareholder entity according to the laws. (except for any shareholder which is a recognized clearing house as defined under relevant ordinances promulgated from time to time in Hong Kong or the securities regulatory rules of the place where the Company's shares are listed).

If the shareholder is a recognized clearing house (or its nominee) as defined under the Securities and Futures Ordinance of Hong Kong or relevant ordinances promulgated from time to time in Hong Kong, the shareholder may authorize one or more persons that he/she thinks fit to act as its proxy(ies) at any shareholders' meeting; however, if more than one person is authorized, the letter of authorization shall state the number and class of shares for each of such persons so authorized, and shall be signed by an authorized officer of the recognized clearing house. Every person so authorized may, on behalf of the recognized clearing house (or its nominee), attend the meeting (without the need to produce his/her certificate of shareholding, notarized authorization and/or further evidence proving that he/she has been duly authorized) to exercise statutory rights equivalent to those enjoyed by other shareholders, including the rights to speak and vote, as if such person was an individual shareholder of the Company.

The letter of authorization issued by a shareholder for appointing another person to attend a shareholders' meeting shall specify the following:

- (1) the name or title of the appointer, and the class and number of the Company's shares held;
- (2) the name or title of the proxy;
- (3) the specific instructions of the shareholder, including the instructions on voting for, against or abstention from voting on each matter to be considered as included in the agenda of the shareholders' meeting;
- (4) the date of issuance and validity period of the letter of authorization;
- (5) signature (or seal) of the appointer. If the appointer is a corporate shareholder or other institutional shareholder, the letter of authorization shall be affixed with the seal of such corporate entity/institutional entity or signed by its directors or nominee or officer duly delegated.

The letter of authorization shall specify whether the shareholder's proxy may vote at his/her discretion if the shareholder fails to give any specific instruction.

Article 71

A voting proxy form shall be maintained at the address of the Company or such other place as may be specified in the notice convening the meeting at least twenty-four hours before the meeting at which such proxy is required to vote under the proxy form or twenty-four hours before the time specified for voting. If the voting proxy form is signed by another person authorized by the appointer, the power of attorney or other authorization instruments under which it is signed shall be notarized. The notarized power of attorney or other authorization instruments and the voting proxy form shall be maintained at the address of the Company or such other place as may be specified in the notice convening the meeting.

If the appointer is a corporation, its legal representative/managing partner or such person appointed by resolutions of its board of directors or other decision-making bodies shall attend a shareholders' meeting of the Company as its proxy.

Article 72

The register of attendees of meetings shall be prepared by the Company. The register of meetings shall specify, among others, the attendees' names (or names of entities), identity card numbers, addresses of domicile and the number of voting shares held or represented, and the names of their appointers (or the names of entities).

Article 73

The conveners and lawyers engaged by the Company (if any) shall jointly verify the legitimacy of the eligibility of shareholders according to the register of members provided by the securities registration and clearing organization, and shall register the names of shareholders and the number of voting shares held by them. The registration for the meeting shall be closed before the chairman of the meeting announces the number of shareholders and proxies present at the meeting and the total number of voting shares held by them.

Article 74

If the shareholders' meeting requires directors or senior management to attend the meeting as non-voting attendees, such directors or senior management shall be present and respond to shareholders' inquiries.

Article 75

A shareholders' meeting shall be presided over by the chairman of the Board of Directors. In the event that the chairman of the Board of Directors is unable or fails to perform his/her duties, the meeting shall be presided over by a director jointly elected by a majority of the directors.

A shareholders' meeting convened by the Audit Committee on its own shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or fails to perform his/her duties, the meeting shall be presided over by a member of the Audit Committee jointly elected by a majority of the members of the Audit Committee.

A shareholders' meeting convened by shareholders on their own shall be presided over by the conveners or a representative elected by them.

When holding a shareholders' meeting, if the chairman of the meeting violates the rules of procedures and makes it impossible for the shareholders' meeting to continue, with the consent of a majority of the shareholders with voting rights present at the meeting, the shareholders' meeting may be continued by electing one person to serve as the chairman of the meeting.

Article 76 The Company shall formulate the rules of procedures for shareholders' meetings, stipulating in detail the procedures for holding a shareholders' meeting and voting thereat, which shall include, among others, the notice, registration, consideration of proposals, voting, vote counting, announcement of voting results, formulation of resolutions of the meeting, minutes of the meeting and their signing, and announcements, as well as the principles of authorization from the shareholders' meeting to the Board of Directors. The content of authorization shall be clear and specific. The rules of procedures for shareholders' meetings shall be prepared by the Board of Directors and approved at a shareholders' meeting as an appendix to the Articles of Association.

Article 77 At the annual shareholders' meeting, the Board of Directors shall report to the shareholders' meeting on its work over the past year. Each independent director shall also report his/her work.

Article 78 The directors and senior management shall give explanations and clarifications on the inquiries raised and suggestions made by shareholders at the shareholders' meetings.

Article 79 The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies present at the meeting and the total number of voting shares held by them, which shall be subject to registration for the meeting.

Article 80 Minutes shall be maintained for shareholders' meetings and shall be kept by the secretary to the Board of Directors. The minutes shall record the following:

- (1) the date and venue of and the agenda for the meeting, as well as the name of its convener;
- (2) the name of the chairman of the meeting as well as the names of directors and senior management present or present at the meeting as non-voting attendees;

- (3) the number of shareholders and proxies present at the meeting, the total number of voting shares held by them and their proportion to the total number of the shares of the Company;
- (4) the consideration process, the main points of speeches for and the voting results of each proposal;
- (5) the inquiries, comments or suggestions from shareholders and the corresponding responses or explanations;
- (6) the names of lawyers (if any), vote counters and scrutineers;
- (7) other matters which shall be recorded in the minutes as required by the Articles of Association.

Article 81

The convener shall ensure the truthfulness, accuracy and completeness of the minutes. The directors, the secretary to the Board of Directors, the convener or its representative, and the chairman of the meeting present at the meeting shall sign the minutes. The minutes shall be kept together with the signature list of the shareholders present at the meeting, the proxy form, and the valid materials relating to the voting conducted through the Internet and by other means for a period of not less than 10 years.

Article 82

The convener shall ensure the continuous holding of a shareholders' meeting until a final resolution is reached. If the shareholders' meeting is suspended or no resolution can be reached at the meeting for special reasons such as force majeure, necessary measures shall be taken to resume the holding of the shareholders' meeting as soon as possible or the current shareholders' meeting shall be directly terminated.

Section 7 Voting and Resolutions at Shareholders' Meetings

Article 83

Resolutions of the shareholders' meetings shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution at a shareholders' meeting shall be adopted by more than one half of the voting rights held by shareholders (including their proxies) present at the shareholders' meeting.

A special resolution at a shareholders' meeting shall be adopted by more than two thirds of the voting rights held by shareholders (including their proxies) present at the shareholders' meeting.

Article 84

The following matters shall be approved by way of ordinary resolutions at a shareholders' meeting:

- (1) the work reports of the Board of Directors;
- (2) the profit distribution plans and plans for making up losses drafted by the Board of Directors;
- (3) the appointment, dismissal and remuneration of the members of the Board of Directors and the method of payment of their remuneration;
- (4) to resolve on the Company's appointment or dismissal of accounting firms that provide audit service to the Company;
- (5) to consider and approve the transactions as specified in Article 48, the financial assistance as specified in Article 49 and the guarantees as specified in Article 50 (except for item (3));
- (6) equity incentive plans and employee stock ownership plans requiring consideration and approval by the shareholders' meeting as prescribed by the Hong Kong Listing Rules;
- (7) any matters other than those that laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association require to be approved by special resolutions.

Article 85

The following matters shall be approved by way of special resolutions at a shareholders' meeting:

- (1) increase or reduction of the registered capital of the Company or the grant of equity-based rights such as options or warrants convertible into equity ownership of the group companies;
- (2) division, merger, acquisition, reorganization, dissolution and liquidation of the Company, or any change in its corporate form;
- (3) the liquidation, dissolution, reorganization, bankruptcy, cessation of business or initiation of any similar proceedings in respect of any Group company;
- (4) any material change to the principal business of the group companies;
- (5) amendments of the Articles of Association;
- (6) change to the composition of the Board of Directors;

- (7) purchase or disposal of major assets or provision of guarantees by the Company within one year with the amount exceeding thirty percent of the latest audited total assets of the Company;
- (8) other matters as required by laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, and matters which, as resolved by way of an ordinary resolution at a shareholders' meeting, will have a material impact on the Company and need to be approved by way of special resolutions.

Article 86

Shareholders (including their proxies) shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share, except for holders of class shares. On a poll, shareholders (including their proxies) entitled to two or more votes are not required to cast all their votes as affirmative, negative or abstention votes.

When the shareholders' meeting considers material matters affecting the interests of minority investors, the votes cast by such minority investors shall be counted separately. The results of such separate vote counting shall be disclosed to the public in a timely manner.

Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' meeting.

Article 87

When the shareholders' meeting considers matters relating to a connected (related) transaction, the connected (related) shareholders shall not participate in the vote, and the number of voting shares represented by them shall not be counted in the total number of valid voting shares. The resolution of the shareholders' meeting shall fully disclose the voting by the unconnected (unrelated) shareholders.

The abstention of and voting procedures for connected (related) shareholders are as follows:

- (1) A shareholder who is connected with (related to) a certain matter to be discussed at a shareholders' meeting shall, prior to the date of the shareholders' meeting, disclose such connection (relationship) to the Board of Directors of the Company or other conveners and apply for abstention on his/her own initiative.
- (2) When the shareholders' meeting considers matters relating to the connected (related) transaction, the chairman of the meeting shall announce the connected (related) shareholders and give explanations and clarifications on the connection (relationship) between the connected (related) shareholders and the connected (related) transaction;

- (3) The chairman of the meeting shall announce the abstention of the connected (related) shareholders, and the connected (related) transaction shall be considered and voted on by the unconnected (unrelated) shareholders; the abstention of and voting procedures for connected (related) shareholders shall be recorded in the minutes of the meeting;
- (4) No resolution made by the shareholders' meeting on the connected (related) transaction shall be valid unless it is adopted by more than half of the voting rights held by the unconnected (unrelated) shareholders present at the meeting. However, when the connected (related) transaction involves matters that are subject to approval by special resolution as stipulated in the Articles of Association, the resolution of the shareholders' meeting shall not be valid unless it is adopted by more than two-thirds of the voting rights held by the unconnected (unrelated) shareholders present at the meeting;
- (5) If a connected (related) shareholder fails to disclose his/her connection (relationship) according to the aforesaid procedures or abstains, the resolution on such connection (relationship) shall be invalid.

If a connected (related) shareholder fails to apply for abstention on his/her own initiative, other shareholders or their proxies present at the shareholders' meeting shall have the right to request the connected (related) shareholder to abstain; if other shareholders or their proxies make a request for abstention, and the shareholder who is requested to abstain believes that he/she does not fall within the scope of abstention, the chairman of the shareholders' meeting shall discuss with the on-site directors, members of the Audit Committee and relevant shareholders based on the situation and make a decision on whether or not the shareholder should abstain.

The connected (related) shareholder who should abstain may participate in the consideration of the connected (related) transaction connected with (related to) him/her, and may give explanations and clarifications to the shareholders' meeting regarding whether the connected (related) transaction is fair and legal and the reasons therefor, etc., provided that such shareholder shall have no right to participate in voting on the matter.

The Company shall formulate a separate management system for connected (related) transactions, which shall be implemented after being considered and approved by the shareholders' meeting.

Article 88

Except under special circumstances such as being in crisis, the Company shall not enter into any contract with any person other than its directors and senior management to entrust the management of the whole or any substantial part of the Company's business to such person without approval by a special resolution of a shareholders' meeting.

Article 89

The list of candidates for directors shall be submitted by way of a proposal to a shareholders' meeting for voting.

The nomination method and procedure for the general election of the Board of Directors or the replacement of directors during their term of office are as follows:

- (1) Within the number of persons as specified in the Articles of Association, a list of recommended candidates for directors shall be proposed by more than half of the directors according to the number of directors to be appointed. After the list of recommended candidates is approved by a resolution of the Board of Directors, a list of candidates for directors shall be proposed by the Board of Directors and submitted to the shareholders' meeting for election;
- (2) Shareholders severally or jointly holding more than 1% of the shares of the Company may propose candidates for directors to the Board of Directors of the Company ten (10) days before the convening of the general meeting. If the Board of Directors of the Company does not accept the nomination of the above-mentioned shareholders, the above-mentioned shareholders may propose it to the shareholders' meeting by way of an ad hoc proposal, provided that they shall comply with the relevant provisions of laws, administrative regulations and the Articles of Association regarding ad hoc proposals for shareholders' meetings.

When voting on the election of directors at a shareholders' meeting, the cumulative voting system may be implemented pursuant to the provisions of the Articles of Association or the resolutions of the shareholders' meeting.

The term "cumulative voting system" as mentioned in the preceding paragraph shall refer to the fact that when directors are elected at a shareholders' meeting, each share shall be entitled to the same number of voting rights as the number of directors to be elected, and the voting rights held by shareholders may be used in a concentrated manner. The Board of Directors shall inform shareholders of the biographical details and basic information of the candidates for directors.

Article 90

When a shareholders' meeting adopts the cumulative voting system for the election of directors, the following provisions shall apply:

- (1) Each voting share shall be entitled to the same number of votes as the number of directors to be elected. Shareholders may freely distribute their votes among the candidates for directors, either by splitting their votes across multiple candidates or by concentrating all votes on a single candidate;

- (2) The sum of votes a shareholder casts for any candidate for director shall not exceed the total number of votes the shareholder holds for the election of candidates for directors, otherwise, his/her votes shall be invalid;
- (3) According to the number of votes received by candidates for directors, starting with the highest, and based on the number of directors to be elected, the candidates with the higher number of votes shall be elected, and each candidate elected as a director shall receive more than half of the total votes held by the shareholders (including their proxies) present at the shareholders' meeting;
- (4) When two or more candidates for director receive the same number of votes, and they receive the fewest number of votes among the candidates for director, if electing all of them would cause the number of directors to exceed the number of directors to be elected at the shareholders' meeting, a re-election shall be held at the shareholders' meeting for the candidates for director receiving the same number of votes as mentioned above. If a definitive election cannot be made after the re-election, the Company shall present such candidates for director for election at the next shareholders' meeting;
- (5) If fewer directors are elected than required at the shareholders' meeting, the Company shall elect the remaining directors at a subsequent shareholders' meeting in accordance with the provisions of the Articles of Association.

Article 91 Except for the accumulative voting system, votes on all proposals shall be taken one by one at a shareholders' meeting, and if there are different proposals regarding the same matter, votes on such proposals shall be taken in order of time of submission thereof. Unless the shareholders' meeting is discontinued or fails to adopt any resolution due to any force majeure or other special reasons, the shareholders' meeting shall not put on hold or refrain from voting on any proposal.

Article 92 No proposal considered at a shareholders' meeting shall be amended; if the proposal is amended, it shall be deemed to be a new proposal, which shall not be voted on at the current shareholders' meeting.

Article 93 The same voting right shall be exercised through only one of the methods of on-site voting, online voting or other voting methods. If the same vote is cast more than once, only the first vote shall be deemed to be valid.

Article 94 The voting at the shareholders' meeting shall be conducted by a registered poll.

Article 95

Prior to voting on any proposal at a shareholders' meeting, two shareholder representatives shall be elected to participate in vote counting and supervision. If the matters to be considered are connected with (related to) shareholders, the relevant shareholders and their proxies shall not participate in vote counting and supervision.

When voting on a proposal at a shareholders' meeting, lawyers (if any) and shareholder representatives shall jointly be responsible for counting and supervising the votes and announcing the voting results on the spot, and the voting results of the resolution shall be recorded in the minutes of the meeting.

Shareholders who cast their votes online or by other means, either in person or by proxy, shall have the right to verify their voting results through the corresponding voting system.

Article 96

The on-site shareholders' meeting shall not conclude before the end of the online or other voting sessions. The chairman of the meeting shall announce the voting situation and results of each proposal and, based on the voting results, declare whether the proposal has been adopted.

Prior to the official announcement of the voting results, the Company, vote counters, scrutineers, shareholders, network service providers and all other parties involved in the on-site shareholders' meeting, online voting and other voting means shall be obligated to keep the voting information confidential.

Article 97

Shareholders attending a shareholders' meeting shall cast one of the following votes on a proposal submitted for voting: "for", "against", or "abstain", except where the securities registration and clearing organization, as a nominee holder of shares under the Mainland-Hong Kong Stock Connect Scheme, makes a declaration according to the intention expressed by the actual beneficial holder.

In the event that a vote is incomplete, incorrectly filled out, illegible or not cast, the voter shall be deemed to have waived his/her voting right, and the voting rights corresponding to the number of shares held by him/her shall be counted as "abstain" in the voting results.

Article 98

If the chairman of the meeting has any doubt about the result of voting on any resolution submitted for voting, the chairman may request the votes cast to be counted. If the chairman does not request the votes to be counted, any shareholder present at the meeting in person or by proxy shall have the right to request the votes to be counted immediately after the result of voting is announced if such shareholder objects to the result of voting announced by the chairman, in which case the chairman shall immediately request the votes to be counted, and the result of counting shall be recorded in the minutes of the meeting.

- Article 99** The resolutions of a shareholders' meeting shall be announced in a timely manner, and the announcement shall indicate the number of shareholders and proxies that attended the meeting, the total number of voting shares held and its proportion to the total number of voting shares of the Company, and the voting method, voting results of each proposal and details of each resolution passed and other relevant matters.
- Article 100** If a proposal is not approved, or if a resolution adopted at a previous shareholders' meeting is amended at the current shareholders' meeting, a special notice shall be included in the announcement of the resolutions of the shareholders' meeting.
- Article 101** If a proposal for the election of directors is approved at a shareholders' meeting, the newly elected directors shall assume office from the date the resolution of the shareholders' meeting is adopted.
- Article 102** Where a proposal on the distribution of cash or stock dividends or conversion of capital reserve to share capital is approved at a shareholders' meeting, the Company shall implement the specific plan within 2 months after the end of the shareholders' meeting.

CHAPTER 5 BOARD OF DIRECTORS

Section 1 Directors

- Article 103** Directors of the Company shall be natural persons, and shall be elected by the shareholders' meeting. A person who falls under any of the following circumstances shall not serve as a director of the Company:
- (1) a person who has no or has limited capacity for civil conduct;
 - (2) a person who has been sentenced to criminal punishment for corruption, bribery, embezzlement of property, misappropriation of property or disruption of the order of the socialist market economy or deprived of political rights due to a criminal offense, where less than 5 years have elapsed since the expiration of the enforcement period; or, in the case of a suspended sentence, where less than 2 years have elapsed since the expiration of the probation period;
 - (3) a person who previously served as a director, factory manager or manager of a company or enterprise that was declared bankrupt and liquidated, and who was personally responsible for the bankruptcy of the company or enterprise, where less than 3 years have elapsed since the completion of the bankruptcy and liquidation of the company or enterprise;

- (4) a person who served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close due to violations of law, and who was personally responsible, where less than 3 years have elapsed since the date of the revocation or closure order;
- (5) a person who has been listed by a people's court as a discredited debtor due to failure to repay a relatively large amount of personal debts when due;
- (6) a person who has been subject to the CSRC's measures which prohibit him/her from entering into the securities market for a period which has not yet expired;
- (7) a person who has been publicly determined to be unsuitable to serve as a director or senior management of the Company by a stock exchange for a period which has not yet expired;
- (8) any other contents as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed.

If a director is elected or appointed in violation of the provisions of this Article, such election or appointment shall be deemed to be invalid. If any of the circumstances as set out in this Article occurs to a director during his/her term of office, the Company shall remove the director from office and stop him/her from performing his/her duties.

Article 104

Directors shall be elected or replaced by the shareholders' meeting, and may further be removed from their office prior to the conclusion of the term thereof by the shareholders' meeting. Directors shall have a term of three years, which is renewable upon expiration if they are re-elected.

A director's term of office shall commence from the date when he/she takes office and end upon expiration of the term of the current session of the Board of Directors. If no re-election is held in time upon the expiration of a director's term of office, the former director shall continue to perform the duties of a director in accordance with laws, administrative regulations, departmental rules and the Articles of Association before a newly elected director assumes office.

General manager and other senior management may serve as directors concurrently, provided that the aggregate number of directors concurrently serving as senior management and directors who are employee representatives shall not exceed half of the total number of directors of the Company.

Article 105

Directors shall comply with laws, administrative regulations, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association and owe fiduciary duties to the Company, and shall take measures to avoid conflicts between their personal interests and those of the Company, and shall not use their powers and duties to seek illegitimate benefits.

Directors shall owe the following fiduciary duties to the Company:

- (1) shall not misappropriate the Company's property or embezzle the Company's funds;
- (2) shall not deposit the Company's funds into accounts opened in their own name or in the name of any other individuals;
- (3) shall not take advantage of their power to solicit or accept bribes or other unlawful income;
- (4) shall not directly or indirectly enter into contracts or conduct transactions with the Company if such matter is not reported to the Board of Directors or the shareholders' meeting and approved by a resolution of the Board of Directors or the shareholders' meeting in accordance with the provisions of the Articles of Association;
- (5) shall not take advantage of their position to seek business opportunities belonging to the Company for themselves or for others, except where such matter has been reported to the Board of Directors or the shareholders' meeting and approved by a resolution of the shareholders' meeting, or where the Company is unable to take advantage of such business opportunities in accordance with laws, administrative regulations or the Articles of Association;
- (6) shall not engage in or operate on behalf of others any business of the same kind as that of the Company, unless such activity has been reported to the Board of Directors or the shareholders' meeting and has been approved by a resolution of the shareholders' meeting;
- (7) shall not accept commissions from transactions between others and the Company for personal gains;
- (8) shall not disclose the Company's secrets without authorization;
- (9) shall not take advantage of their connection (relationship) to harm the interests of the Company;

Other fiduciary duties as stipulated in laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Any income obtained by a director in violation of this Article shall belong to the Company; if such violation causes losses to the Company, the director shall be liable for compensation.

The provisions of item (4) of the second paragraph of this Article shall apply to contracts or transactions between any close relatives of directors or senior management, enterprises directly or indirectly controlled by directors, senior management or their respective close relatives, and connected (related) persons who have other connections (relationships) with directors or senior management and the Company.

Article 106

Directors shall comply with laws, administrative regulations and other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, owe a duty of diligence to the Company and perform their duties with a reasonable degree of care that a manager should have normally for the best interests of the Company.

Directors shall owe the following diligence duties to the Company:

- (1) to exercise the rights granted by the Company in a prudent, conscientious and diligent manner to ensure that the Company's commercial activities comply with the national laws, administrative regulations and requirements of various national economic policies and that its business activities do not exceed the scope of business as specified in the business license;
- (2) to treat all shareholders fairly;
- (3) to understand the business operation and management of the Company in a timely manner;
- (4) to sign written confirmation opinions on the Company's regular reports (if necessary) and to ensure the authenticity, accuracy and completeness of the information disclosed by the Company;
- (5) to truthfully provide relevant information and materials to the Audit Committee, and not to obstruct the Audit Committee from exercising its powers;
- (6) to perform other diligence duties as stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

- Article 107** If a director fails to attend a meeting of the Board of Directors in person or by appointing another director to attend on his/her behalf for two consecutive times without reasonable reasons, the director shall be deemed to be incapable of performing his/her duties, and the Board of Directors shall propose the director's removal to the shareholders' meeting. Subject to compliance with the securities regulatory rules of the place where the Company's shares are listed, if a director attends a meeting of the Board of Directors via Internet, video, telephone or other means with equivalent effect, the director shall be deemed to have attended the meeting in person.
- Article 108** A director may resign before the expiration of his/her term of office. The resigning director shall submit to the Company a written resignation report, and his/her resignation shall take effect on the date when the Company receives the resignation report. The Company shall disclose the relevant information within two trading days. If the director's resignation causes the number of members of the Board of Directors of the Company to fall below the minimum quorum, the former director shall continue to perform the duties of a director in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association before a newly elected director assumes office.
- Article 109** The Company shall establish a director resignation management system, clarifying safeguard measures for accountability and recovery concerning unfulfilled public commitments and other outstanding matters. A director whose resignation has become effective or whose term of office has expired shall complete all handover procedures with the Board of Directors, and his/her fiduciary duties to the Company and shareholders shall not be necessarily released after the end of his/her term of office, and his/her obligation to keep the Company's trade secrets confidential shall remain in effect after the end of his/her term of office until such secrets become public; the duration of his/her other obligations, if not stipulated in the employment contract, shall be determined based on the principle of fairness, depending on the duration between the event and the departure as well as the circumstances and conditions under which his/her relationship with the Company ends. The responsibilities that the director should bear during his/her term of office due to the performance of his/her duties shall not be exempted or terminated upon his/her departure.
- Article 110** The shareholders' meeting may resolve to dismiss a director, and such dismissal shall take effect on the date when the resolution is adopted.
- 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 111** Unless otherwise provided in the Articles of Association or lawfully authorized by the Board of Directors, no director shall act on behalf of the Company or the Board of Directors in his/her personal capacity. When a director acts in his/her personal capacity, if a third party reasonably believes that the director is acting on behalf of the Company or the Board of Directors, the director shall declare his/her position and identity in advance.
- Article 112** If a director causes damage to others while performing his/her duties for the Company, the Company shall bear liability for compensation; if the director acts with intention or gross negligence, he/she shall also bear liability for compensation. If a director violates laws, administrative regulations, departmental rules or the Articles of Association while performing his/her duties for the Company and causes losses to the Company, he/she shall be liable for compensation.
- Article 113** The Company shall have independent directors. Any matters relating to the appointment requirements, nomination and election procedures, term of office, resignation and powers and duties of independent directors shall be subject to the relevant provisions of laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed.

Section 2 Board of Directors

- Article 114** The Company shall have a Board of Directors. The Board of Directors is composed of 9 directors, including 1 employee representative director and 3 independent directors, and shall have one chairman elected by more than half of all the directors of the Board of Directors.
- Article 115** The Board of Directors shall exercise the following powers and duties:
- (1) to convene a shareholders' meeting and report its work to such meeting;
 - (2) to implement the resolutions of a shareholders' meeting;
 - (3) to decide on the operation plans and investment plans for the Company;
 - (4) to prepare the Company's profit distribution plans and loss recovery plans;
 - (5) to prepare the plan for the Company to increase or reduce its registered capital, issue bonds or other securities and listing plans;
 - (6) to prepare plans of the Company with respect to material acquisitions and acquisitions of the Company's shares or merger, division, dissolution or change in the form of the Company;

- (7) within the scope of authorization by the shareholders' meeting, to decide on matters such as outbound investment, acquisition and sale of assets, pledge of assets, external guarantee matters, entrusted financial management, connected (related) transactions and external donations;
- (8) to decide on the establishment of the internal organizations of the Company;
- (9) to decide to appoint or remove the general manager, secretary of the Board and other senior management of the Company, and decide on the remunerations and rewards and punishments thereof; to decide to appoint or remove the deputy general manager, financial controller and other senior management members of the Company nominated by the general manager, and decide on the remunerations and rewards and punishments thereof;
- (10) to formulate the Company's basic management system;
- (11) to prepare plans to amend the Articles of Association;
- (12) to manage the disclosure of information of the Company;
- (13) to propose to the shareholders' meeting with respect to the appointment or replacement of the accounting firm for the audit of the Company;
- (14) to receive the work report of the general manager of the Company and examine such work;
- (15) to decide the establishment of special committees of the Board of Directors;
- (16) any other duties and powers granted by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Any matters that fall outside the scope of authorization by the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

Article 116

The Board of Directors of the Company shall make explanations to the shareholders' meeting regarding the non-standard audit opinions issued by the certified public accountants on the Company's financial reports.

- Article 117** The Board of Directors shall formulate the rules of procedures of the Board of Directors to ensure that the Board of Directors implements the resolutions of the shareholders' meetings, improves work efficiency and ensures scientific decision-making. The rules of procedures of the Board of Directors, as an appendix to the Articles of Association, shall be drafted by the Board of Directors and approved by the shareholders' meeting.
- Article 118** The Board of Directors shall determine the authority over outbound investment, acquisition and sale of assets, pledge of assets, external guarantee matters, entrusted financial management, connected (related) transactions and external donations, etc. and establish strict review and decision-making procedures. Major investment projects shall be assessed and examined by relevant experts and professionals and submitted to the shareholders' meeting for approval.
- If the aforesaid transactions of the Company meet one of the standards that need to be considered by the Board of Directors as stipulated in the Hong Kong Listing Rules, they shall be considered and approved by the Board of Directors.
- Article 119** The approval authority of the Board of Directors for connected (related) transactions covers:
- Connected (related) transactions that meet the standards considered by the Board of Directors in accordance with the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed.
- Article 120** Any external guarantees other than those stipulated in Article 50 of the Articles of Association shall be considered and approved by the Board of Directors. A resolution made by the Board of Directors on the guarantee matters within the aforesaid scope of authority shall be approved by more than two-thirds of the directors present at the meeting in addition to being approved by more than half of all directors of the Company. Guarantees falling outside the above standards or guarantees provided to connected (related) persons shall be considered and decided by the shareholders' meeting.
- Article 121** The chairman of the Board of Directors shall exercise the following duties and powers:
- (1) to preside over shareholders' meetings, and to convene and preside over meetings of the Board of Directors;
 - (2) to supervise and inspect the implementation of the resolutions of the Board of Directors;
 - (3) other duties and powers granted by the Board of Directors.

- Article 122** If the chairman of the Board of Directors is unable or fails to perform his/her duties, a director elected jointly by more than half of the directors shall perform his/her duties.
- Article 123** The Board of Directors shall hold at least two meetings every year, which shall be convened and presided over by the chairman. A written notice of each meeting of the Board of Directors shall be sent (by personal delivery, mail, fax, email or announcement) to all directors at least 10 days prior to each meeting. With the unanimous consent of all directors of the Company, the time limit for notification in respect of the convening of regular meetings of the Board of Directors as mentioned above may be shortened or waived.
- Article 124** Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors or the Audit Committee may propose to convene an interim meeting of the Board of Directors. The chairman of the Board of Directors shall convene and preside over such meeting within 10 days after receipt of the proposal.
- Article 125** The Board of Directors shall convene an interim meeting of the Board of Directors by giving written notice (by personal delivery, mail, fax, email or announcement) to all directors 3 days prior to the meeting. If the situation is urgent and it is necessary to convene an interim meeting of the Board of Directors as soon as possible, a notice of the meeting may be given by telephone or other verbal means at any time, provided that the convener shall make an explanation at the meeting.
- Article 126** A notice of a meeting of the Board of Directors shall include at least the following:
- (1) date and venue of the meeting;
 - (2) duration of the meeting;
 - (3) reasons for and discussion topics of the meeting;
 - (4) date of issuing the notice.
- Any specific matters to be covered in the notice shall be specified in the rules of procedure of the Company's Board of Directors.
- Article 127** A meeting of the Board of Directors shall be held only if more than half of the directors are present. A resolution of the Board of Directors shall be adopted by a majority of all directors.
- Voting on resolutions of the Board of Directors shall be conducted on a one-person-one-vote basis.

- Article 128** Where a director is connected with (related to) an enterprise involved in a resolution of a meeting of the Board of Directors, the director shall promptly report in writing to the Board of Directors. The connected (related) director shall not exercise his/her right to vote on the resolution, nor shall he/she exercise his/her right to vote on behalf of other directors. The meeting of the Board of Directors may be held when more than half of the unconnected (unrelated) directors attend the meeting, and the resolution made at the meeting of the Board of Directors shall be adopted by more than half of the unconnected (unrelated) directors. If the number of the unconnected (unrelated) directors present at the meeting is less than 3, the matter shall be submitted to the shareholders' meeting for consideration.
- Article 129** Resolutions of meetings of the Board of Directors shall be voted on by show of hands or by poll.
- Under the premise of ensuring the full expression of opinions by directors, interim meetings of the Board of Directors may be held by telephone or video conference, and resolutions shall be made and signed by the directors present at the meeting.
- Article 130** A meeting of the Board of Directors shall be attended by the directors themselves; if a director is unable to attend the meeting for any reason, he/she may, by a written power of attorney, appoint another director to attend the meeting on his/her behalf. The power of attorney shall specify the proxy's name, matters entrusted, scope of authority and validity period, and shall be signed or sealed by the appointer. The director who attends the meeting on behalf of the appointing director shall exercise the rights of a director within the scope of authority. Where a director fails to attend a meeting of the Board of Directors or appoint a proxy to attend the meeting on his/her behalf, the director shall be deemed to have waived his/her right to vote at the meeting.
- Article 131** The Board of Directors shall keep minutes of resolutions on the matters discussed at the meeting, and the directors present at the meeting shall sign the minutes.
- Minutes of the meetings of the Board of Directors shall be kept as company files for a period of no less than 10 years.
- Article 132** Minutes of a meeting of the Board of Directors shall include the following:
- (1) date and venue of the meeting and name of the convener;
 - (2) names of the directors present and names of the directors (proxies) appointed by others to attend the meeting;
 - (3) agenda of the meeting;

- (4) main points of the directors' speeches;
- (5) method and results of voting on each resolution (the voting results shall clearly state the number of votes for or against the resolution or abstentions).

Section 3 Special Committees of the Board of Directors

Article 133 The Board of Directors of the Company shall establish an Audit Committee, which shall exercise the duties and powers of supervisors (board of supervisors) as stipulated in the Company Law. The member of the Audit Committee are elected by the Board of Directors.

Article 134 The Board of Directors of the Company shall establish special committees, namely Nomination Committee, Remuneration Committee, Strategy and ESG Committee, which shall perform their duties in accordance with the Articles of Association and the authority granted by the Board of Directors and be accountable to the Board of Directors. The implementation rules of the special committees shall be formulated by the Board of Directors.

CHAPTER 6 SENIOR MANAGEMENT MEMBERS

Article 135 The Company shall have one general manager, several deputy general managers whose specific number shall be discussed and determined by the Board of Directors, one financial controller and one secretary to the Board of Directors. The aforesaid senior management members shall be appointed or dismissed by the Board of Directors.

Article 136 The provisions of Article 103 of the Articles of Association regarding circumstances where a person shall not serve as a director and the provisions of Article 109 hereof regarding the resignation management system shall also apply to senior management members.

The provisions of Article 105 of the Articles of Association regarding the fiduciary duties of directors and the provisions of Article 106 hereof regarding the diligence duties shall also apply to senior management members.

Article 137 A person holding administrative positions other than directors and supervisors in any controlling shareholder entity of the Company shall not serve as a senior management member of the Company.

Senior management members of the Company shall only be paid by the Company, and shall not be paid by controlling shareholders on behalf of the Company.

Article 138 The general manager serves for a term of three years, subject to re-appointment upon the expiry of the term.

Article 139 The general manager shall report to the Board of Directors and have the following duties and powers:

- (1) to take charge of the production operations and management tasks of the Company and organize the implementation of the Board's resolutions, and to report work to the Board;
- (2) to organize the implementation of the Company's annual operating plan and investment plan;
- (3) to devise the set-up of the Company's internal management structure;
- (4) to devise the basic management policy of the Company;
- (5) to formulate the specific rules of the Company;
- (6) to propose the appointment or dismissal of deputy general managers and financial controllers of the Company;
- (7) to decide on the appointment or dismissal of management officers, aside from those requiring the Board to decide on the appointment or dismissal;
- (8) other duties and powers as granted by the Articles of Association or the Board.

The general manager shall attend the meetings of the Board of Directors.

Article 140 The general manager shall formulate detailed working rules for the general manager and implement them after approval by the Board of Directors.

Article 141 The detailed working rules for the general manager shall include the following:

- (1) conditions and procedures for convening and attendees of the general manager's meetings;
- (2) specific duties and division of work of the general manager and other senior management members;
- (3) the use of funds and assets of the Company, authority to enter into material contracts and systems for reporting to the Board of Directors;
- (4) other matters as deemed necessary by the Board of Directors.

- Article 142** The general manager may resign prior to the expiration of his/her term of office. 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 143** Deputy general managers shall be nominated by the general manager and appointed or dismissed by the Board of Directors. Deputy general managers shall assist the general manager in his/her work.
- Article 144** The Company shall have a secretary of the Board of Directors, who shall be responsible for the preparation of the shareholders' meetings and the meetings of the Board of Directors, the custody of documents, the management of the Company's shareholder information, handling information disclosure and other affairs.
- The secretary of the Board of Directors shall comply with the relevant provisions of laws, administrative regulations, departmental rules and the Articles of Association.
- The Company may appoint a securities representative to assist the secretary of the Board of Directors in the performance of his/her duties; in the event that the secretary of the Board of Directors is unable to perform his/her duties, the securities representative shall exercise his/her rights and perform his/her duties.
- Article 145** If a senior management member causes damage to others while performing his/her duties for the Company, the Company shall bear liability for compensation; if the senior management member acts with intention or gross negligence, he/she shall also bear liability for compensation.
- If a senior management member violates laws, administrative regulations, departmental rules or the Articles of Association while performing his/her duties for the Company and causes losses to the Company, he/she shall be liable for compensation.
- Article 146** Senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders.
- If senior management members of the Company fail to faithfully perform their duties or violate their fiduciary duty, causing damage to the interests of the Company and shareholders of public shares, they shall be liable for compensation in accordance with the law.

CHAPTER 7 FINANCIAL AND ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION AND AUDIT

Section 1 Financial and Accounting System

Article 147 The Company formulates its financial and accounting system in accordance with laws, administrative regulations and rules of relevant national departments. If there are other provisions in the Hong Kong Listing Rules or the securities regulatory authorities of the place where the Company's shares are listed, such provisions shall prevail.

Article 148 The Company shall prepare annual reports and other financial accounting reports in accordance with relevant laws, administrative regulations, departmental rules, Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed.

Article 149 The financial year of the Company adopts the Gregorian calendar year system, that is, a financial year from January 1 to December 31 of each Gregorian calendar year.

Article 150 The Company shall not establish separate accounting books except for statutory accounting books. Any funds of the Company shall not be deposited in any account opened in the name of any individual.

Article 151 When distributing the annual after-tax profits, the Company shall allocate 10% of such profits as the statutory reserve fund of the Company. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocations is required.

If the statutory reserve fund of the Company is insufficient to make up for the losses of the previous year, the profits of the current year shall first be used to make up the said losses before any statutory reserve fund is withdrawn as per the provision of the preceding paragraph.

After withdrawing the statutory reserve fund out of its after-tax profits, the Company may also allocate some of its after-tax profits into its discretionary reserve if so resolved by the shareholders' meeting.

After making up for the losses and making contributions to the reserve fund by the Company, any remaining after-tax profits shall be distributed to the shareholders in proportion to their respective shareholdings.

Where the shareholders' meeting distributes profits to shareholders in violation of the provisions of the Company Law, shareholders shall refund to the Company the profits distributed in violation of the provisions. If any losses are caused to the Company, shareholders and the responsible directors and senior management shall be liable for compensation.

No profits shall be distributed in respect of the shares of the Company which are held by the Company.

Article 152 Any premiums received from the issuance of shares by the Company at an issue price above the par value of shares, any amount of proceeds obtained from the issuance of non-par value shares that is not included in the registered capital, and any other income included in capital reserve as required by the finance department under the State Council shall be classified as the capital reserve of the Company.

Article 153 The reserve funds of the Company shall be used to make up for the losses of the Company, expand the Company's production operations or convert into the registered capital of the Company.

When the reserve funds are used to make up for the losses of the Company, the discretionary reserve and statutory reserve shall first be used; if there is still a shortfall, the capital reserve may be used in accordance with the regulations.

When the statutory reserve is converted into the registered capital, the retained portion of such reserve fund shall not be less than 25% of the registered capital of the Company before the conversion.

Article 154 After the shareholders' meeting of the Company makes a resolution on the profit distribution plan, or after the Board of Directors of the Company formulates a specific plan based on the conditions and upper limit of mid-term dividends for the next year as considered and approved by the annual shareholders' meeting, the distribution of dividends (or shares) shall be completed within 2 months.

Article 155 The Company's profit distribution policy is:

- (1) The Company implements a dividend policy of equal shares entitling to equal profits, under which dividends and other forms of benefits are distributed to shareholders in proportion to the number of shares they hold;
- (2) The Company implements a continuous and stable profit distribution policy, and the distribution of the Company's profits shall focus on providing reasonable investment returns to shareholders while taking into account the sustainable development of the Company.

- (3) The Company may distribute profits by way of cash, shares or a combination of cash and shares. The Company shall first distribute profits by way of cash dividends. If the Company distributes profits by way of shares, the distribution shall be conducted under the premise of providing reasonable cash dividend returns to shareholders and maintaining an appropriate share capital size while comprehensively taking into account real and reasonable factors such as the Company's growth and the dilution of net assets per share.
- (4) If any change in the external business environment of the Company has a significant impact on the Company's production and operation, or if there are significant changes in the Company's own operating situation, the Company may adjust its profit distribution policy. The adjusted profit distribution policy shall be based on the protection of the rights and interests of shareholders, and shall not violate the provisions of relevant laws, regulations and normative documents.
- (5) If the Company needs to adjust its profit distribution policy based on its production and operation situation, investment planning, long-term development needs and other reasons, the Board of Directors of the Company shall offer a proposal for adjusting the profit distribution policy according to the actual situation, which shall be submitted to the shareholders' meeting for consideration and approval upon being considered and approved by the Board of Directors of the Company after the Audit Committee expresses its opinion thereon.

Section 2 Internal Audit

Article 156 The Company implements an internal audit system, clarifying the leadership structure, responsibilities and authority, staffing, funding guarantee, application of audit results and accountability for internal audit work.

Article 157 The internal audit organization of the Company conducts supervision and inspection of business activities, risk management, internal controls, financial information and other matters of the Company. The internal audit organization shall maintain its independence and be staffed with full-time auditors, and shall not be placed under the leadership of the finance department or work in the same location with the finance department.

Article 158 The internal audit organization shall report to the Board of Directors.

In the process of supervising and inspecting the business activities, risk management, internal controls and financial information of the Company, the internal audit organization shall accept the supervision and guidance of the Audit Committee. If the internal audit organization discovers relevant major issues or clues, it shall immediately report them directly to the Audit Committee.

Article 159 The specific organization and implementation of the Company's internal control evaluation shall be the responsibility of the internal audit organization. The Company shall issue an annual internal control evaluation report based on the evaluation report and relevant materials issued by the internal audit organization and considered by the Audit Committee.

Article 160 When the Audit Committee communicates with external audit entities such as accounting firms and national audit institutions, the internal audit organization shall actively cooperate and provide necessary support and collaboration.

Article 161 The Audit Committee shall participate in the assessment of the head of the internal audit organization.

Section 3 Appointment of Accounting Firm

Article 162 The Company shall appoint an accounting firm that complies with the Securities Law, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed to carry out an audit of accounting statements, verification of net assets and other relevant consulting services for a term of 1 year, which is renewable.

Article 163 The appointment or dismissal of an accounting firm by the Company shall be decided by the shareholders' meeting, and the Board of Directors shall not appoint another accounting firm before the shareholders' meeting makes a decision.

Article 164 If there is a vacancy for an accounting firm, the Board of Directors may appoint an accounting firm to fill the vacancy before a shareholders' meeting is held. However, if the Company has another incumbent accounting firm during the duration of the vacancy, such accounting firm may still act.

Article 165 The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials without any refusal, concealment and misrepresentation.

Article 166 The audit fee of the accounting firm shall be determined by the shareholders' meeting.

Article 167 When the Company dismisses or does not renew the appointment of an accounting firm, it shall notify the accounting firm 30 days in advance. When the shareholders' meeting of the Company votes on the dismissal of the accounting firm, the accounting firm shall be allowed to express its opinions.

If the accounting firm proposes to resign, it shall state to the shareholders' meeting whether there is any impropriety in the Company.

CHAPTER 8 NOTICES AND ANNOUNCEMENTS

Section 1 Notices

Article 168 The Company's notices shall be given in the following ways:

- (1) by personal delivery;
- (2) by mail, fax or email;
- (3) by announcement;
- (4) by other means as specified in the Articles of Association.

Article 169 A notice given by the Company in the form of an announcement shall be deemed to have been received by all relevant personnel once such announcement is released.

Article 170 Notices of shareholders' meetings of the Company shall be delivered by announcement, personal delivery, mail, fax, email or other written forms.

Article 171 Notices of the meetings of the Board of Directors of the Company shall be delivered by personal delivery, mail, fax, email, announcement or other written forms.

Article 172 If a notice of the Company is delivered by personal delivery, the recipient shall sign (or seal) the delivery receipt, and the date of receipt by the recipient shall be the date of delivery; if a notice of the Company is sent by mail, it shall be deemed to have been delivered on the 5th working day from the date when the notice is delivered to the post office; if a notice of the Company is sent by way of announcement, it shall be deemed to have been delivered on the date when the announcement is first published; if a notice of the Company is sent by fax, it shall be deemed to have been delivered at the record time when the fax is transmitted; if a notice of the Company is sent by email, it shall be deemed to have been delivered at the time of sending the email as recorded on the computer.

Article 173 The accidental omission to give a notice of a meeting to, or the failure to receive a notice of a meeting by any persons entitled to receive such notice, shall not invalidate the meeting or the resolutions adopted thereat.

Section 2 Announcements

Article 174 Announcements of the Company shall be published on the websites of the Hong Kong Stock Exchange and/or the Company in accordance with the relevant requirements of the Hong Kong Listing Rules. The Board of Directors shall have the right to decide and adjust the media determined for disclosure of the Company's information, provided that it shall ensure that the relevant media for disclosure of information comply with the requirements of relevant laws and regulations and the listing rules of the place where the Company's shares are listed.

CHAPTER 9 MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Section 1 Merger, Division, Capital Increase and Capital Reduction

Article 175 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

A merger in which a company absorbs another company is known as merger by absorption, whereby the company being absorbed shall be dissolved. A merger of two or more companies by the establishment of a new company is known as merger by the establishment of a new company, whereby the merged companies shall be dissolved.

Article 176 If the price paid by the Company for a merger does not exceed ten percent of the net assets of the Company, such merger may not require a resolution of the shareholders' meeting, unless otherwise stipulated in the Articles of Association.

In case of a merger of the Company in accordance with the provisions of the preceding paragraph without a resolution of the shareholders' meeting, such merger shall be subject to a resolution of the Board of Directors.

Article 177 In the event of a merger of the Company, the parties to the merger shall sign a merger agreement and prepare a balance sheet and a checklist of properties. The Company shall notify its creditors within 10 days from the date of the merger resolution, and shall publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days. Creditors may request the Company to settle its debts or provide corresponding guarantees within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if they have not received the notice.

- Article 178** At the time of a merger of the Company, the claims and debts of the parties to the merger shall be inherited by the surviving company or the newly established company after the merger.
- Article 179** Where there is a division of the Company, its assets shall be divided accordingly.
- In the event of division of the Company, a balance sheet and a checklist of properties shall be prepared. The Company shall notify its creditors within 10 days of the date of the division resolution, and shall publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days.
- Article 180** The debts of the Company prior to the division shall be assumed jointly and severally by the companies which exist after the division, unless otherwise stipulated in a written agreement between the Company and its creditors in relation to the debt repayment prior to the division.
- Article 181** When the Company reduces its registered capital, it shall prepare a balance sheet and a checklist of properties.
- The Company shall notify its creditors within 10 days from the date when a resolution on the reduction of its registered capital is adopted at the shareholders' meeting, and shall make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days. Creditors shall have the right to request the Company to settle its debts or provide corresponding guarantees within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if they have not received the notice.
- When the Company reduces its registered capital, it shall, according to the proportion of shares held by shareholders, reduce their capital contributions or shares accordingly, unless otherwise provided by laws or the Articles of Association. Upon a special resolution by the shareholders' meeting, the Company may not reduce its registered capital according to the proportion of shares held by shareholders.
- Article 182** If the Company still has losses after making up for losses in accordance with the provisions of Paragraph 2 of Article 153 of the Articles of Association, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for losses, the Company shall not make distributions to shareholders, nor shall it exempt shareholders from their obligations to make payment for shares.

Where the registered capital is reduced in accordance with the preceding paragraph, the provisions of Paragraph 2 of Article 181 of the Articles of Association shall not apply, provided that a public announcement shall be made in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days from the date of the shareholders' meeting's resolution to reduce the registered capital.

After the Company reduces its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits until the aggregate amount of the statutory reserve and discretionary reserve reaches 50% of the Company's registered capital.

Article 183 If the Company reduces its registered capital in violation of the Company Law and other relevant regulations, shareholders shall return any funds they have received, and any waived shareholder capital contributions shall be restored to their original status; where losses are caused to the Company, the shareholders and the responsible directors and senior management shall bear liability for compensation.

Article 184 When the Company issues new shares to increase its registered capital, shareholders shall not have pre-emptive subscription rights, unless otherwise provided in the Articles of Association or decided by a resolution of the shareholders' meeting that shareholders shall have pre-emptive subscription rights.

Article 185 Where there is a change in the registered items due to the Company's merger or division, the Company shall apply for registration of change with the company registration authority in accordance with the law; where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with the law; where a new company is established, the Company shall apply for registration of establishment of the company in accordance with the law.

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

Section 2 Dissolution and Liquidation

Article 186 The Company shall be dissolved for the following reasons:

- (1) expiry of the business term as specified by the Articles of Association or any circumstances for dissolution specified in the Articles of Association arise;
- (2) the shareholders' meeting has resolved to dissolve the Company;

- (3) the merger or division of the Company requires a dissolution
- (4) the business license is revoked, or the Company is ordered to close down or is deregistered according to law;
- (5) if the Company suffers significant hardship in its operation and management, and the ongoing existence would bring significant losses to the interests of shareholders, which cannot be resolved through other means, the shareholders holding more than 10% of the voting rights of the Company may request the people's court to dissolve the Company.

If the Company encounters any of the circumstances specified in the preceding paragraph, it shall announce the circumstances of its dissolution through the National Enterprise Credit Information Publicity System within 10 days.

Article 187

If the Company falls under the circumstances specified the items (1) and (2) of Article 186 of the Articles of Association and has not yet distributed its assets to shareholders, it may survive by amending the Articles of Association or by a resolution of the shareholders' meeting.

Amendments to the Articles of Association in accordance with the preceding paragraph shall be approved by more than two-thirds of the voting rights held by the shareholders present at the shareholders' meeting.

Article 188

Where the Company is dissolved under the circumstances set out in items (1), (2), (4) and (5) of Article 186 of the Articles of Association, the Company shall be liquidated. Directors shall be the liquidation obligors of the Company, and shall establish a liquidation group to commence liquidation within 15 days upon the occurrence of the circumstances for dissolution.

The liquidation group shall consist of directors, unless otherwise provided in the Articles of Association or resolved by a shareholders' meeting to elect others.

If the liquidation obligors fail to perform their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall bear liability for compensation.

Article 189

The liquidation group shall exercise the following functions and power during the period of liquidation:

- (1) liquidating the properties of the Company and preparing a balance sheet and a checklist of properties separately;
- (2) informing creditors by a notice and public announcement;
- (3) disposing of and liquidating the unfinished businesses of the Company;
- (4) clearing off the outstanding taxes and the taxes incurred from the process of liquidation;
- (5) clearing off claims and debts;
- (6) distributing the residual properties after settling such debts;
- (7) participating in the civil litigation on behalf of the Company.

Article 190

The liquidation group shall, within 10 days after its formation, notify the creditors, and shall, within 60 days, make public announcements in a newspaper or the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days after receipt of the notice or within 45 days of the release of the public announcement in the case of failure to receive the said notice, declare their creditors' rights to the liquidation group.

When declaring the claims, creditors shall state the relevant matters concerning their claims and provide supporting documents. The liquidation group shall register such claims.

During the declaration of claims, the liquidation group shall not make any repayments to creditors.

Article 191

After the liquidation group has liquidated the properties of the Company and has prepared a balance sheet and a checklist of properties, it shall formulate a liquidation plan and submit it to the shareholders' meeting or the people's court for confirmation.

The remaining assets of the Company after paying liquidation expenses, wages of employees, social insurance premiums, statutory compensation and outstanding taxes and settling the Company's debts shall be distributed by the Company in proportion to the shares held by shareholders.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities unrelated to the liquidation. The property of the Company shall not be distributed to shareholders until all liabilities have been paid off in accordance with the provisions of the preceding paragraph.

Article 192 If, after liquidating the Company's properties, preparing a balance sheet and a checklist of properties, the liquidation group finds that the Company's properties are insufficient to settle the Company's debts, it shall apply to the people's court for bankruptcy and liquidation in accordance with the law.

After the people's court accepts a bankruptcy application, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator designated by the people's court.

Article 193 After the liquidation of the Company is completed, the liquidation group shall prepare a liquidation report, submit it to the shareholders' meeting or the people's court for confirmation, and submit it to the company registration authority to apply for cancellation of the Company's registration.

Article 194 Members of the liquidation group shall perform their liquidation duties and owe fiduciary and diligence duties.

If a member of the liquidation group is negligent in performing his/her liquidation duties and causes losses to the Company, the member shall bear liability for compensation. If the member causes losses to creditors out of his/her intention or gross negligence, he/she shall bear liability for compensation.

Article 195 If the Company is declared bankrupt in accordance with the law, it shall carry out a bankruptcy and liquidation in accordance with the laws concerning enterprise bankruptcy.

CHAPTER 10 AMENDMENT TO ARTICLES OF ASSOCIATION

Article 196 Under any of the following circumstances, the Company shall amend the Articles of Association:

- (1) after an amendment has been made to the Company Law or the relevant laws, administrative regulations or the Hong Kong Listing Rules, the provisions of the Articles of Association conflict with the provisions of the amended laws, administrative regulations or the Hong Kong Listing Rules;
- (2) the changes that the Company have undergone are not in consistence with the records made in the Articles of Association;

- (3) the shareholders' meeting decides that the Article of Association should be amended.

Article 197 If any amendments to the Articles of Association approved by a resolution of the shareholders' meeting are subject to review and approval by the competent authority, they shall be submitted to the competent authority for approval; if they involve matters related to the registration of the Company, the registration of change shall be handled in accordance with the law.

Article 198 The Board of Directors shall amend the Articles of Association in accordance with the resolution of the shareholders' meeting on the amendment of the Articles of Association and the review and approval comments of the relevant competent authorities.

Article 199 Any amendment to the Articles of Association shall be subject to a public announcement if it is required to be disclosed by laws and regulations.

CHAPTER 11 SUPPLEMENTARY PROVISIONS

Article 200 Definitions

- (1) The term "controlling shareholder" refers to a shareholder whose shares account for more than 50% of the total share capital of the Company; a shareholder whose shares account for less than 50% of the total share capital of the Company but whose voting rights based on the shares held by him/her are sufficient to have a significant impact on the resolutions of the shareholders' meeting, or a controlling shareholder as defined in the Hong Kong Listing Rules.
- (2) The term "de facto controller" refers to a natural person, legal person or other organization that can actually control the acts of the Company through investment relationships, agreements or other arrangements.
- (3) The term "connection (relationship)" refers to the relationship between the Company's controlling shareholders, de facto controllers, directors, senior management and the enterprises they directly or indirectly control, as well as other relationships that may result in the transfer of the Company's interests or the "connection" as defined in the Hong Kong Listing Rules. However, state-controlled enterprises are not considered connected with (related to) each other solely because they are state-controlled.
- (4) The term "independent director" refers to an "independent non-executive director" as referred to in the Hong Kong Listing Rules.
- (5) The term "accounting firm" refers to an "auditor" as referred to in the Hong Kong Listing Rules.

- Article 201** The Board of Directors may formulate detailed rules of the Articles of Association in accordance with the provisions of the Articles of Association. The detailed rules of the Articles of Association shall not conflict with the provisions of the Articles of Association.
- Article 202** The Articles of Association are written in Chinese. In case of any discrepancy between the Articles of Association and any other languages or different versions of the Articles of Association, the latest Chinese version of the Articles of Association approved and registered by the market supervision and management department shall prevail.
- Article 203** In case of any inconsistency between the Articles of Association and laws and regulations, the provisions of laws and regulations shall prevail.
- Article 204** Any disputes between the Company and its shareholders, directors and senior management involving the provisions of the Articles of Association shall first be resolved through consultation. If such disputes cannot be resolved through consultation, they may be submitted to the competent court of the place where the Company is located for litigation.
- Article 205** The terms “above” and “within” as referred to in the Articles of Association shall include the number itself; the terms “over”, “other than”, “less than” and “more than” shall exclude the number itself.
- Article 206** The Articles of Association shall be interpreted by the Board of Directors of the Company.
- Article 207** The appendices to the Articles of Association shall include the rules of procedure for shareholders’ meetings and the rules of procedure for meetings of the Board of Directors.
- Article 208** If the State has other regulations on preferred shares, such regulations shall prevail.
- Article 209** The Articles of Association shall come into effect and be implemented from the date on which it is approved by a special resolution of the shareholders’ meeting of the Company or by the Board of Directors and/or the person(s) authorized by the Board of Directors with the authorization of the shareholders’ meeting. From the effective date of the Articles of Association, the Articles of Association and its amendments previously registered and filed with the competent market supervision and management department shall automatically become invalid.