

**XIAMEN JIHONG CO., LTD**  
**廈門吉宏科技股份有限公司**

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

**ARTICLES OF ASSOCIATION**

**January 2024**

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# ARTICLES OF ASSOCIATION OF XIAMEN JIHONG CO., LTD

## CHAPTER I GENERAL PROVISIONS

**Article 1** For the purposes of protecting the lawful rights and interests of Xiamen Jihong Co., Ltd (hereinafter the “**Company**”) and its shareholders and creditors, as well as regulating the organization and acts of the Company, these 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 Stocks on the Shenzhen Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and other relevant regulations.

**Article 2** The Company is a joint stock limited company incorporated in accordance with the Company Law and other applicable laws and regulations.

The Company was established by the promoters by means of full conversion. The Company is registered with and has obtained its business license as a legal person from the Xiamen Municipal Administration for Market Regulation, with the unified social credit code: 913502007516215965.

**Article 3** On 16 June 2016, the Company was approved by the China Securities Regulatory Commission (the “**CSRC**”) under the approval document Zheng Jian Xu Ke [2016] No. 1306 to issue 29 million RMB-denominated ordinary shares to the public for the first time, and was listed on the Shenzhen Stock Exchange (the “**SZSE**”) on 12 July 2016.

After filing with the CSRC on [ • ] and receiving the Letter of Consent for Listing in Principle from The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) on [ • ], the Company issued [ • ] overseas-listed foreign shares in Hong Kong (the “**H shares**”). The aforesaid H Shares were listed on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) on [ • ].

**Article 4** Registered Name: 廈門吉宏科技股份有限公司  
English name: Xiamen Jihong Co., Ltd

**Article 5** Domicile: No. 9 Putou Road, Dongfu Industry Park II, Haicang District, Xiamen  
Postal code: 361027

**Article 6** The registered capital of the Company is RMB[ • ].

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

**Article 8** The general manager shall be the legal representative of the Company.

**Article 9** The total assets of the Company are divided into shares with equal value. The liability of each shareholder to the Company is limited to the shares subscribed by such shareholder. The Company shall be liable for its debts to the extent of its assets.

**Article 10** From the effective date hereof, these Articles of Association shall become a legally binding document governing the organization and activities of the Company, and the relationship of rights and obligations between the Company and the shareholders and among the shareholders, and be legally binding on the Company and its shareholders, directors, supervisors and senior management. A shareholder may bring an action against another shareholder or any director, supervisor, or any senior management of the Company, or the Company, and the Company may bring an action against any of its shareholders, directors, supervisors, or senior management, in each case, in accordance with these Articles of Association.

**Article 11** For the purposes of these Articles of Association, senior management include the general manager, deputy general manager, secretary of the Board, and chief financial officer.

**Article 12** The Company shall establish a communist party organization and carry out party-related activities in accordance with the provisions of the Constitution of the Communist Party of China. The Company shall provide the necessary venues, personnel and funding support for the Party organization to carry out its activities and ensure effective operations, include Party building expenses under administrative expenses, and support the development of facilities for Party-related activities.

## **CHAPTER II BUSINESS OBJECTIVES AND SCOPE**

**Article 13** The Company's business objective is to uphold quality as the guiding principle, efficiency as the driving force, and talent as the foundation.

**Article 14** Upon lawful registration, the Company's scope of business is as follows: "General items: professional design services; software development; information technology consulting services; sales of Class I medical devices; sales of Class II medical devices; advertisement production; advertisement publication (non-radio, television, newspaper publishing units); advertisement design and agency; manufacturing of plastic products; sales of plastic products; manufacturing of printing-specific equipment; manufacturing of specialized equipment (excluding permitted specialized equipment); repair of specialized equipment; production of labor protection supplies; online sales (excluding commodities requiring a permit); sales of garment accessories; sales of textile fabrics and raw materials; retail of footwear and hats; sales of luggage and bags; sales of leather goods; retail of arts and crafts and collectible items (excluding ivory and its products); retail of jewelry; retail of cosmetics; retail of pet food and supplies; sales of metal products; sales of furniture; sales of household appliances; sales of daily necessities; sales of agricultural and sideline products; sales of communication equipment; sales of electronic products; sales of environmental protection equipment; sales of chemical products (excluding those requiring a permit); retail of hardware products; sales of office equipment and consumables; sales of automobile accessories; sales of maternal and infant products; sales of eyewear (excluding contact lenses); personal business services; enterprise management consulting; corporate image planning; conference and exhibition services; marketing planning; information system integration services; sales of gifts and flowers. (Except for business activities that are subject to approval under the law, business activities may be conducted independently with a business licence). Permitted items: printing of printing materials for packaging and decoration; printing of publications; online sales of publications; technology import and export; goods import and export; alcohol business operations; online sales of food products (pre-packaged food); online sales of food products. (For business activities that are subject to approval under the law, business activities may only be conducted after obtaining approval from the relevant authorities, and the specific business activities shall be subject to the approval documents or permits issued by the relevant authorities.)"

## CHAPTER III SHARES

### Section 1 Issuance of Shares

**Article 15** The Shares of the Company shall take the form of registered shares.

**Article 16** The shares of the Company shall be issued in an open, fair and equal manner. Each share of the same class shall rank pari passu with each other.

Shares of a class in each issuance shall be issued under the same terms and at the same price. Each of the shares shall be subscribed for at the same price by any entity or individual.

**Article 17** All the shares issued by the Company shall be denominated in RMB with a par value of RMB1 per share. The shares issued and listed on the SZSE are referred to as “A Shares”; The shares issued and listed on the Hong Kong Stock Exchange are referred to as “H Shares”.

**Article 18** The A Shares issued by the Company shall be centrally deposited with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The H Shares issued by the Company shall primarily be deposited in the custodian company of the Hong Kong Securities Clearing Company Limited in accordance with the laws and practices for securities registration and depository of the place where the shares of the Company are listed, or may also be held by shareholders in their own names.

**Article 19** The promoters of the Company, together with the number of shares held by such promoters and their respective shareholding percentages, are as set out in the table below:

NO.	Full name of promoters	Number of shares held (10,000 shares)	Shareholding percentage
1	Zhuang Hao	3,981.25	46.84%
2	Zhuang Shu	1,531.25	18.02%
3	Xiamen Jinrunyue Investment Co., Limited* (廈門金潤悅投資有限公司)	1,500.00	17.65%
4	Xiamen Yongyue Investment Consulting Co., Limited* (廈門市永悅投資諮詢有限公司)	875.00	10.29%
5	Zhang Heping	306.25	3.60%
6	He Jingying	306.25	3.60%
<b>Total</b>		<b>8,500.00</b>	<b>100.00%</b>

**Article 20** Upon the completion of the initial public offering of the H Shares (assuming that the Over-allotment Option is not exercised), the total issued share capital of the Company comprises [•] shares, all of which are ordinary shares, including [•] A ordinary shares, representing [•]% of the total issued share capital of the Company, and [•] H ordinary shares, representing [•]% of the total issued share capital of the Company.

**Article 21** The Company and its subsidiaries (including its affiliates) shall not provide any financial assistance to any person purchasing or intending to purchase any shares of the Company in the form of gift, advancement, guarantee, compensation, loan or otherwise.

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

**Article 22** According to the operation and development needs of the Company, subject to the laws and regulations, the Company may increase the capital by the following ways upon resolutions made at the Shareholders' general meeting:

- (i) Public issuance of shares;
- (ii) Non-public issuance of shares;
- (iii) Distribution of bonus shares to existing shareholders;
- (iv) Converting the reserve funds into share capital;

(v) Other means approved by the laws, administrative regulations or approved by the China Securities Regulatory Commission (hereinafter referred to as the CSRC).

**Article 23** Our Company may decrease our registered share capital. The decrease in the registered share capital of the Company shall comply with the procedures stipulated in the Company Law and other relevant regulations and the Articles of Association.

**Article 24** The Company shall not to repurchase its own shares, unless otherwise under the circumstances:

- (i) Reduce our Company's registered capital;
- (ii) Merger with other companies which hold our shares;
- (iii) Using the shares as an employee stock ownership plan or equity incentive;

(iv) Purchasing its shares from Shareholders who have voted against the resolutions on the merger or division of the Company at a Shareholders' general meeting upon their request;

(v) Use of shares for conversion of convertible corporate bonds issued by the Company into shares;

(vi) Necessary for the Company to maintain its value and protect the interests of the shareholders.

**Article 25** The Company may repurchase its own shares by any of the following means, provided that it complies with the applicable securities regulatory rules of the places where the Company's shares are listed:

(i) centralized bidding on the stock exchange;

(ii) tender offer;

(iii) other means approved by the laws, administrative regulations or the securities regulatory authorities of the places where the Company's shares are listed.

Where the Company purchases its shares under the circumstances prescribed in items (iii), (v) and (vi) under the first paragraph of Article 24 of these Articles of Association, such purchase shall proceed in accordance with the methods as stipulated in items (i) and (ii) under the first paragraph of this article. Where the Company repurchases its shares by way of a tender offer, such repurchase shall be conducted in accordance with the provisions governing tender offers under the Administrative Measures for the Takeover of Listed Companies.

**Article 26** A resolution shall be passed at the Shareholders' general meeting when the Company is to repurchase its own shares under the circumstances stipulated in items (i) and (ii) under the first paragraph of Article 24 hereof. In case of the circumstances stipulated in items (iii), (v) and (vi) under the first paragraph of Article 24 hereof, a resolution of the Company's Board shall be passed by more than two-thirds of the Directors attending the Board meeting, provided that it complies with the applicable securities regulatory rules of the places where the Company's shares are listed.

After the Company has repurchased its own shares in accordance with the requirements under the first paragraph of Article 24 hereof, the shares so repurchased shall be canceled within ten days from the date of purchase (under the circumstance set out in (i) above), or shall be transferred or canceled within six months (under the circumstances set out in items (ii) and (iv) above). In case of the circumstances set out in items (iii), (v) and (vi), the total number of shares of the Company held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or canceled within three years.



Any repurchase of the Company's shares by the Company shall adhere to the information disclosure obligations as stipulated in the Securities Law and the securities regulatory rules of the places where the Company's shares are listed.

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

**Article 27**   The Shares of the Company are transferrable according to law. Transfer of any H Shares shall be effected by a written instrument of transfer in a general or standard format or any other format accepted by the Board (including the standard transfer format or transfer form specified by the Hong Kong Stock Exchange from time to time). If the transferor or transferee of the shares of the Company is a recognized clearing house or its agent thereof as defined under the relevant provisions of the Hong Kong laws in force from time to time, the written transfer documents may be signed by hand or by machine imprinted signatures. All instruments of transfer shall be kept at the legal address of the Company or other place designated by the Board from time to time.

**Article 28**   The Company shall not accept shares of the Company as the subject of any pledge.

**Article 29**   Shares of the Company held by the founders shall not be transferred within one year from the date of incorporation of the Company. Shares of the Company that were issued prior to a public issue shall not be transferred within one year from the date on which shares of the Company are listed and traded on the stock exchange.

The Directors, Supervisors and senior management of the Company shall notify the Company of their holdings of shares in the Company and the changes therein. The shares transferrable by them during each year of their tenures shall not exceed 25% of their total holdings of shares in the Company. The shares in the Company held by them shall not be transferred within one year from the date on which the Company's shares are listed for trading. The shares in the Company held by them shall not be transferred within half a year from their departure from the Company.

Where the listing rules of the places where the Company's shares are listed provide otherwise in respect of the restrictions on the transfer of shares, such rules shall prevail.

**Article 30** Any gains from sale of the Company's shares or other securities with an equity nature by the Directors, Supervisors and senior management or shareholders holding 5% or more of the Company's A Shares within six months after their purchase of the same, or any gains from the purchase of the shares or other securities with an equity nature by any of the aforesaid parties within six months after sale of the same shall be paid to the Company, and the Board of the Company shall be responsible for recovering such gains from the abovementioned parties, except for the holding by a securities company of 5% or more of the Company's shares as a result of its undertaking of the untaken shares in an offer, or such other circumstances as prescribed by the CSRC. Where the listing rules of the places where the Company's shares are listed provide otherwise in respect of the restrictions on the transfer of shares, such rules shall prevail.

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

If the Board of the Company fails to comply with the first paragraph, the Shareholders are entitled to request the Board to do so within 30 days. If the Board of the Company fails to comply within the aforesaid period, the Shareholders are entitled to initiate litigation directly in the People's Court in their own names for the interest of the Company.

If the Board of the Company fails to implement the provisions set forth in the first paragraph, the responsible Directors shall bear joint and several liability in accordance with law.

## **CHAPTER IV SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING**

### **Section 1 Shareholders**

**Article 31** The Company shall make a register of shareholders in accordance with evidentiary documents provided by the securities registration authorities. The register of Shareholders is sufficient evidence to prove that the Shareholders hold the Company's Shares. The original register of Shareholders of H Shares shall be maintained in Hong Kong and made available for shareholders' inspection, but the Company may suspend the registration of shareholders in accordance with applicable laws and regulations and the requirements of the securities regulatory rules of the place where the shares of the Company are listed. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

Any shareholder who is registered in, or any person requests to have his/her name entered into, the register of shareholders may, if his/her share certificate is lost, apply to the Company for a replacement share certificate in respect of such shares.

A Shareholder of H Shares who has lost his/her share certificate and applies for a replacement certificate to be issued may do so in accordance with the laws, the rules of the stock exchange or other relevant requirements of the place where the original register of Shareholders of H Shares is maintained.

**Article 32** When the Company convenes a Shareholders' general meeting, distributes dividends, commences liquidation or participates in other activities which require the verification of the identities of shareholders, the Board or the convener of the Shareholders' general meeting shall decide the date of record. The shareholders whose names are registered on the register of shareholders at the close of trading on the date of record shall be entitled to the relevant rights.

**Article 33** The rights of our shareholders are as follows:

(i) To receive distribution of dividends and other forms of benefits according to the number of shares held;

(ii) To legally require, convene, preside over, participate in or authorize proxies of Shareholders to attend the Shareholders' general meeting and exercise corresponding voting rights;

(iii) To supervise the operations of our Company, provide suggestions or submit queries;

(iv) To transfer, grant and pledge the Company's shares held according to the provisions of the laws, administrative regulations and the Articles of Association;

(v) To read the Articles of Association, the register of Shareholders, Company bond stubs, minutes of Shareholders' general meeting, resolutions of meetings of the Board, resolutions of meetings of the Board of Supervisors and financial and accounting reports;

(vi) To participate in the distribution of the remaining assets of our Company according to the proportion of shares held upon our termination or liquidation;

(vii) To require our Company to acquire the shares from Shareholders voting against any resolutions adopted at the Shareholders' general meeting concerning the merger and division of the Company;

(viii) Other rights conferred by laws, administrative regulations, regulations of the authorities, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

**Article 34** Where any Shareholder demands to read the relevant information or obtain any of the aforesaid materials, he shall submit to the Company written documents proving the class(es) and number of shares of the Company he holds. The Company shall provide the same in accordance with the Shareholder's demand after verifying the Shareholder's identity.

**Article 35** In the event that any resolution of the Shareholders' general meeting or resolution of the Board of the Company violates laws or administrative regulations, the Shareholder is entitled to request the People's Court to deem it as invalid.

In the event that the convening procedure or voting method of the Shareholders' general meeting or the Board meeting violates any of laws, administrative regulations or the Articles of Association, or any resolution of which violates the Articles of Association, the Shareholder is entitled to request the People's Court to revoke the same within 60 days upon the resolution was adopted.

**Article 36** If any Director or senior management violates the relevant laws and administrative regulations or the provisions of these Articles of Association in performing his/her duties in the Company, causing any loss to the Company, the shareholder(s) individually or collectively holding one percent (1%) or more of the shares of the Company for more than 180 consecutive days shall have the right to request in writing the Board of Supervisors to bring an action in the people's court. If the Board of Supervisors violates the relevant laws and administrative regulations or the provisions of these Articles of Association in performing its duties in the Company, causing any loss to the Company, any shareholder may request in writing the Board to bring an action in the people's court.

If the Board of Supervisors or the Board refuses to bring an action after receiving a written request from the relevant shareholder(s) as prescribed in the aforementioned paragraph, or fails to bring such action within thirty (30) days upon receipt of such written request, or if the matter is of great urgency and the failure to bring such action immediately will cause irreparable damages to the Company, the relevant shareholder(s) shall have the right to directly bring an action in the people's court in their own name for the benefit of the Company.

If any other person infringes on the legitimate rights and interests of the Company, causing any loss to the Company, the shareholder(s) referred to in the first paragraph of this article may bring an action in the people's court pursuant to the provisions of the first two paragraphs of this article.

**Article 37** If any Director or senior management damages the interests of any shareholder in violation of the relevant laws and administrative regulations or the provisions of these Articles of Association, the relevant shareholder may bring an action in the people's court.

**Article 38** The obligations of Shareholders are as follows:

(i) To abide by laws, administrative regulations and the Articles of Association;

(ii) To provide Share capital according to the Shares subscribed for and Share participation methods;

(iii) Not to return Shares unless prescribed otherwise in laws and administrative regulations;

(iv) Not to abuse Shareholders' rights to infringe upon the interests of the Company or other Shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of Shareholders to damage the interests of the Company's creditors;

Any Shareholder of the Company who abuses Shareholders' rights and causes the Company or other Shareholders to suffer a loss shall be liable for making compensation in accordance with the law.

Any Shareholder of the Company who abuses the status of the Company as an independent legal entity or the limited liability of Shareholders to evade debts and seriously damages the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

(v) To fulfill other obligations as stipulated by the laws, administrative regulations and these Articles of Association.

**Article 39** Any shareholder holding five percent (5%) or more of the voting shares of the Company who pledges any shares held by him/her shall report to the Company in writing on the date of such pledge.

**Article 40** The controlling Shareholders and actual controllers of the Company shall not use their connected relationship to damage the legitimate interests of the Company. Those who violate the provisions and cause losses to the Company shall be liable for compensation.

Controlling Shareholders and actual controllers of the Company shall have a duty of care to the Company and Public Shareholders of the Company. Controlling Shareholders shall exercise their investors' rights in strict accordance with the law, and such Controlling Shareholders shall not damage the lawful interests of the Company or of public Shareholders in any way such as via the distribution of profits, an asset reorganization, external investments, the use of Company's funds or the provision of a loan guarantee, nor shall they abuse their controlling positions to damage the interests of the Company or of public Shareholders.

## **Section 2 General Provisions for Shareholders' General Meetings**

**Article 41** The Shareholders' general meeting is the organ of authority of the Company, which exercises its powers in accordance with the law:

- (i) To decide on the Company's operational policies and investment plans;
- (ii) To elect and remove the Directors and Supervisors (other than the employee representatives) and to decide on matters relating to the remuneration of Directors and Supervisors;
- (iii) To examine and approve reports of the Board;
- (iv) To examine and approve reports of the Board of Supervisors;
- (v) To examine and approve the Company's proposed annual financial budget and final accounts;
- (vi) To examine and approve the Company's proposals for profit distribution plans and loss recovery plans;
- (vii) To decide on any increase or decrease of the Company's registered capital;
- (viii) To decide on the issue of corporate bonds by the Company;
- (ix) To decide on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;
- (x) To amend the Articles of Association;
- (xi) Resolution on appointment and dismissal of an accounting firm by the Company;
- (xii) To examine and approve the provision of guarantees stipulated in Article 42;
- (xiii) To examine matters relating to the purchases and disposals of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;
- (xiv) To examine and approve matters relating to changes in the use of proceeds raised;
- (xv) To examine and approve the equity incentive plans and employee stock ownership plans;

(xvi) To examine other matters as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, which shall be decided by the Shareholders' general meeting.

**Article 42** The following acts of external guarantee of the Company shall be submitted to the Shareholders' general meeting for deliberation and approval:

(i) Any guarantee to be provided after the total amount of external guarantees provided by the Company and its controlling subsidiaries has exceeded 50% of the Company's net assets as audited in the latest period;

(ii) Any guarantee to be provided after the total amount of external guarantees provided by the Company and its controlling subsidiaries has exceeded 30% of the Company's total assets as audited in the latest period;

(iii) The amount of guarantee provided by the Company within one year exceeds 30% of the latest audited total assets of the Company;

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

(v) The single guarantee for an amount more than 10% of the Company's net assets audited in the latest period;

(vi) The guarantee to be provided to a Shareholder, or to a de facto controller and related party thereof;

(vii) Other guarantees required by pertinent laws and regulations, or the securities regulatory rules of the place where the shares of the Company are listed, which shall be decided by the Shareholders' general meeting.

When the guarantee as referred to in item (iii) of the preceding paragraph is considered at the Shareholders' general meeting, the same shall be approved by not less than two-thirds of the voting rights held by the shareholders present at the meeting.

In deliberating a proposal regarding the provision of any guarantee for any shareholder, de facto controller and related party thereof, such shareholder or any shareholder subject to the direction of the de facto controller shall abstain from voting on such proposal, and such proposal shall be adopted with the approval of a majority of votes held by other shareholders present at the Shareholders' general meeting.

**Article 43** The Shareholders' general meetings consist of annual general meeting and extraordinary general meeting. The annual general meeting shall be held once every year within six (6) months from the end of the previous financial year.

**Article 44** The Company shall convene an extraordinary general meeting within two months from the date of the occurrence of any of the following circumstances:

(i) The number of directors is less than 5 or less than two-thirds of the number prescribed in these Articles of Association;

(ii) The uncovered losses of our Company reach one-third of its total paid-in share capital;

(iii) The Shareholders with 10% or more shares of the Company separately or jointly request;

(iv) The Board considers it necessary;

(v) The Board of Supervisors proposes that such a meeting shall be held;

(vi) Other circumstances as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed, or the Articles of Association.

If an extraordinary general meeting is convened in conjunction with the requirements of the securities regulatory rules of the place where the Company's shares are listed, the actual date of the extraordinary general meeting may be adjusted in accordance with the securities regulatory rules of the place where the Company's shares are listed.

**Article 45** A Shareholders' general meeting shall be held at the domicile of the Company or such other place as designated by the Board.

A Shareholders' general meeting shall be held at the designated venue in the form of on-site meeting. The Company may also provide convenience for the shareholders to attend the meeting through the safe, economical and convenient network or other means. Any Shareholders who participates in the meeting through the above means shall be deemed to be present in person.

**Article 46** When the Company convenes a Shareholders' general meeting, a solicitor may be engaged to provide legal advice and make announcement on the following issues:

(i) whether the procedures for convening and holding the meeting comply with the laws, administrative regulations and the Articles of Association;

(ii) whether the eligibility of persons attending the meeting and the qualification of the convener are lawful and valid;



- (iii) whether the voting process and voting results are lawful and valid;
- (iv) legal advice provided on other issues at the request of the Company.

### **Section 3    Summoning of Shareholders' General Meetings**

**Article 47**    Independent Directors shall be entitled to propose to the Board to convene an extraordinary general meeting. Regarding the proposal requesting to convene an extraordinary general meeting by the Independent Directors, the Board shall, in accordance with the laws, administrative regulations and these Articles of Association, inform in writing whether it agrees or disagrees to convene an extraordinary general meeting within ten (10) days upon receipt of the proposal.

If the Board agrees to convene an extraordinary general meeting, the Board shall issue a notice to convene the meeting within five (5) days after it passed a resolution thereon. If the Board refuses to convene an extraordinary general meeting, the Board shall explain the reason and publish an announcement.

**Article 48**    The Board of Supervisors shall be entitled to propose to the Board to convene an extraordinary general meeting, and shall put forward its proposal to the Board in writing. The Board shall, pursuant to the laws, administrative regulations and these Articles of Association, inform in writing whether it agrees or disagrees to convene the extraordinary general meeting within ten (10) days upon receipt of the proposal.

If the Board agrees to convene an extraordinary general meeting, it shall issue a notice to convene the Shareholders' general meeting within five (5) days after it passed a resolution thereon, provided that no change shall be made to the proposal in such notice without the consent of the Board of Supervisors.

If the Board does not agree to convene an extraordinary general meeting, or fails to respond within ten (10) days upon receipt of the proposal, the Board shall be deemed to be unable or fail to perform its duties to convene a Shareholders' general meeting, and the Board of Supervisors may convene and preside over a Shareholders' general meeting on its own.

**Article 49**    Shareholders who individually or collectively hold more than 10% of the shares of the Company shall have the right to request the Board to convene an extraordinary general meeting, and shall submit such request in writing to the Board. The Board shall in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide written feedback on whether or not to convene the extraordinary general meeting within 10 days after receiving the request.

Where the Board agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days after the resolution of the Board is made, and changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

Where the Board does not agree to convene an extraordinary general meeting, or fails to give feedback within 10 days after receiving the request, shareholders who individually or collectively hold more than 10% of the Company's shares shall have the right to propose to the Board of Supervisors to hold an extraordinary general meeting, and shall make a written request to the Board of Supervisors.

Where the Board of Supervisors agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

Where the Board of Supervisors fails to issue a notice of the general meeting within the prescribed time limit, it shall be deemed that the Board of Supervisors has not convened and presided over the general meeting, and shareholders who individually or collectively hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over it on their own.

**Article 50** Where the Board of Supervisors or shareholders decide to convene a Shareholders' general meeting by themselves, they shall notify the Board in writing and submit the relevant supporting materials with the relevant branch office of the CSRC where the Company locates and the SZSE at the same time.

Prior to the announcement of the resolution of the Shareholders' general meeting, the shareholding ratio of the convening shareholders shall not be less than 10%.

The Board of Supervisors or the convening shareholders shall submit relevant supporting materials to the relevant branch office of the CSRC where the Company locates and the SZSE when issuing the notice of the general meeting and the announcement of the resolutions of the Shareholders' general meeting.

**Article 51** If the Board of Supervisors or any shareholder(s) convenes a Shareholders' general meeting by itself/themselves, the Board and the Secretary of the Board shall give cooperation and the Board shall provide the register of shareholders as of the date of record.

**Article 52** The expenses necessary for the Shareholders' general meeting convened by the Board of Supervisors or the shareholders themselves shall be borne by the Company.

## **Section 4 Proposals and Notices in Respect of Shareholders' General Meeting**

**Article 53** A proposal at the Shareholders' general meeting shall fall within the scope of powers of the Shareholders' general meeting, with topics for discussion and specific resolutions, and comply with the relevant laws, administrative regulations, and the provisions of these Articles of Association.

**Article 54** Where the Company convenes a Shareholders' general meeting, the Board, the Board of Supervisors and Shareholders who individually or jointly hold more than 3% of the shares of the Company shall have the right to put forward proposals to the Company.

Shareholders who individually or collectively hold more than 3% of the shares of the Company may submit an interim proposal in writing to the convener 10 days prior to the convening of the Shareholders' general meeting. The convener shall issue a supplementary notice of the Shareholders' general meeting within 2 days after receiving the proposal, and announce the contents of the interim proposal. If the Shareholders' general meeting is to be postponed for the publication of the supplementary notice of the Shareholders' general meeting in accordance with the provisions in the securities regulatory rules of the place where the Company's shares are listed, the convening of the Shareholders' general meeting shall be postponed in accordance with such provisions.

Except for circumstances provided in the above paragraph, the convener, after issuing the announcement regarding the notice of the Shareholders' general meeting, shall neither modify the proposals stated in the notice of Shareholders' general meetings nor add new proposals.

The Shareholders' general meeting shall not vote for or pass a resolution on any proposal not stated in the notice of Shareholders' general meeting or not complying with the provisions of Article 53 hereof.

**Article 55** The convener shall notify all shareholders in writing (including by way of announcement) 21 days prior to the convening of the annual general meeting, and each shareholder shall be notified in writing (including by way of announcement) 15 days prior to the convening of the extraordinary general meeting.

When calculating the period for issuing the announcement, the date of the meeting shall be excluded.

**Article 56** The notice of a Shareholders' general meeting includes the following:

(i) The time, place and duration of the meeting;

(ii) The matters and proposals to be discussed at the meeting;

(iii) In plain language: all Shareholders have the right to attend the general meeting of shareholders, and may entrust a proxy in writing to attend the meeting and vote. Such a proxy does not need to be a shareholder of the Company;

(iv) The shareholding registration date of the Shareholders entitled to attend the general meeting;

(v) Name and telephone number of the permanent contact person for conference affairs;

(vi) Timing and procedures of voting by internet and otherwise.

**Article 57** If the election of any Director(s) or Supervisor(s) will be discussed at a Shareholders' general meeting, the notice of the Shareholders' general meeting shall specify the particulars of each Director or Supervisor candidate, which shall at least include:

(i) educational background, work experience, concurrent posts and other personal information;

(ii) whether such candidate is affiliated with the Company or the controlling shareholder and de facto controllers of the Company;

(iii) the number of shares held in the Company;

(iv) whether such candidate has been subject to any penalty imposed by the CSRC or other relevant authorities or any punishment imposed by any stock exchange;

(v) other contents required by the CSRC or SZSE and stock exchange of the place where the Company's shares are listed.

Except where the Director and Supervisor will be elected through the cumulative voting system, each Director or Supervisor candidate shall be nominated by a separate proposal.

**Article 58** After the notice of a Shareholders' general meeting has been issued, the Shareholders' general meeting shall not be adjourned or canceled without justifiable reason, and no proposal set forth in the notice of the Shareholders' general meeting shall be canceled. If the meeting needs to be adjourned or canceled, the convener shall publish an announcement and explain the reason at least two (2) working days prior to the originally scheduled date of the meeting. Where the Board or the Board of Supervisors serves as the convener, they shall hold a meeting to deliberate on the cancellation of the Shareholders' general meeting. Where the securities regulatory rules of the place where the Company's shares are listed contain special provisions for procedures regarding the postponement or cancellation of a Shareholders' general meeting, such provisions shall be followed, provided that they do not violate domestic regulatory requirements.

## **Section 5 Convening of Shareholders' General Meeting**

**Article 59** The Board and other conveners of the Company shall take necessary measures to guarantee the normal order of each Shareholders' general meeting and prevent any person from interfering with or inciting public disorder at any Shareholders' general meeting or otherwise infringing on the legitimate rights and interests of the shareholders, and promptly refer any such act to the competent authorities for investigation and punishment.

**Article 60** All shareholders registered on the date of record or their proxies shall be entitled to attend Shareholders' general meetings, and to speak and exercise their voting rights at the Shareholders' general meeting pursuant to the relevant laws and regulations and the Articles of Association (unless individual shareholders are required to waive their voting rights on certain matters under the securities regulatory rules of the places where the Company's shares are listed).

A shareholder may attend and vote at the Shareholders' general meeting in person or by one or more proxies. A proxy does not need to be a shareholder of the Company.

**Article 61** Individual shareholders attending the meeting in person shall present their personal identity cards or other valid certificates or documents or stock account card that can indicate their identity. Proxies attending the meeting shall present their personal identity cards and the proxy statements from the shareholder.

Corporate shareholders shall be represented by its legal representative or proxies authorized by the legal representative. Legal representatives attending the meeting shall present their personal identity cards or valid documents that can prove its identity as the legal representative. Proxies authorized to attend the meeting shall present their personal identity cards or the written proxy statement legally issued by the legal representative of the legal person shareholder (except for shareholders who are recognized clearing houses as defined by the relevant regulations in force from time to time under the Hong Kong laws or the securities regulatory rules of the places where the Company's shares are listed (the "**Recognized Clearing Houses**") and their nominees).

If a shareholder is a Recognized Clearing House as defined by the relevant regulations in force from time to time under the Hong Kong laws or its nominee, such shareholder may authorize one or more persons as it thinks fit to act as its proxy or representative at any Shareholders' general meeting or class meeting. However, if more than two proxies are appointed, the proxy form or power of attorney shall specify the number and class of shares represented by each of such proxies so authorized. Such proxies so authorized are entitled to exercise the rights on behalf of the Recognized Clearing House or its nominees (without presenting a shareholding certificate, notarized authorization and/or further evidence confirming its due authorization), as if they were the individual shareholders of the Company.

**Article 62** The power of attorney issued by a shareholder to appoint other persons to attend a Shareholders' general meeting shall specify the following:

(i) name of the proxy;

(ii) whether the proxy has the voting right;

(iii) instructions on voting for or against or abstaining from voting on each matter listed on the agenda of the meeting;

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

(v) signature or seal of the appointer. If the appointer is a corporate shareholder, the common seal of the legal entity shall be affixed.

**Article 63** The power of attorney shall specify whether or not his/her proxy may vote at his/her discretion in the absence of instructions from the shareholders.

**Article 64** Where the proxy form is signed by a person authorized by the appointer, the written power of attorney or other authorization documents authorizing such person to sign the same shall be notarized. The notarized power of attorney or other authorization documents and the proxy form shall be kept at the domicile of the Company or other location designated in the notice convening the meeting before the meeting at which the proxy form is put to vote is convened or before the designated voting time.

Where the appointer is a legal person, its legal representative or the person authorized by the Board or other governing bodies may attend the Shareholders' general meeting of the Company as a representative of such appointer.

If the shareholder is a Recognized Clearing House (or its nominee), such shareholder may authorize one or more persons it thinks fit to act as its proxy at any Shareholders' general meeting or creditors' meeting. However, if more than one person is appointed as proxies, the proxy form shall clearly state the number and class of shares represented by each of such proxies so authorized. The proxy forms shall be signed by the person authorized by the Recognized Clearing House. The proxies so authorized are entitled to exercise the rights on behalf of the Recognized Clearing House or its nominees (without presenting a shareholding certificate, notarized authorization and/or further evidence confirming its due authorization), and shall be entitled to the legal rights equivalent to those of the other shareholders, including the right to speak and vote, as if they were individual shareholders of the Company.

**Article 65** The Company shall prepare a register of attendance of any Shareholders' general meeting, which shall contain the following information of each attendee: name of the attendee (or name of entity represented by him/her), his/her identity card number and address of domicile, number of voting shares held or represented by him/her and name of shareholder represented by him/her (or name of such shareholder's entity).

**Article 66** The convener and the counsels appointed by the Company shall jointly verify the legality of the capacity of shareholders based on the register of shareholders as provided by the securities registration and clearing institution, and register the name of and number of voting shares held by each shareholder. Such registration shall be completed before the chairperson of the meeting declares the number of shareholders attending the meeting in person or by proxy and the total number of voting shares held by them.

**Article 67** All Directors, Supervisors and the Secretary of the Board shall attend, and the general manager and other senior management shall appear as observers at each Shareholders' general meeting.

**Article 68** A Shareholders' general meeting shall be presided over by the Chairman. If the Chairman is unable or fails to perform his/her duties, the vice chairman shall preside over the meeting. In the event that even the vice chairman is unable to or fails to fulfill the duty thereof, the majority of the Directors shall jointly elect a Director to preside over the meeting.

A Shareholders' general meeting convened by the Board of Supervisors shall be presided over by the chairman of the Board of Supervisors, or if the chairman of the Board of Supervisors is unable or fails to perform his/her duties, by one Supervisor chosen by more than half of the Supervisors.

A Shareholders' general meeting convened by any shareholder(s) shall be presided over by a representative appointed by the convener.



When convening a Shareholders' general meeting, if the chairperson of the meeting violates the rules of procedure as a result of which the meeting is unable to proceed, with the consent of a majority of the shareholders with voting rights present at the meeting, the Shareholders' general meeting may appoint one person as the chairperson to continue the meeting.

**Article 69** The Company shall establish rules of procedure for the Shareholders' general meeting, specifying the procedures for convening and voting at the Shareholders' general meeting, including, among others, notice, registration, deliberation of proposals, casting of votes, counting of votes, declaration of voting results, adoption of resolutions, meeting minutes and execution thereof, announcement, and principle of delegating powers to the Board by the Shareholders' general meeting, of which powers shall be clear and specific. The rules of procedure for the Shareholders' general meeting shall be prepared by the Board and approved by the Shareholders' general meeting, and constitute an exhibit to these Articles of Association.

**Article 70** At an annual general meeting, the Board and the Board of Supervisors shall report their respective work in the preceding year to the Shareholders' general meeting, and each Independent Director shall deliver a work report.

**Article 71** The Directors, Supervisors and senior management shall provide explanations in respect of the inquiries and suggestions made by the shareholders at any Shareholders' general meeting.

**Article 72** The chairperson of a Shareholders' general meeting shall, before the commencement of a vote, declare the number of the shareholders attending the meeting in person or by proxy and the total number of voting shares held by them, subject to the register of attendance of the meeting.

**Article 73** The Secretary of the Board shall be responsible for preparing minutes of each Shareholders' general meeting, which shall contain, among others:

- (i) time, place and agenda and name of convener of the meeting;
- (ii) names of the chairperson, Directors, Supervisors, the general manager and other senior management that are attendees or observers at the meeting;
- (iii) number of the shareholders attending the meeting in person or by proxy and the total number of voting shares held by them, and proportion of total shares of the Company represented by such shares;
- (iv) course of deliberation of, key points of the opinions expressed and result of voting on each proposal;



(v) inquiries and suggestions made by the shareholders and replies or explanations in connection therewith;

(vi) names of the counsels, teller(s) and scrutineer(s);

(vii) other information required by these Articles of Association to be contained in the minutes.

**Article 74** The convener of a Shareholders' general meeting shall ensure the information contained in the minutes of the meeting is true, accurate and complete. The minutes of the meeting shall be signed by the Directors, Supervisors, the Secretary of the Board, the convener or his/her proxy present at the meeting and the chairperson, and be kept together with the register of attendance of the shareholders present, the powers of attorney and valid information on results of voting online or by other means in respect of the meeting for a period of ten (10) years.

**Article 75** The convener of a Shareholders' general meeting shall ensure the meeting proceeds continuously, until the final resolutions have been adopted, and if the meeting is discontinued or fails to adopt any resolution due to any force majeure or other special reasons, necessary measures shall be taken to resume the meeting as soon as practicable or directly terminate the meeting, and announcements shall be made in a timely manner. Meanwhile, the convener shall report to the authorities delegated by the CSRC in the place where the Company is located and the stock exchange.

## **Section 6 Voting at and Resolutions of Shareholders' General Meeting**

**Article 76** The resolutions of the Shareholders' meeting divided into ordinary resolutions and special resolutions.

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

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

**Article 77** The following matters shall be approved by the Shareholders' general meeting through ordinary resolutions:

(i) Work report of the Board and the Board of Supervisors;

(ii) Plans of earnings distribution and loss make-up schemes drafted by the Board;

(iii) Appointment or dismissal of the members of the Board and the Board of Supervisors, and their payment and payment methods;

(iv) Annual budgets plan and final accounts plan of the Company;

(v) Annual report of the Company;

(vi) Other matters other than those approved by special resolution stipulated in the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed, or the Articles of Association.

**Article 78** The following matters shall be approved by special resolution at the Shareholders' general meeting:

(i) The increase or reduction of the registered capital of the Company;

(ii) The division, spin-off, merger, dissolution and liquidation of the Company;

(iii) Amendments to the Articles of Association;

(iv) Purchase or sale of significant assets within a year or any guarantee amount which exceeds 30% of the Company's audited total assets for the latest period;

(v) Share option incentive plan;

(vi) Spin-off of the subsidiary for listing;

(vii) Issuance of shares, convertible corporate bonds or other category of securities recognize by the CSRC;

(viii) Repurchase of Shares for Purpose of Reduction of Registered Capital;

(ix) Significant asset reorganization;

(x) A resolution of the Shareholders' general meeting of the Company to voluntarily withdraw the listing of its shares from trading on the SZSE and/or Hong Kong Stock Exchange, and to decide not to trade on the Exchange or to apply for trading or transfer of its shares to other trading venues;

(xi) Other matters as required by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association, and matters approved by ordinary resolution of the Shareholders' general meeting which are believed could materially affect our Company and need to be approved by special resolution.

**Article 79** Shareholders (including proxies) shall exercise voting rights based on the number of shares with voting rights as represented by them, and each share shall be entitled to one vote. On a poll taken at a meeting, a shareholder (including proxy) entitled to two or above votes need not cast all his/her votes for, against or abstention in the same way.

Where material issues affecting the interests of minority shareholders are considered at the Shareholders' general meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The shares of the Company held by the Company shall have no voting right, and shall not be included in the total number of shares with voting rights of shareholders present at the Shareholders' general meeting.

If a shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the Shareholders' general meeting for thirty-six months after the purchase.

If any shareholder is required to abstain from voting on any particular resolution or is restricted to voting only for (or only against) any resolution under applicable laws and regulations and the Hong Kong Listing Rules, any vote cast by such shareholder (or his/her proxy) in contravention of such requirement or restriction shall not be counted towards the total number of shares with voting rights.

The Board of the Company, independent Directors, shareholders holding more than one per cent of the shares with voting rights, or investor protection agencies established in accordance with laws, administrative regulations or the requirements by the CSRC may publicly solicit voting rights from shareholders. The solicitation of voting rights from shareholders shall fully disclose to the solicited parties the information such as the specific voting intentions.

Provision of compensation or in a disguised form of compensation is prohibited in soliciting shareholders' voting rights. Except for statutory conditions, the Company shall not impose any minimum shareholding restrictions on the solicitation of voting rights.

**Article 80** A shareholder interested in any related-party transaction deliberated at a shareholders' general meeting shall abstain from voting on such matter, the voting shares held by such shareholder shall not be counted in the valid total voting shares, and the announcement regarding the resolutions of the shareholders' general meeting shall fully disclose the votes by the non-interested shareholders.

**Article 81** When the shareholders' general meeting proceeds to deliberate such related-party transaction, the interested shareholder shall take the initiative to declare the nature of his/her interest and abstain from voting; and if he/she fails to do so, other shareholders may request him/her to declare the same and abstain from voting. The convener shall investigate whether such shareholder is an interested shareholder and whether such shareholder should abstain from voting according to the relevant regulations.

An interested shareholder who should abstain from voting may participate in the discussion about such transaction, and provide explanations about the reason for entry into such transaction, particulars of such transaction, and fairness and legality of such transaction at the shareholders' general meeting.

After the end of the shareholders' general meeting, if any shareholder discovers that any interested shareholder participated in the vote on any related-party transaction, or has an objection over the application of the abstention principle, such shareholder shall have the right to bring an action in respect of the relevant resolutions at the people's court in accordance with the provisions of these Articles.

**Article 82** Unless the Company faces a crisis or falls into other special situations, without the approval of a special resolution by the shareholders' general meeting, the Company shall not enter into any contract with any person other than the Directors, general manager and other senior management of the Company, pursuant to which, the Company will delegate the management of all or any important business of the Company to such person.

**Article 83** The list of candidates for directors and supervisors shall be submitted to the Shareholders' general meeting for voting by proposals. Except where the Director and Supervisor will be elected through the cumulative voting system, each Director or Supervisor candidate shall be nominated by a separate proposal. The Board shall publicly disclose the respective resumes and particulars of Director and Supervisor candidates to the shareholders.

Method and procedure of nomination of Directors and Supervisors:

(i) the Board and the shareholder(s) individually or collectively holding three percent (3%) or more of the shares in the Company shall have the right to nominate Non-independent Director candidates, and after soliciting the opinions of such nominees and examining their qualifications, the Board shall submit a proposal to the Shareholders' general meeting.

(ii) the Board of Supervisors and the shareholder(s) individually or collectively holding three percent (3%) or more of the shares in the Company shall have the right to nominate shareholders' representatives as Supervisor candidates, and after soliciting the opinions of such nominees and examining their qualifications, the Board of Supervisors shall submit a proposal to the Shareholders' general meeting.

(iii) The method and procedure for nominating independent Directors shall comply with relevant provisions of laws, administrative regulations and departmental rules.

When electing Directors and Supervisors at a Shareholders' general meeting, the cumulative voting system may be adopted pursuant to these Articles or the relevant resolutions of the Shareholders' general meeting. That is, when Shareholders' general meeting electing directors or supervisors at a Shareholders' general meeting, each share shall be entitled to such number of votes that is equal to the number of Directors or Supervisors to be elected, and a shareholder may allocate all of his/her votes to a single candidate. When a single shareholder together with its parties acting in concert controls 30% interests of the Company or more, or when two or more directors or supervisors are to be elected, the cumulative voting system shall be adopted.

Specific processes of cumulative voting system are as follows:

(i) the election of and votes on the Independent Directors, Non-independent Directors and Supervisors shall be conducted separately.

(ii) in the election of the Independent Directors, each shareholder shall be entitled to such number of votes that is equal to the number of shares held by him/her multiplied by the number of available positions of the Independent Directors; such votes may only be allocated to the Independent Director candidates, and the candidates with the most votes will be elected;

(iii) in the election of the Non-independent Directors and the Supervisors, each shareholder shall be entitled to such number of votes that is equal to the number of shares held by him/her multiplied by the number of available positions of the Non-independent Directors and the Supervisors; such votes may only be allocated to the Non-independent Director and the Supervisor candidates, and the candidates with the most votes will be elected.

(iv) if the number of candidates exceeds the number specified herein, the number of the Independent Directors, Non-independent Directors and Supervisors elected by each shareholder shall not exceed the respective number of the Independent Directors, Non-independent Directors and Supervisors specified herein, and the total number of votes cast by him/her shall not exceed the number of votes that he/she is entitled to. Otherwise, the votes cast by such shareholder shall be invalid.

(v) the scrutineer(s) and teller(s) at the Shareholders' general meeting shall carefully examine the compliance with the foregoing provisions, to ensure the fairness and validity of the cumulative voting.

**Article 84** Except for the cumulative voting system, votes on proposals shall be taken one by one at a shareholders' general meeting, and if there are different proposals regarding the same matter, vote on such proposals shall be taken in order of time of submission thereof. Unless the shareholders' general meeting is discontinued or fails to adopt any resolution due to any force majeure or other special reasons, the shareholders' general meeting shall not put on hold or refrain from voting on any proposal.

**Article 85** No proposal deliberated at a shareholders' general meeting shall be amended; otherwise, the relevant amendment shall be deemed a new proposal, which shall not be voted on at the same meeting.

**Article 86** The same vote may only be cast once on site, online or by other means, provided that if the same vote is cast more than once, only the first vote will be deemed valid.

**Article 87** Votes at a shareholders' general meeting shall be cast in a registered manner.

**Article 88** Before voting on any proposal, a shareholders' general meeting shall choose two shareholders' representatives to participate in the votes counting or scrutinizing, provided that no such shareholders' representative shall be a shareholder who is interested in the subject matter of such proposal or his/her proxy.

When voting on any proposal at a Shareholders' general meeting, the counsels (if applicable), shareholders' representatives and supervisors' representatives shall jointly count and scrutinize the votes cast on such proposal. The voting results shall be declared at the meeting and recorded in the minutes of the meeting.

The shareholders, who cast votes online or by other means, whether in person or by proxy, shall have the right to check their voting results through the relevant voting system.

**Article 89** The on-site voting at a Shareholders' general meeting shall not end before voting online or by other means. The chairperson shall declare the voting and result thereof on each proposal, and whether such proposal has been adopted accordingly.

Before the formal declaration of the result of any voting, the Company, teller(s), scrutineer(s), substantial shareholders, network service providers and other persons involved in voting on site, online or by other means at the Shareholders' general meeting shall have the obligation to keep confidential the information related to the voting.

**Article 90** A shareholder attending any Shareholders' general meeting shall vote for or against or abstain from voting on each proposal submitted to the meeting for voting, except the securities registration and clearing institution, as a nominee holder under the Mainland-Hong Kong Stock Connect Scheme, may make declarations according to the intentions of the actual holders.

In the event of any vote that is uncompleted, erroneously completed or illegible, or fails to be cast, the shareholder casting or failing to cast the same shall be deemed to have waived his/her voting right, and the voting results of the shares held by him/her shall counted as “abstaining from voting”.

In case of different proposals for the same matter, the shareholder or his/her proxy shall not vote in favor of the different proposals for the same matter simultaneously at a shareholders’ general meeting.

**Article 91** If the chairperson of the Shareholders’ general meeting has any doubt about the result of voting on any resolution submitted for voting, the chairperson may request the votes cast to be counted. If the chairperson does not request the votes to be counted, any shareholder attending 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 declared if such shareholder objects to the result of voting declared by the chairperson, in which case, the chairperson shall immediately have the votes counted.

**Article 92** Resolutions passed at a shareholders’ general meeting shall be announced promptly. The announcement shall set out the number of the shareholders and their proxies present at the meeting(s), the total number of voting shares represented by them and the proportion of the total number of the Company’s voting shares, the voting method, the voting result of each proposal and the details of each resolution passed.

**Article 93** The resolutions of a shareholders’ general meeting shall specifically indicate any proposal that fails to be adopted at the meeting or any amendment to any resolution of the previous shareholders’ general meeting in the corresponding announcement.

**Article 94** If a shareholders’ general meeting adopts any resolution on the appointment of Directors and Supervisors, the term of office of the newly appointed Directors and Supervisors shall commence from the date of adoption of the relevant resolution at the shareholders’ general meeting.

**Article 95** Where a resolution on the distribution of cash or stock dividends or capitalization of capital reserve is adopted at a Shareholders’ general meeting, the Company shall implement the specific plan within two (2) months after the end of the Shareholders’ general meeting. If the specific plan cannot be implemented within two (2) months due to the requirements of the laws and regulations and the securities regulatory rules of the place where the Company’s shares are listed, the implementation date of the specific plan may be adjusted accordingly in accordance with such requirements and the actual situation.



## **CHAPTER V THE BOARD**

### **Section 1 Directors**

**Article 96** Directors of the Company may include executive directors, non-executive directors and independent directors (namely independent non-executive directors). Non-executive director refers to the director who does not hold any operational management position in the Company, and independent director refers to the person who complies with the requirements of Article 105 of the Articles of Association. Each Director of the Company shall be a natural person. No Director of the Company shall be a person who:

(i) does not have capacity or only has limited capacity for civil conduct;

(ii) has been subject to any criminal penalty due to graft, bribery, embezzlement of property, misappropriation of property or disruption of the order of socialist market economy or been deprived of his/her political rights, and has completed his/her sentence not more than five (5) years;

(iii) has been the director, factory manager or manager of any company or enterprise that went bankrupt and was liquidated not more than three (3) years, and is personally liable for the bankruptcy of such company or enterprise;

(iv) has been the legal representative of any company or enterprise that had its business license revoked and was ordered to be closed down due to violation of law not more than three (3) years, and is personally liable for such violation;

(v) owes a large amount of debts due and unpaid;

(vi) has been and is still being banned by the CSRC from entering the stock market;

(vii) was publicly identified by a stock exchange as inappropriate to act as a director of listed company;

(viii) was publicly condemned or informed criticism for more than three times by any stock exchange within the last three years;

(ix) was investigated by the judicial authorities for suspected crimes or being investigated by the CSRC for suspected non-compliance, with no clear conclusive opinion for the time being;

(x) is otherwise disqualified to serve as a Director of the Company pursuant to the applicable laws, administrative regulations, department rules or the listing rules of the place where the shares of the Company are listed.



The election, appointment or engagement of any Director in violation of the provisions of this Article shall be invalid and void. Any Director who becomes disqualified during his/her term of office pursuant to this Article shall be removed from office by the Company.

**Article 97** Directors shall be elected or replaced at the Shareholders' general meeting and may be removed at the Shareholders' general meeting prior to the expiration of their term of office. Directors' term of office shall be three years and they are eligible for re-election upon expiration of their term of office pursuant to the securities regulatory rules of the place where the shares of the Company are listed.

The term of office of the Directors shall be counted from the date of appointment until the expiration of the term of the current Board. When the Directors' term expires and re-election is not held in time, the original Directors shall still perform their duties as Directors in accordance with laws, administrative regulations, departmental rules and these Articles of Association before the re-elected Directors take office.

The Board of the Company shall not have any employee representative Director. The senior management may serve as Director(s) concurrently, provided that the total number of Directors who are the senior management concurrently shall not exceed one half (1/2) of the total number of Directors of the Company.

**Article 98** The directors shall abide by laws, administrative regulations and the Articles of Association, and bear fiduciary obligations towards the Company:

(i) Shall not abuse their authority to accept bribes or other illegal income and shall not misappropriate the properties of the Company.;

(ii) Shall not misappropriate company funds;

(iii) Shall not deposit any of the Company's assets or capital in an account opened in their own names or in others' names;

(iv) Shall not, in violation of the Articles of Association, loan Company's funds or corporate assets to any other person or provide guarantees to any other person without the approval of the Shareholders' general meeting or the Board;

(v) Shall not conclude any contract or engage in any transaction with the Company either in violation of the Articles of Association or without the approval of the Shareholders' general meeting;

(vi) Shall not use the advantages provided by their own positions to pursue business opportunities that properly belong to the Company to engage in the same business as the Company either for their own account or for the account of any other person without the approval of the Shareholders' general meeting;

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

(viii) Shall not disclose confidential Company's information without authorization;

(ix) Shall not use their connected relationships to damage the Company's interests;

(x) To be honest and trustworthy in the performance of duties, to exercise rights in the overall interests of the Company and all shareholders within the scope of his or her authorities, to avoid actual or potential conflicts of interest and duty, and to put the interests of the Company and all shareholders above his or her own interests in the event of conflict of interest;

(xi) Other fiduciary obligations stipulated in laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association.

The income obtained by the director in violation of this article shall belong to the Company; if losses are caused to the Company, it shall be liable for compensation.

**Article 99** Directors shall abide by laws, administrative regulations and the Articles of Association, and have the following diligent obligations to the Company:

(i) In principle, attend the Board meeting in person, act diligently in a normal and reasonable prudent manner, and express clear opinions on the matters deliberated; where a director is unable to attend a board meeting in person for any reason, he/she shall prudently select and entrust in writing another director to attend the meeting on his/her behalf; an independent director shall not entrust a non-independent director to attend a meeting on his/her behalf;

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

(iii) Shall treat all Shareholders fairly;

(iv) Shall carefully read various business and financial reports of the Company and reports of the Company in public media, promptly understand and continuously pay attention to the operation and management status of the Company's business as well as material events that have occurred or are likely to occur in the Company and their effects, promptly report to the Board issues existing in the Company's operation activities, and shall not evade responsibility on the grounds of not directly engaging in operation and management, or not knowing it

(v) Shall sign written statements confirming the regular reports of the Company, and ensure that the information disclosed by the Company is true, accurate and complete;

(vi) Shall truthfully provide information and materials to the Board of Supervisors and shall not obstruct the Board of Supervisors or individual Supervisors from performing its or their duties;

(vii) Other obligations of diligence stipulated in the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed, and Articles of Association.

**Article 100** If any Director fails to attend in person or appoint another Director to attend on his/her behalf two (2) consecutive Board Meetings, such Director shall be deemed to be unable to perform his/her duties and the Board shall propose removal of such director to the shareholders' general meeting.

**Article 101** A Director may submit his/her resignation to the Board in writing prior to the expiration of his/her term of office, in which case, the Board shall disclose the relevant information within two (2) days.

Except as otherwise provided in the following circumstances, the resignation of a Director shall take effect when his/her letter of resignation is delivered to the Board:

(I) the resignation of a director would result in the members of the Board falling below the statutory minimum number;

(II) the number of independent directors is less than the one-third of the members of the Board or there is no accounting professional among independent directors as a result of the resignation of independent directors.

In the aforementioned circumstances, the resignation report of a director shall only take effect after the vacancy resulting from his/her resignation is filled by the next director. Before the resignation report takes effect, the director proposing to resign shall continue to fulfill his/her duties in accordance with relevant laws, regulations and these Articles of Association.

**Article 102** Any Director whose resignation has taken effect or term of office has expired shall perform all necessary hand-over procedures with the Board, and continue to be bound by the obligation to keep confidential the trade secrets of the Company until the relevant trade secrets have been made public, and other fiduciary duties to the Company and the shareholders shall remain valid until two (2) years after he/she terminates service with the Company.

**Article 103** Without the provisions of the Articles of Association or the lawful authorization of the Board, no Director shall act in his own name on behalf of the Company or the Board. When a Director acts in his/her own name, the Director shall declare his/her position and identity in advance if the third party reasonably believes that the Director is acting on behalf of the Company or the Board.

**Article 104** A Director shall be personally liable for any loss suffered by the Company as a result of a violation by him/her of any laws, administrative regulations, departmental rules or the Articles of Association in the course of performing his/her duties in the Company.

**Article 105** The independent Directors shall perform their duties in accordance with relevant provisions of the laws, administrative regulations and departmental rules.

## **Section 2 The Board**

**Article 106** The Company shall have a Board accountable to the Shareholders' general meeting.

**Article 107** The Board consists of eleven Directors, five of whom are independent Directors. The Board of the Company shall have one chairman and one vice chairman who shall be elected by the Board. At all times, one-third or more of the members of the Board shall be independent non-executive directors, and the total number of independent non-executive directors shall be not less than three.

**Article 108** The Board exercises the following powers:

- (i) To convene the Shareholders' general meeting and report on work to the Shareholders' general meeting;
- (ii) Implement the resolutions of the Shareholders' general meeting;
- (iii) Determine the business and investment plans of our Company;
- (iv) Devise the annual financial budget and closing account plans of our Company;
- (v) Devise the earnings distribution and loss offset plans of our Company;

(vi) Formulate the plans for increasing or decreasing our Company's registered capital, the issuance of bonds or other securities, as well as the listing of the stock of our Company;

(vii) Formulate plans for major acquisitions of the Company, the buy-back of shares of our Company, corporate merger, separation, dissolution and changing the form of our Company;

(viii) Determine such matters as the Company's external investment, purchase or sale of assets, asset pledge, external guarantee, entrusting wealth management, connected transaction and external donation within the scope authorized by the Shareholders' general meeting;

(ix) Decide on the setup of our Company's internal management organization;

(x) To decide on matters such as appointment or dismissal of the Company's general manager, secretary to the Board and other senior officers and on their compensation and incentives/disincentives; to decide on matters such as appointment or dismissal of the Company's deputy general manager, chief financial officer and senior management and on their compensation and incentives/disincentives based on the nominations by the general manager;

(xi) Set the basic management systems of our Company;

(xii) Make the modification plan to the Articles of Association;

(xiii) Manage the disclosure of company information.

(xiv) Request to the Shareholders' general meeting to hire or replace the accounting firm auditing for the Company.

(xv) Attend to the work report of our Company's general manager and review the work of the general manager.

(xvi) To determine the acquisition of shares of the Company by the Company in accordance with Article 24 (iii), (v) and (vi) of these Articles of Association, subject to compliance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed;

(xvii) Other powers and duties authorized by the laws, administrative regulations, departmental rules, the Articles of Association and the Shareholders' general meeting.

The Board of the Company shall establish an Audit Committee and other relevant special committees such as strategy, nomination, remuneration and appraisal committees. The special committees shall be responsible to the Board, and perform their duties according to the Articles of Association and the authorization granted by the Board, and the proposals shall be submitted to the Board for consideration and decision. The members of such special committees comprise only Directors. Independent Directors shall account for the majority in each of the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee and serve as the chairman of the committee.

(I) The Strategy Committee shall consist of three Directors, at least one of whom shall be an independent Director. The Strategy Committee shall be mainly responsible for formulating the long-term development strategy of the Company and conducting studies on major decisions and making reasonable recommendations to the Board.

(II) The Audit Committee shall consist of three Directors, none of whom shall be a Director who is a member of the senior management of the Company. Independent Directors shall constitute a majority of the Audit Committee, and the convener shall be convened an accounting professional among the independent Directors. The Audit Committee shall be responsible for review of the financial information of the Company and the disclosure thereof, as well as supervision and evaluation of internal and external audit and internal control. The following matters shall be tabled at the Board for review and consideration after obtaining the consent of more than half of the members of the Audit Committee:

1. disclosure of the financial information in financial and accounting reports and regular reports, and the evaluation report on internal control;
2. appointment or dismissal of an accounting firm which undertakes audit work of the Company;
3. appointment or dismissal of the person-in-charge of finance of the Company;
4. amendment of significant accounting error or change in accounting policy or accounting estimate for reasons other than a change in accounting standards;
5. any other matters stipulated by laws and regulations, the relevant provisions of the Company and the Articles of Association.

The Audit Committee shall convene at least one meeting each quarter. An extraordinary meeting may be convened when two or more members or the convener deems necessary. A meeting of the Audit Committee shall be convened only when more than two thirds of the members are present.

(III) The Nomination Committee shall be responsible for formulating the selection standards and procedures for Directors and senior management personnel, conducting selection and review of candidates for Directors and senior management personnel and their qualifications, and making recommendations to the Board on the following matters:

1. nomination or appointment or dismissal of Directors;
2. appointment or dismissal of senior management personnel;
3. any other matters stipulated by laws, administrative regulations, provisions of the CSRC and the Articles of Association.

If the opinions of the Nomination Committee are not adopted or not fully adopted by the Board, the opinions of the Nomination Committee and the specific reasons for not adopting shall be recorded in the Board resolutions and disclosed.

(IV) The Remuneration and Appraisal Committee shall be responsible for formulating the appraisal criteria and conducting appraisal on the Directors and senior management personnel, formulating and reviewing the remuneration policies and plans for the Directors and senior management personnel, and making recommendations to the Board on the following matters:

1. remuneration of the Directors and senior management personnel;
2. establishment or change of equity incentive scheme or employee stock ownership plan, and determination of the conditions for the grant of interests to and the exercise of rights by incentive recipients;
3. arrangement of the shareholding plans for Directors and senior management personnel in the subsidiary to be spun off;
4. any other matters stipulated by laws, administrative regulations, provisions of the CSRC and the Articles of Association.

If the opinions of the Remuneration and Appraisal Committee are not adopted or not fully adopted by the Board, the opinions of the Remuneration and Appraisal Committee and the specific reasons for not adopting shall be recorded in the Board resolutions and disclosed.

**Article 109** The Board shall make explanation at the Shareholders' general meeting for the non-standard audit opinions on the financial report of the Company issued by the certified public accountant.



**Article 110** The Board shall establish its rules of procedure to ensure the implementation of the resolutions of the Shareholders' general meeting, improve its efficiency and make scientific decisions. The rules of procedure of the Board shall be prepared by the Board and approved by the Shareholders' general meeting, and constitute an exhibit to these Articles of Association Shareholders' general meeting.

**Article 111** The Board shall determine the authority of external investment, acquisition and disposal of assets, asset mortgage, external guarantee matters, entrusted financial management, connected transactions, external donations, and establish strict review and decision-making procedures. Major transaction projects shall be reviewed by relevant experts and professionals and reported to the shareholders' meeting for approval.

(i) Subject to the laws, regulations, the listing rules of the place where the shares of the Company are listed, and other requirements under these Articles of Association, major transactions refer to the following types of events that occur outside the daily operating activities of the Company: acquisition or disposal of assets; external investments (including entrusted wealth management and investments in subsidiaries); provision of financial assistance (including entrusted loans); provision of guarantees (including guarantees for controlling subsidiaries); lease or rental of assets; entrusted or contracted asset and business management; donation or receipt of assets; restructuring of claims or debts; transfer or acquisition of research and development projects; execution of licensing agreements; waiver of rights (including waiver of pre-emptive rights, priority for invited capital contribution and other rights); and other transactions as authenticated by the Shenzhen Stock Exchange.

1. Unless otherwise provided in these Articles of Association, the following major transactions shall be submitted to the Shareholders' general meeting for consideration and approval:

(1) the total assets involved in the transaction account for more than 50% of the Company's latest audited total assets. Where the total assets involved in the transaction have both book value and appraised value whatever is higher shall prevail;

(2) the net assets involved in the subject matter of the transaction (e.g., equity interests) account for more than 50% of the Company's latest audited net assets and their absolute amount exceeds RMB50 million. Where the net assets involved in the transaction have both book value and appraised value whatever is higher shall prevail;

(3) the revenue related to the subject of the transaction (e.g., equity interest) for the latest accounting year accounts for more than 50% of the Company's audited revenue for the latest accounting year, with an absolute amount exceeding RMB50 million;

(4) the net profit related to the subject of the transaction (e.g., equity interest) for the latest accounting year accounts for more than 50% of the Company's audited net profit for the latest accounting year, with an absolute amount exceeding RMB5 million;



(5) the transaction amount of the transaction (including the debt and expenses) accounts for more than 50% of the Company's latest audited net assets, with an absolute amount exceeding RMB50 million;

(6) the profit derived from the transaction accounts for more than 50% of the Company's audited net profit for the latest accounting year, with an absolute amount exceeding RMB5 million.

Transactions that fall within any of the following circumstances could be exempted from the submission to the Shareholders' general meeting for consideration and approval in accordance with the foregoing provisions, but shall be subject to disclosure obligations in accordance with relevant requirements: (i) the transactions of the Company without involving any payment of consideration or attachment of any obligations, such as taking of cash assets, debt relief, etc.; (ii) the transactions of the Company that meet the criteria (4) or (6) of this Article only, and the absolute value of the Company's revenue per share for the latest accounting year is less than RMB0.05.

2. In addition to the aforementioned major transactions requiring consideration by the Shareholders' general meeting, the Shareholders' general meeting grants the Board the authority to approve the following:

(1) the total assets involved in the transaction account for more than 10% of the Company's latest audited total assets. Where the total assets involved in the transaction have both book value and appraised value whatever is higher shall prevail;

(2) the net assets involved in the subject matter of the transaction (e.g., equity interests) account for more than 10% of the Company's latest audited net assets and their absolute amount exceeds RMB10 million. Where the net assets involved in the transaction have both book value and appraised value whatever is higher shall prevail;

(3) the revenue related to the subject of the transaction (e.g., equity interest) for the latest accounting year accounts for more than 10% of the Company's audited revenue for the latest accounting year, with an absolute amount exceeding RMB10 million;

(4) the net profit related to the subject of the transaction (e.g., equity interest) for the latest accounting year accounts for more than 10% of the Company's audited net profit for the latest accounting year, with an absolute amount exceeding RMB1 million;

(5) the transaction amount of the transaction (including the debt and expenses) accounts for more than 10% of the Company's latest audited net assets, with an absolute amount exceeding RMB10 million;

(6) the profit derived from the transaction accounts for more than 10% of the Company's audited net profit for the latest accounting year, with an absolute amount exceeding RMB1 million.

Where the relevant data in the above indicators is negative, the absolute value shall be used for calculation.

Where the subject of the transaction is equity interest, and the purchase or disposal of such equity interest results in a change to the scope of the Company's consolidated financial statements, the total assets and revenue of the target company to which such equity interest relates shall be deemed the total assets involved in the transaction and the revenue attributable to the transaction, respectively.

With regard to the same transactions of the Company on the transaction subject within 12 months, the principle of aggregate calculation shall apply to the provisions of this Article. If relevant obligations are completed in accordance with this Article, the transactions will not be included in the calculation of the total amount.

(ii) The provision of financial assistance by the Company shall not only be considered and approved by more than half of all the Directors, but also shall be considered and approved by way of resolution by at least two-thirds of the Directors present at the meeting of the Board, and shall be disclosed in a timely manner. The financial assistance provided by the Company shall be submitted to the Shareholders' general meeting for consideration after consideration and approval by the Board if it falls under any of the following circumstances:

1. the amount of a single financial assistance exceeds 10% of the Company's latest audited net assets;

2. the asset-liability ratio of the recipient of financial assistance exceeds 70% according to data from the latest financial statement;

3. the aggregated amount of financial assistance provided in the latest 12 months exceed 10% of the Company's latest audited net assets;

4. other circumstances as prescribed by the stock exchange or the Articles of Association.

Where the recipient of financial assistance is a controlled subsidiary within the Company's consolidated financial statements in which the Company holds more than 50% of the equity interest, and where the other shareholders of such controlled subsidiary do not include the Company's controlling shareholder, de facto controller or their related parties, the provisions under the preceding two paragraphs may be exempted.

(iii) The provision of guarantees by the Company shall not only be considered and approved by more than half of all the Directors, but also shall be considered and approved by way of resolution by at least two-thirds of the Directors present at the meeting of the Board, and shall be disclosed in a timely manner. The guarantees provided by the Company shall be submitted to the Shareholders' general meeting for consideration after consideration and approval by the Board if it falls under any of the following circumstances:

1. a single guarantee for an amount in excess of 10% of the Company's latest audited net assets;
2. any guarantee provided after the total amount of external guarantee provided by the Company and its controlled subsidiaries exceeds 50% of the Company's latest audited net assets;
3. any guarantee provided after the total amount of external guarantee provided by the Company and its controlled subsidiaries exceeds 30% of the Company's latest audited total assets;
4. any guarantee granted to a party with a gearing ratio over 70% shown in its latest financial statements;
5. guarantee where the aggregated amount of guarantee provided in the latest 12 months exceeds 30% of the Company's latest audited total assets;
6. guarantee to be provided to shareholders, de facto controllers and their related parties;
7. other circumstances as prescribed by the stock exchange or the Articles of Association.

When the guarantees specified in item 5 of the previous provisions is considered at the Shareholders' general meeting, it shall be approved by more than two-thirds of the voting rights held by Shareholders attending the meeting.

(iv) Save for the receipt of cash assets by way of gift, debt relief, and provision of guarantees to related parties, any transaction between the Company and a related natural person with a transaction amount exceeding RMB300,000, or a transaction between the Company and a related legal person (or other organization) with a transaction amount exceeding RMB3 million and the absolute value of which exceeds 0.5% but is less than 5% of the Company's latest audited net assets, shall be subject to approval by the Board.

Any related party transaction between the Company and a related party with a transaction amount exceeding RMB30 million and the absolute value of which exceeds 5% of the Company's latest audited net assets shall be submitted to the Shareholders' general meeting for consideration.

The amounts of transactions between the Company and the same related party or the amounts of transactions with different related parties but with related subject matter within a consecutive 12 months shall be calculated in the principle of aggregate calculation.

Where the above matters are otherwise provided for under laws, administrative regulations, departmental rules, regulatory documents or the requirements of the securities regulatory rules of the place where the shares of the Company are listed, such provisions shall prevail.

**Article 112** The Board shall appoint a Chairman and may have vice chairmen. The Chairman and vice chairman shall be elected by more than one half of all Directors.

**Article 113** The Chairman shall exercise the following powers and duties:

(i) to preside over the Shareholders' general meetings and convene and preside over the Board meetings;

(ii) to supervise and examine the implementation of the resolutions of the Board;

(iii) to execute the documents of the Board and other documents required to be executed by the legal representative of the Company;

(iv) to exercise the duties and powers of legal representative(s);

(v) to nominate candidates for the general manager

(vi) in case of any extremely severe natural disaster, force majeure or emergency, to exercise the special right to dispose of the affairs of the Company for the benefit of the Company according to law, and report to the Board and the Shareholders' general meeting afterwards;

(vii) to exercise other powers and duties delegated by the Board.

**Article 114** The vice chairman of the Company shall assist the chairman in performing his duties. Where the chairman is unable or fails to perform his duties, the vice chairman shall perform such duties (if the Company has two or more than two vice chairmen, the one jointly elected by more than half of the Directors shall perform such duties). Where the vice chairman is unable or fails to perform his duties, a Director shall be elected jointly by half or more of all Directors to perform such duties.

**Article 115** The Board shall meet at least one (1) time each quarter. The Board meetings shall be convened by the Chairman, by giving fourteen (14) days' written notice to all Directors and Supervisors.

**Article 116** The Chairman shall, on requisition of the Shareholders representing one tenth (1/10) or more of the voting rights of the Company, or one third (1/3) or more of the Directors, or the Board of Supervisors, convene and preside over an extraordinary Board meeting within ten (10) days after receiving such requisition.

**Article 117** When convening an extraordinary Board meeting, the Board shall notify all Directors and Supervisors three (3) days prior to the convening of the meeting by a notice given in person, by post, facsimile, email or otherwise specified herein.

**Article 118** The notice of a Board meeting shall include the following:

- (i) date and place of the meeting;
- (ii) duration of the meeting;
- (iii) subject matter and topics of the meeting;
- (iv) date of notice.

**Article 119** Meetings of the Board shall be attended by more than one-half of the Directors before the Board meeting can be convened. Any resolution of the Board shall be approved by a majority of Directors.

Each Director shall have one vote for any resolution of the Board.

**Article 120** If any Director has connection with the enterprise involved in the resolution made at a Board meeting, the said Director shall not vote on the said resolution for himself/herself or on behalf of another Director. The Board meeting may be held when more than half of the non-connected Directors attend the meeting. The resolution of the Board meeting shall be passed by more than half of the non-connected Directors. If the number of non-connected Directors attending the Board meetings is less than three, the issue shall be submitted to the Shareholders' general meeting for consideration. If there are any additional restrictions on directors' participation in and voting at the meetings of the Board in accordance with laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

**Article 121** Any resolution put to vote at a meeting of the Board shall be decided by a show of hands or in writing.

At an extraordinary Board meeting, to the extent that the Directors have sufficient opportunities to express their opinions, a resolution may be adopted by facsimile or other communication means and signed by the Directors attending the meeting.

**Article 122** A Director shall attend each meeting of the Board in person, or if he/she is unable to attend the meeting due to any reason, he/she may entrust any other Director in writing to attend on behalf of him/her. Such instrument of proxy shall specify the name of proxy, matters authorized, powers delegated and validity term, among others, and be signed or stamped by the principal. A Director attending a meeting as the proxy of another Director shall exercise the rights of a Director within the powers delegated by the principal. Any Director who fails to attend a Board meeting in person or by proxy shall be deemed to have waived his/her voting rights at such meeting.

**Article 123** The Board shall cause minutes to be made in respect of its decisions on the matters discussed at each meeting, which shall be signed by all Directors present at such meeting.

The meeting minutes of the Board shall be placed on file of the Company for a period of ten (10) years.

**Article 124** The minutes of a Board Meeting shall contain, among others:

- (i) date, place and name of convener of the meeting;
- (ii) names of the Directors present at the meeting and the Directors (proxies) attending the meeting on behalf of other Directors;
- (iii) agenda of the meeting;
- (iv) key points of the speeches delivered by each Director;
- (v) method and result of voting on each resolution (including the number of votes for and against and abstentions).

## **CHAPTER VI GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS**

**Article 125** The Company shall have one general manager, several deputy general managers, one chief financial officer and one secretary to the Board, who shall be appointed or dismissed by the Board.

**Article 126** Article 96 hereof in relation to the circumstances under which a person may not serve as a Director shall mutatis mutandis apply to the senior management.

The provisions of Article 98 regarding the fiduciary duties of Directors and the provisions of items (iv), (v) and (vi) of Article 99 hereof regarding the duty of diligence of Directors shall mutatis mutandis apply to the senior management.

**Article 127** Any person who holds any administrative office (other than Director or Supervisor) in any entity of the controlling shareholders and de facto controllers of the Company shall not hold any office of senior management in the Company concurrently.

The senior management may receive their remunerations from the Company only, rather than from the controlling shareholder of the Company.

**Article 128** The general manager and deputy general manager shall each have a term of office of three (3) years and may serve consecutive terms upon reappointment.

**Article 129** The general manager is responsible to the Board and exercises the following powers:

(i) To be in charge of the Company's production, operation and management, and to organize and implement the resolutions of the Board and report on works to the Board;

(ii) To organize and implement the Company's annual business plan and investment proposals;

(iii) To draft plans for the establishment of the Company's internal management organizations;

(iv) To draft the fundamental management system of the Company;

(v) To formulate specific rules and regulations for the Company;

(vi) To propose to the Board on the appointment or dismissal of deputy general manager, chief financial officer of the Company;

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

(viii) Other functions and powers conferred by the Articles of Association or the Board.

The general manager shall attend the meetings of the Board

**Article 130** The general manager shall prepare the terms of reference for the general manager, and implement the same upon approval by the Board.

**Article 131** The terms of reference for the general manager shall specify, among others:

(i) conditions for convening, proceedings at and attendees of the meetings by the general manager;

(ii) respective duties and responsibilities and division of labor of the general manager and other senior management;

(iii) application of the funds and assets of the Company, authority to enter into material contracts, and the system for reporting to the Board and the Board of Supervisors;

(iv) other matters that the Board deems necessary.

**Article 132** The general manager and deputy general manager may resign prior to the expiration of his/her term of office. The specific procedures and methods for the resignation shall be stipulated in the labor contract between the general manager and deputy general manager and the Company.

**Article 133** The deputy general manager is directly responsible to and report to the general manager and performs relevant duties based on the setup of the internal management organization of the Company.

**Article 134** The Company shall have a Secretary to the Board, who shall be responsible for the preparation of the Shareholders' general meeting and Board meeting, document keeping and management of shareholders' information of the Company and shall deal with information disclosure and other matters.

The Secretary to the Board shall comply with the relevant provisions of the laws, administrative regulations, departmental rules and the Articles of Association.

**Article 135** Any senior management who violates the relevant laws, administrative regulations, departmental rules or these Articles of Association in performing his/her duties in the Company shall indemnify the Company for the losses arising therefrom.

**Article 136** The senior management of the Company shall faithfully perform their duties, and safeguard the best interests of the Company and all shareholders. Any senior management of the Company who fails to faithfully perform his/her duties or breaches the fiduciary duty shall indemnify the Company and the public shareholders for the damages arising therefrom according to law.



## **CHAPTER VII BOARD OF SUPERVISORS**

### **Section 1 Supervisors**

**Article 137** Article 96 hereof in relation to the circumstances under which a person may not serve as a Director shall mutatis mutandis apply to the Supervisors.

The Directors and senior management members shall not act concurrently as Supervisors.

**Article 138** A Supervisor shall abide by applicable laws and administrative regulations and the provisions hereof, have the fiduciary duties of loyalty and duty of diligence to the Company, and shall not take advantage of his/her powers to accept bribes or other illegal payments or embezzle the property of the Company.

**Article 139** Each Supervisor shall serve for a term of three years. Upon expiry of the term, the Supervisor may be re-appointed upon re-election.

**Article 140** If the successor of a Supervisor is not appointed upon expiration of his/her term of office or a Supervisor resigns office prior to the expiration of his/her term of office, which causes the number of members of the Board of Supervisors to be less than the quorum, such Supervisor shall continue to perform his/her duties in accordance with the relevant laws, administrative regulations and these Articles of Association until his/her successor is appointed and takes office.

**Article 141** The Supervisors shall ensure the authenticity, accuracy and completeness of the information disclosed by the Company, and sign to confirm the regular reports of the Company in writing.

**Article 142** The Supervisors may attend the meetings of the Board and may raise questions or make recommendations on the resolutions to be passed by the Board.

**Article 143** A Supervisor shall not take advantage of his/her affiliation with the Company to the detriment of the interests of the Company, and shall indemnify the Company for the losses arising therefrom.

**Article 144** A Supervisor shall be personally liable for any loss suffered by the Company as a result of a violation by him/her of any laws, administrative regulations, departmental rules or the Articles of Association in the course of performing his/her duties in the Company.

## **Section 2 Board of Supervisors**

**Article 145** The Company shall have a Board of Supervisors. The Board of Supervisors shall consist of three Supervisors, including one Shareholder representative and two employee representatives. The employee representatives shall be democratically elected and replaced by the employees of the Company, and the Shareholder representative shall be elected and replaced by the Shareholders' general meeting.

The Board of Supervisors shall have a chairman, who shall be elected by a simple majority of all Supervisors. The chairman of the Board of Supervisors shall convene and preside over the meetings of the Board of Supervisors; where the chairman of the Board of Supervisors is unable or fails to fulfill the duty thereof, one Supervisor elected by more than half the Supervisors shall convene and preside over the meetings of the Board of Supervisors.

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

(i) To examine the Company's regular reports prepared by the Board and propose written examination suggestions, supervisors Shall sign written confirmation statements;

(ii) To review the Company's financial position;

(iii) To supervise the Directors and senior management members' acts in performing their duties in the Company, and to propose a removal of any Director or senior management member in violation of any laws, administrative regulations, the Articles of Association or resolutions adopted at the Shareholders' general meeting;

(iv) To demand any Director or senior management member who acts in a manner which is harmful to the Company's interest to rectify such behavior;

(v) To propose to convene an extraordinary general meeting, and to convene and preside over Shareholders' general meetings where the Board fails to perform its duty to do so as required by the Company Law;

(vi) To submit proposals to Shareholders' general meetings;

(vii) To initiate legal proceedings against any Director or senior management member according to Article 151 of the Company Law;

(viii) To investigate into unusual operation of the Company and if necessary, to engage an accounting firm, a law firm or other professional institutions to assist in its work at the expenses of the Company.

**Article 147** The Board of Supervisors shall meet at least once every six months. An extraordinary meeting of the Board of Supervisors may be convened on requisition of a Supervisor.

Resolutions of the Board of Supervisors shall be passed by not less than half of the Supervisors.

**Article 148** The Board of Supervisors shall establish the rules of procedure for the Board of Supervisors and clarify its method of discussion and voting procedures, to ensure the work efficiency and scientific decision-making of the Board of Supervisors.

The rules of procedure for the Board of Supervisors shall set forth the procedures to convene, and voting procedures at, meetings of Board of Supervisors. The rules of procedure for the Board of Supervisors shall be prepared by the Board of Supervisors and approved by the Shareholders' general meeting, and constitute an exhibit to these Articles of Association.

**Article 149** The Board of Supervisors shall cause minutes to be made in respect of its decisions on the matters discussed at each meeting, which shall be signed by the Supervisors present at such meeting.

A Supervisor shall have right to request certain explanatory notes to be made in the meeting minutes regarding his/her speeches at the meeting. The meeting minutes of the Board of Supervisors shall be placed on file of the Company for a period of ten (10) years.

**Article 150** The notice of a meeting of the Board of Supervisors shall include the following:

- (i) date, place and duration of the meeting;
- (ii) subject matter and topics of the meeting;
- (iii) date of notice.

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

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

**Article 151** The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the provisions stipulated by the relevant authorities of the PRC. The accounting year of the Company follows the Gregorian calendar, which an accounting year shall commence on 1 January and end on 31 December of each year.

**Article 152** The Company shall submit and disclose its annual reports to the CSRC and the stock exchange of the place where the shares of the Company are listed within four months from the end of each fiscal year, and its interim reports to the relevant branch office of the CSRC and the stock exchange of the place where the shares of the Company are listed within two months from the end of the first six months of each fiscal year.

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

**Article 153** The Company will not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

**Article 154** The Company is required to allocate 10% of its profits into its statutory reserve fund when distributing each year's after-tax profits. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocations is required.

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

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

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

If the Shareholders' general meeting violates the above provisions and profits are distributed to the Shareholders before the Company makes up for losses or makes allocations to the statutory reserve fund, the profits distributed in violation of the provisions must be returned by such Shareholders to the Company.

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

The Company shall entrust one or more payment receiving agents in Hong Kong for shareholders of H Shares. The payment receiving agents shall receive and hold on behalf of such shareholders of H Shares any dividends allocated to H Shares and other amounts payable by the Company, for future payments to such shareholders of H Shares. The payment receiving agents appointed by the Company shall comply with laws, regulations and the securities regulatory rules of the place where the Company's shares are listed.

**Article 155** Reserve funds of the Company are used for recovering losses of the Company and expanding production and operation of the Company or conversion into its capital, but capital reserve fund shall not be used for making up the Company's losses.

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

**Article 156** After a resolution on the profit distribution plan is made at the Shareholders' general meeting of the Company, or after a specific plan is formulated by the Board of the Company based on the conditions and cap for interim dividends for the next year considered and approved by the annual general meeting, the Board of the Company shall complete the distribution of dividends (or shares) within 2 months after the Shareholders' general meeting is convened. If the specific plan cannot be implemented within 2 months due to the requirements of the laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, the implementation date of the specific plan may be adjusted accordingly in accordance with such requirements and the actual situation.

**Article 157** Specific requirements for profit distribution by the Company

1. Principles for profit distribution: The Company shall implement a positive profit distribution policy, attach importance to the provision of reasonable returns to its shareholders, maintain the continuity and stability of the profit distribution policy and comply with the relevant provisions of laws and regulations. The profit distribution policy of the Company shall not exceed the Company's cumulative distributable profits and must not undermine the Company's ability to sustain its operations.

2. Forms for profit distribution: The Company shall prioritize cash dividends in terms of profit distribution, and may also adopt stock dividends or a combination of cash and stock dividends.

3. Conditions, ratio, frequency and arrangements for cash dividends.

Cash dividends shall only be distributed when all the following conditions are met: (1) the Company achieves positive distributable net profit (based on the lower of the profit available for distribution in the consolidated statement and the parent company's statement) in each year or half-year period, and the accumulated distributable profits of the Company are positive; (2) the cash flow is sufficient, and the cash dividends will not affect the Company's sustainable operation in the future; (3) the auditor issues a standard unqualified audit report for the financial statements of the Company for the current period; (4) the Company has no significant investment plan or significant cash expenditure or such other events.

A significant investment plan or significant cash expenditure refers to matters involving the purchase or disposal of major assets, as well as investment projects (including but not limited to equity investments, project investments, venture capital, and mergers and acquisitions) of the Company within one year, where the amount exceeds 30% of the Company's most recently audited total assets. Such matters require approval by the Board of the Company and must be submitted to the Shareholders' general meeting for review and approval.

Cash dividend ratio: In the event that the conditions for cash dividends are met, the Company shall distribute no less than 20% of its distributable profits for the year in the form of cash dividends.

Cash dividend frequency: When cash dividend conditions are satisfied, the Company shall distribute profits in cash, and, in principle, cash dividends shall be distributed on an annual basis. The Company may declare interim cash dividends based on its profitability and capital requirements. When a listed company convenes the annual general meeting to consider the annual profit distribution plan, it may consider and approve the conditions, maximum ratio, the cap amount and other matters of the interim cash dividends for the next year. The cap amount of interim dividends for the following year considered at the annual general meeting shall not exceed the net profits attributable to shareholders of the listed company during the corresponding period. The Board shall, in accordance with the resolution of the Shareholders' general meeting, formulate a specific interim dividend proposal subject to the fulfilment of the conditions of profit distribution.

The Board of the Company shall comprehensively consider the characteristics of the industry in which it operates, its stage of development, its own business model, its profitability, debt servicing capacity and whether it has major capital expenditure arrangements, and investor returns, and propose differentiated cash dividend policies in accordance with the procedures prescribed in the Articles of Association:

(1) If the Company is in a mature stage of development and has no major capital expenditure arrangements, when distributing profits, the cash dividends should account for at least 80% of the profit distribution;

(2) If the Company is in a mature stage of development and has major capital expenditure arrangements, when distributing profits, the cash dividends should account for at least 40% of the profit distribution;

(3) If the Company is in the growth stage and has major capital expenditure arrangements, when distributing profits, the cash dividend should account for at least 20% of the profit distribution;

If the Company's development stage is difficult to distinguish but there are major capital expenditure arrangements, it can be handled in accordance with the provisions of item (3) of the preceding paragraph.

4. Conditions for stock dividend distribution: Where the Board deems the Company's share capital scale and equity structure reasonable, it may propose a stock dividend distribution plan for the approval by the Shareholders' general meeting. When distributing stock dividends, the stock dividend per 10 shares shall be no less than 1 share. In the event that stock dividends are adopted for profit distribution, real and reasonable factors such as the growth of the Company and the dilution of net assets per share should be taken into account.

#### 5. Decision-making procedures for profit distribution

When formulating the cash distribution plan, the Board shall seriously review and discuss the matters such as the timing, conditions, minimum ratio, conditions for adjustments and decision-making procedure requirements for the cash dividend of the Company.

If Independent Directors believe that a cash dividend plan may harm the interests of the Company or minority shareholders, they shall have the right to express an independent opinion. If the Board does not adopt or only partially adopts the opinions of Independent Directors, it shall disclose the opinion of the Independent Directors and the specific reasons for not adopting or not fully adopting the opinion in the announcement of the Board's resolution.

The Board of Supervisors shall supervise the implementation of cash dividend policy and shareholders' return plan by the Board, and whether to perform the corresponding decision-making procedures and information disclosure. If the Board of Supervisors finds that the Board fails to strictly implement the cash dividend policy and shareholders' return plan, fails to strictly perform the corresponding decision-making procedures or fails to truthfully, accurately and completely disclose the corresponding information, it shall issue clear opinions and urge the Board to make corrections in a timely manner.

The Company shall communicate and exchange ideas through multiple channels with shareholders (in particular minority shareholders) to obtain the opinion and requests of the shareholders and respond to shareholders' concerns in a timely manner.



## 6. Circumstances and procedures for adjusting profit distribution policy

The Company may make adjustments to its established cash dividend policy in the following circumstances, provided that the adjusted profit distribution policy shall not be in violation of the relevant provisions of laws and regulations: (1) when the net cash flow generated from the Company's operating activities has been in the negative for two consecutive years; (2) when the Company's gearing ratio at the end of the current period exceeds 70%; (3) other circumstances occur due to the Company's production and operations, investment planning, long-term development needs, or due to significant changes in the external operating environment or its own operating conditions.

The Company shall strictly adhere to the profit distribution policy as stipulated in its Articles of Association, particularly the cash dividend policy and specific cash dividend plans approved by the Shareholders' general meeting. Should any adjustment or amendment to the profit distribution policy set forth in the Articles of Association be deemed necessary, such adjustment must first be reviewed and approved by the Board and the Board of Supervisors before being submitted to the Shareholders' general meeting for approval. Independent Directors and the Board of Supervisors of the Company must provide explicit opinions on the matter. Any resolution proposed at the Shareholders' general meeting to adjust the profit distribution policy shall be subject to approval through a special resolution at the Shareholders' general meeting.

## 7. Control over the risk of illegal appropriation of company funds by Shareholders

In the event that a shareholder of the Company misappropriates the funds of the Company, the Company shall deduct the cash dividend distributable to such shareholder for recovery of the misappropriated funds.

## 8. Information disclosure on profit distribution

The Company shall strictly comply with relevant regulations in disclosing profit distribution plans and their implementation in periodic reports. Where the Company is profitable for any year but proposes no cash dividend distribution, it shall provide detailed explanation on the reason for no cash dividend distribution, the use of funds that has not been utilized for distribution but retained by the Company and the utilization plan in annual reports.

The Company shall disclose in detail the formulation and implementation of its cash dividend policy in periodic reports, with specific explanations on the following matters:

(1) whether it complies with the provisions of the Articles of Association or resolutions of the Shareholders' general meeting;

(2) whether the criteria and proportion of dividend distribution are clear and explicit;

(3) whether the relevant decision-making procedures and mechanisms are complete;



(4) If the Company has not paid cash dividends, it shall disclose the specific reasons thereof and the next steps it intends to take to enhance the level of investor reporting;

(5) whether minority shareholders have opportunities to fully express their opinions and demands, and whether legitimate rights and interests of minority shareholders have been fully protected.

In case of adjustment or amendment to cash dividend policies by the Company, it shall be explained in detail whether the conditions and procedures for adjustment or amendment are legal and transparent.

## **Section 2 Internal Audit**

**Article 158** The Company has implemented an internal audit system and equipped with full-time auditors to conduct internal audit and supervision on the Company's financial revenue and expenditures and economic activities.

**Article 159** The internal audit system of the Company and the duties of the auditors shall be implemented upon approval by the Board. The internal audit department shall be accountable and report work to the Audit Committee.

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

**Article 160** The Company shall appoint such accounting firm which has complied with the Securities Law for carrying out the audit for the accounting statements, net asset verification and other relevant consultancy services. The term of appointment is one year and can be re-appointed.

**Article 161** The appointment, removal or non-reappointment of accounting firm by the Company shall be subject to the approval of the Shareholders' general meetings. The Board may not appoint accounting firm before the approval of the Shareholders' general meeting.

**Article 162** The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding, and misrepresentation.

**Article 163** The remuneration or method of determining the remuneration of an accounting firm shall be determined at the Shareholders' general meeting.

**Article 164** If the Company removes or no longer re-appoints the accounting firm, it shall notify such accounting firm 15 days in advance. When shareholders vote for the removal of such accounting firm, such accounting firm shall be entitled to state its opinions at the Shareholders' general meeting.

If any accounting firm offers to resign, it shall explain to the Shareholders' general meeting whether the Company has engaged in any misconduct.

## **CHAPTER IX NOTICES AND ANNOUNCEMENTS**

### **Section 1 Notices**

**Article 165** The Company's notice shall be given by the following manners:

- (i) in person;
- (ii) by post, fax, email;
- (iii) by announcement;
- (iv) other forms stipulated in these Articles of Association.

**Article 166** Notices given by the Company by way of announcement shall be deemed to have been received by all relevant persons upon such announcement being made.

**Article 167** The notice of any Shareholders' general meeting shall be delivered by announcement. Unless the context otherwise requires, in relation to announcements made to shareholders of A Shares or announcements made within the territory of the PRC as required by the relevant regulations and these Articles of Association, it refers to the publication of information on the website of the SZSE and on media that meet the conditions prescribed by the CSRC (the "**eligible media**"); in respect of announcements to be issued to shareholders of H Shares, such announcements shall be published on the website of the Company, the website of the Hong Kong Stock Exchange and other websites as may be required from time to time under the Hong Kong Listing Rules in accordance with the relevant requirements of the Hong Kong Listing Rules.

Under the premise of the Company's compliance with the relevant listing rules of the place(s) in which the shares of the Company are listed, regarding the provision and/or distribution by the Company of corporate communications to shareholders of the H Shares in accordance with requirements of such listing rules, the Company may also electronically or at the Company's website or the website of the stock exchange(s) of the place(s) in which the shares of the Company are listed post such information so as to transmit or provide the same to such shareholders of H Shares in lieu of such delivery by hand or postage prepaid mail.

**Article 168** The notice of any Board Meeting shall be delivered in person, by post, facsimile, email or otherwise set forth herein.

**Article 169** The notice of any meeting of the Board of Supervisors shall be delivered in person, by post, facsimile, email or otherwise set forth herein.

**Article 170** If the notice of the Company is served by personal delivery, the recipient shall affix their signature (or seal) to the Return on Service and the signing date shall be the date of service; if the notice of the Company is served by post, the third working day after handover to the post office shall be the date of service; if the notice of the Company is sent by fax and email, the date of sending shall be the date of service; if the notice of the Company is served by announcement, the date of first announcement shall be the date of service.

**Article 171** The accidental omission to give notice of a meeting to, or the non-receipt of any notice of a meeting by, any person entitled to receive such notice shall not invalidate such meeting or the resolution of such meeting.

## **Section 2 Announcements**

**Article 172** The Company designates Juchao Information Website ([www.cninfo.com.cn](http://www.cninfo.com.cn)), newspapers that meet the conditions prescribed by the CSRC and HKEXnews ([www.hkexnews.hk](http://www.hkexnews.hk)) as the media for the publication of its announcements and other information required to be disclosed.

## **CHAPTER X MERGER, SPIN-OFF, CAPITAL INCREASE AND REDUCTION, DISSOLUTION AND LIQUIDATION**

### **Section 1 Merger, Spin-off, Capital Increase and Reduction**

**Article 173** Corporate merger may take the form of merger by absorption or by establishment.

Merger by absorption refers to a company absorbing another company, in which the company being absorbed shall be dissolved. Merger by establishment refers to the establishment of a new company by merging two or more companies, whereby the merging parties shall be dissolved.

**Article 174** In the event of any merger involving the Company, the Company shall enter into a merger agreement with other parties involved and prepare a balance sheet and a list of assets. The Company shall notify its creditors within 10 days after the adoption of the relevant resolution and publish announcements within 30 days. The creditors may request the Company to discharge its obligations or offer appropriate security within 30 days after receiving such notice, or if they fail to receive such notice, within 45 days after the publication of such announcement.

**Article 175** In the event of any merger involving the Company, the surviving company or the newly established company shall assume all claims and debts of the parties involved in such merger.

**Article 176** In the event of any spin-off of the Company, its assets shall be divided accordingly.

In the event of any spin-off of the Company, the Company shall prepare a balance sheet and a list of assets, notify its creditors within 10 days from the date of the resolution of spin-off and publish announcements in the media as provided in Article 172 hereof within 30 days.

**Article 177** Unless otherwise agreed by the Company and its creditors in writing prior to such spin-off with respect to the discharge of obligations, the company spun off from the Company shall be jointly and severally liable for the obligations of the Company prior to such spin-off.

**Article 178** The Company shall prepare a balance sheet and a list of assets in the event it is required to reduce its registered capital.

The Company shall notify its creditors within 10 days after the adoption of the relevant resolution on the reduction of the registered capital and publish announcements in the media as provided in Article 172 hereof within 30 days. The creditors may request the Company to discharge its obligations or offer appropriate security within 30 days after receiving such notice, or if they fail to receive such notice, within 45 days after the publication of such announcement.

The Company's registered capital after such reduction shall not be lower than the minimum amount of the registered capital required by law.

**Article 179** Where the merger or spin-off of the Company results in a change in its registered particulars, such change shall be registered with the company registry according to law. Where the Company is dissolved, it shall cancel its registration according to law. Where a new company is established, its establishment shall be registered according to law.

Any increase or reduction of the registered capital of the Company shall be registered with the company registry according to law.

## **Section 2 Dissolution and Liquidation**

**Article 180** The Company shall be dissolved for the following reasons:

(i) Expiry of term of business stipulated in these Articles of Association or occurrence of any other trigger for dissolution stipulated in these Articles of Association;

(ii) The Shareholders' general meeting adopts a resolution to dissolve;

(iii) The Company needs to be dissolved for the purpose of merger or division;

(iv) The business license is revoked, or the Company is ordered to close or be eliminated according to applicable law;

(v) Where the Company encounters significant difficulties in business and management, continuous survival may be significantly detrimental to the interests of the shareholders, and the difficulties may not be overcome through other means, shareholders who hold more than 10% of all voting rights of the Company's shareholders may request the people's court to dissolve the Company.

**Article 181** Under the circumstance set out in item (i) of Article 180 hereof, the Company may continue its operation by amending these Articles of Association.

Any amendment to these Articles of Association pursuant to the preceding paragraph shall be subject to approval of two thirds or more of the votes held by the shareholders present at the Shareholders' general meeting.

**Article 182** Where the Company is dissolved under the circumstances set out in items (i), (ii), (iv) and (v) of Article 180 hereof, the liquidation committee shall be established within 15 days from the date of the event leading to liquidation to commence dissolution. The personnel of the liquidation committee shall consist of the persons determined by the Directors or the Shareholders' general meeting. If a liquidation committee fails to be established within the limited time for liquidation, the creditor may apply to the people's court for appointing relevant personnel to form a liquidation committee for liquidation.

**Article 183** The liquidation committee shall perform the following powers and duties during the period of liquidation:

- (i) to sort out the Company's assets and to prepare a balance sheet and a list of assets;
- (ii) To inform creditors by notice or announcement;
- (iii) To deal with the outstanding businesses of the Company relating to liquidation;
- (iv) To pay off outstanding taxes as well as taxes arising in the course of liquidation;
- (v) To settle claims and liabilities;
- (vi) To handle the remaining assets of the Company after repayment of debts;
- (vii) To represent the Company in civil proceedings

**Article 184** Within 10 days of the establishment of the liquidation committee, the creditors shall be notified and an announcement shall be published in the media as provided in Article 172 hereof within 60 days. The creditors shall declare their claims to the liquidation committee within 30 days of the date on which the notice is received or 45 days of the date of announcement if the notice is not received.

Creditors who declare claims shall state relevant issues related to the claims and provide proofs. The liquidation committee shall carry out registration of the claims.

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

**Article 185** After the liquidation committee has examined and taken possession of the assets of the Company and prepared a balance sheet and a list of assets, it shall formulate a liquidation proposal and submit it to the Shareholders' general meeting or the people's court for confirmation.

The remaining assets of the Company after paying the costs of liquidation, the employees' salaries, social insurance contributions and legal compensation, taxes and debts of the Company shall be distributed to the shareholders in proportion to their respective shareholding.

During the period of liquidation, the Company shall not engage in any business activity except for those relating to the liquidation. Before liquidation as specified in the preceding paragraphs, the assets of the Company shall not be distributed to shareholders.

**Article 186** In the event the liquidation committee finds that, after taking stock of the Company's property and preparing the balance sheet and list of property, that the assets are insufficient to pay the debts, it shall apply to the people's court to declare bankruptcy according to the law.

After the people's court declares bankruptcy of the Company, the liquidation committee shall hand over the liquidation affairs of the Company to the people's court.

**Article 187** After completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit the same to the Shareholders' general meeting or the people's court for confirmation, then deliver the same to the Company's registration authority to apply for cancellation of the Company's registration and publicly announce the Company's dissolution.

**Article 188** The members of the liquidation committee shall be faithful in the discharge of their duties and perform their liquidation obligations in accordance with the law.

Any member of the liquidation committee shall not take advantage of his/her powers to accept bribes or other illegal payments or embezzle the property of the Company.

Any member of the liquidation committee shall indemnify the Company or the creditors for the losses arising from his/her intentional or gross negligence.

**Article 189** If the Company declares bankruptcy according to law, the Company shall perform bankruptcy liquidation procedures according to the laws relating to bankruptcy of companies.

## **CHAPTER XI AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

**Article 190** Under any of the following circumstances, the Company shall amend the Articles of Association:

(i) Following the revision of the Company Law or relevant laws and administrative regulations or the securities regulatory rules of the place where the shares of the Company are listed, the matters stipulated in the Articles of Association contradict the provisions of the revised laws and administrative regulations or the securities regulatory rules of the place where the shares of the Company are listed;

(ii) There is any change to the Company's particulars which result in inconsistency with the matters set out in the Articles of Association;

(iii) A Shareholders' general meeting has decided on making amendments to the Articles of Association.

**Article 191** If the amendment to the Articles of Association adopted by resolution of the Shareholders' general meeting is subject to the approval of the competent authority, it shall be reported to the competent authority for approval; if it involves matters of company registration, the registration of the changes shall be made in accordance with the law.

**Article 192** The Board shall amend the Articles of Association in accordance with the resolutions of the Shareholders' general meeting and the comments of the competent authorities on any amendment hereto.

**Article 193** Any amendment to the Articles of Association shall be subject to announcement if so required by the laws and regulations.

## CHAPTER XII SUPPLEMENTARY PROVISIONS

### Article 194 Definitions

(i) Controlling shareholder means a person who holds shares representing 50% or more of the entire share capital of the Company, or a person having sufficient voting right in respect of the shares who holds to pose a significant influence on the resolutions of the Shareholders' general meetings despite holding less than 50% of the entire share capital of the Company, or controlling shareholder as defined in the securities regulatory rules of the place where the shares of the Company are listed.

(ii) De facto controller means a natural person, legal person or other organization which is not a shareholder but actually possesses the power to direct the acts of the Company through investment, contract or other arrangement.

(iii) Affiliation means the relationship between any controlling shareholder, de facto controller, Director, Supervisor or senior management of the Company and any entity controlled by it/him/her directly or indirectly, or other relationship that may cause any transfer of the benefits of the Company.

(iv) The meaning of the "accounting firm" herein shall be the same as that of the "auditor" in the Hong Kong Listing Rules, the meaning of "Independent Directors" shall be the same as that of "Independent Non-executive Directors" in the Hong Kong Listing Rules, and "Non-independent Directors" mean directors other than Independent Directors (Independent Non-executive Directors) who are members of the Board.

**Article 195** Subject to the provisions hereof, the Board may formulate detailed rules for implementation of the Articles of Association, provided that such detailed rules shall not conflict with the provisions hereof.

**Article 196** These Articles of Association shall be prepared in Chinese. In case of any discrepancy between different languages or versions of these Articles of Association and these Articles of Association, the Chinese version of these Articles of Association most recently filed with the Xiamen Municipal Administration for Market Regulation shall prevail.

**Article 197** In case of any contradictions between these Articles of Association and the provisions of the laws, administrative regulations, normative documents and the securities regulatory rules of the place where the shares of the Company are listed, which were promulgated from time to time, the provisions of the laws, administrative regulations, normative documents and the securities regulatory rules of the place where the shares of the Company are listed shall prevail.



**Article 198** For purpose of these Articles of Association, the terms “not less than”, “within” and “not more than” include the given figure, and the terms “less than”, “beyond”, “lower than” and “more than” do not include the given figure.

**Article 199** The Board of the Company shall be responsible for the interpretation of these Articles of Association.

**Article 200** The exhibits to these Articles of Association include the rules of procedure for the Shareholders’ general meeting, the rules of procedure for the Board and the rules of procedure for the Board of Supervisors.

**Article 201** Upon consideration and approval by the Shareholders’ general meeting, these Articles of Association shall take effect from the date of listing of the H Shares of the Company on the Hong Kong Stock Exchange.

**Xiamen Jihong Co., Ltd**  
**January 2024**