

**MeiG Smart Technology Co., Ltd.**

**Articles of Association**

**(Draft)**

**(Applicable after the issuance and listing of H Shares)**

**February 2026**

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## CHAPTER 1 GENERAL PROVISIONS

**Article 1** To safeguard the legitimate rights and interests of the Company, its shareholders, employees and creditors and to regulate the organization and behavior of the Company, these Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "**Company Law**"), the Securities Law of the People's Republic of China (hereinafter referred to as the "**Securities Law**"), the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange (hereinafter referred to as the "**SZSE Listing Rules**"), the Guidelines for Articles of Association of Listed Companies, the Securities and Futures Ordinance of Hong Kong, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**Hong Kong Listing Rules**"), and other relevant laws, regulations, normative documents, the regulatory rules of the securities regulatory authorities and the stock exchanges in the place where the Company's Shares are listed (collectively referred to as the "**securities regulatory rules of the place where the Company's Shares are listed**"), and other relevant provisions.

**Article 2** The Company is a joint stock company with limited liability established in accordance with the Company Law and other relevant provisions (hereinafter referred to as the "**Company**").

The Company was established by means of promotion on the basis of the lawful overall conversion of Shenzhen Fangge Precision Components Co., Ltd. (深圳市方格精密器件有限公司), and was registered with the Shenzhen Administration for Market Regulation and obtained the Business Licence with the unified social credit code of 91440300799218456D.

**Article 3** On May 19, 2017, pursuant to the approval by China Securities Regulatory Commission (hereinafter referred as to "**CSRC**"), the Company issued 26,670,000 RMB-denominated ordinary shares for initial public offering. The shares were listed on the Shenzhen Stock Exchange (hereinafter referred to as the "**SZSE**") on June 22, 2017.

On [•], the Company obtained the filing notice from the CSRC for the issuance of [•] overseas-listed foreign shares (hereinafter referred to as the "**H Shares**") in Hong Kong. The said H Shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**Hong Kong Stock Exchange**"), together with the SZSE, the "**Stock Exchanges**") on [•].

**Article 4** The Company's registered name is 美格智能技術股份有限公司. Full name in English is MeiG Smart Technology Co., Ltd.

**Article 5** The Company's domicile is 2/F, No. 5 Lingxia Road, Fenghuang Fourth Industrial Zone, Fuyong Street, Bao'an District, Shenzhen, with the postal code of 518103.

**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 chairman of the Board of Directors, being the director authorized to execute the affairs of the Company on behalf of the Company, shall serve as the legal representative of the Company. If the chairman of the Board of Directors who serves as the legal representative resigns, he/she shall be deemed to have resigned as the legal representative at the same time. If the legal representative resigns, the Company shall appoint a new legal representative within thirty days from the date of resignation of the legal representative.

**Article 9** Legal representatives engage in civil activities in the name of the Company, the legal consequences of which are borne by the Company.

Restrictions on the functions and powers of the legal representative as set forth in these Articles of Association or in the shareholders' meeting shall not apply against a bona fide counterparty.

If a legal representative causes damage to another person as a result of the performance of his/her duties, the Company shall bear the civil liability. After the Company has assumed a civil liability, it may, in accordance with laws or the provisions of these Articles of Association, recover the liability from the legal representative who is at fault.

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

**Article 11** These Articles of Association shall, upon their effective date, become a legally binding document that regulates the organisation and behavior of the Company, the rights and obligations between the Company and its shareholders, and among the shareholders, and shall be legally binding on the Company, its shareholders, directors and senior management. According to these Articles of Association, shareholders may sue shareholders, shareholders may sue directors and senior management of the Company, shareholders may sue the Company, and the Company may sue its shareholders, directors and senior management.

**Article 12** Senior management mentioned in these Articles of Association refers to general manager, deputy general managers, secretary to the Board of Directors and chief financial officer of the Company.

## **CHAPTER 2 BUSINESS OBJECTIVES AND SCOPE**

**Article 13** The business objectives of the Company: to create value and accumulate wealth through building premium brands and strengthening core competencies, while fulfilling corporate social responsibilities. By continuously introducing, absorbing, and applying advanced technologies and management practices, the Company will enhance its sustainable development capabilities, establish itself as a nationally recognized IoT industry leader and flagship brand, and deliver superior economic returns.

**Article 14** The business scope of the Company following registration according to laws is: general business projects: research and development, as well as technical services, of mobile communication terminals, IoT terminal devices, mobile communication modules, mobile products, and electronic products; design and research and development, sales, and technical services of integrated circuit hardware and software; domestic trade, and import and export of goods and technology. (Excluded are projects prohibited by law, administrative regulations, or decisions of the State Council, or those that require approval prior to registration) permitted business projects: production of mobile communication terminals, mobile products, and electronic products.

## **CHAPTER 3 SHARES**

### **Section 1 Issuance of Shares**

**Article 15** The shares of the Company shall be in the form of stocks, and stocks of the Company shall be in registered form.

**Article 16** The Company shall issue shares under the open, fair and just principles, and same right is applied to each share of the same class.

The terms and issue price of shares of the same class issued in one issuance shall be same and same price shall be paid by each institution or individual for each share subscribed.

**Article 17** The par value of the Company's shares shall be denominated in RMB. Shares listed on the SZSE are referred to as "A Shares", while those listed on the Hong Kong Stock Exchange are referred to as "H Shares".

**Article 18** The A Shares issued by the Company shall be deposited collectively at the Shenzhen Branch of the China Securities Depository and Clearing Corporation Limited. The H Shares issued by the Company shall be primarily deposited with a custodian company under the Hong Kong Securities Clearing Company Limited in accordance with the laws and practices of securities registration and depository of the places where the shares are listed, or they may be held in the name of the shareholders individually.

**Article 19** The promoters of the Company are as follows:

No.	Name of Shareholders	Number of shares held (shares)	Percentage of total share capital at incorporation (%)	Method of contribution
1	WANG Ping (王平)	46,336,000	57.92	Net assets
2	Shenzhen ZhaoGe Investment Enterprise (Limited Partnership) (深圳市兆格投資企業(有限合夥))	14,480,000	18.10	Net assets
3	WANG Cheng (王成)	11,584,000	14.48	Net assets
4	Shenzhen Fenghuangshan Cultural Tourism Investment Co., Ltd. (深圳市鳳凰山文化旅遊投資有限公司)	7,600,000	9.5	Net assets
<b>Total</b>		<b>80,000,000</b>	<b>100</b>	—

**Article 20** Upon completion of the public offering of H Shares (assuming that the Over-allotment Option is not exercised), the total share capital of the Company shall be [•], all of which are ordinary shares; among them, [•] A shares, accounting for [•]% of the total share capital of the Company; [•] H Shares, accounting for [•]% of the total share capital of the Company.

**Article 21** The Company or its subsidiaries (including affiliates of the Company) shall not provide any financial assistance in the form of gifts, advances, guarantees, and loans to any person for the purpose of acquiring shares in the Company or its parent company, except when the Company implements an employee stock ownership plan.

The Company may, for the benefit of the Company, provide financial assistance for others to acquire shares of the Company or its parent company upon a resolution of the shareholders' meeting or a resolution of the Board of Directors in accordance with these Articles of Association or the authorization of the shareholders' meeting, provided that the aggregate amount of financial assistance shall not exceed 10% of the total issued share capital. Resolutions of the Board of Directors shall be passed by two-thirds or more of all the directors. The Company or its subsidiaries (including affiliates of the Company) implementing the actions under this paragraph shall comply with the laws, administrative regulations, and the provisions of the securities regulatory authorities and the stock exchanges in the place where the Company's Shares are listed.

## **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 at the shareholders' meeting:

- (I) Public issuance of shares to unspecified objects;
- (II) Non-public issuance of shares to specific objects;
- (III) Distribution of bonus shares to existing shareholders;
- (IV) Converting the reserve funds into share capital;
- (V) Other means approved by the laws, administrative regulations and the securities regulatory authorities in the place where the Company's Shares are listed.

**Article 23** The Company may decrease its registered capital. The decrease in the registered capital shall be made in accordance with the procedures set out in the Company Law, other relevant provisions and these Articles of Association.

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

- (I) Decrease the Company's registered capital;
- (II) Merger with other companies which hold the Company's 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' meeting upon their request;
- (V) Use of shares for conversion of convertible corporate bonds issued by the Company;
- (VI) Necessary for the Company to maintain its value and protect the interests of the shareholders.

Except for the circumstances above, the Company shall not engage in activities to purchase or dispose of its shares.

**Article 25** The Company may repurchase its shares through open centralized trading or other ways recognized by laws, administrative regulations, and the securities regulatory authorities in the place where the Company's Shares are listed.

If the Company repurchases its shares under the circumstances specified in items (III), (V) and (VI) of Paragraph 1 of Article 24 of these Articles of Association, such repurchase shall be conducted through open centralized trading.

**Article 26** Where the Company repurchases its shares under the circumstances stipulated in items (I) and (II) of paragraph 1 of Article 24 of these Articles of Association, an approval shall be obtained from the shareholders' meeting; where the Company repurchases its shares under the circumstances stipulated in items (III), (V) and (VI) of paragraph 1 of Article 24 of these Articles of Association, a resolution shall be passed by a two-third majority of directors attending the meeting of the Board of Directors.

After the Company has repurchased its shares according to paragraph 1 of Article 24 of these Articles of Association, the shares so repurchased shall be canceled within ten days from the date of repurchase under the circumstances set out in item (I); or shall be transferred or canceled within six months under the circumstances set out in items (II) and (IV). After the repurchase under the circumstances set out in items (III), (V) and (VI), the number of shares held by the Company shall not exceed 10% of its total issued shares, and shall be transferred or canceled within three years.

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

**Article 27** The shares of the Company may be transferred in accordance with laws. After the Company's shares are delisted, they shall continue to be traded on the National Equities Exchange and Quotations. The Company shall not amend this provision in these Articles of Association. The H shares shall be transferred by a transfer document in writing in any usual or common form or any other form which the Board accepts (including the prescribed form or

transfer form as required by the Hong Kong Stock Exchange from time to time). Such transfer documents may only be executed by hand or (if the transferor or the transferee is a company) affixed with the Company's seal. If the transferor or transferee is a recognized clearing house as defined by the laws of Hong Kong in effect from time to time or the proxy thereof, such transfer documents may be executed by hand or by machine imprinted signatures. All transfer documents shall be kept at the legal address of the Company or any other place specified by the Board from time to time.

**Article 28** The Company shall not accept its shares as the subject matter of a pledge.

**Article 29** Shares issued before the Company's public offering of A Shares shall not be transferred within one year from the date of listing and trading of the Company's A Shares on the stock exchange.

The directors and senior management of the Company shall report to the Company their holding of shares of the Company and the changes thereof, and shares transferred each year during their tenure of office shall not exceed 25% of the total number of shares of the Company held by them, and the shares of the Company held by them shall not be transferred within one year from the date of listing and trading of the Company's shares. The above-mentioned personnel shall not transfer the Company's shares held by them within half a year after their departure from the Company.

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

**Article 30** Any gains from the sale of Company's shares or other securities with an equity nature by shareholders (except for Hong Kong Securities Clearing Company Limited and HKSCC Nominees Limited), directors and senior management holding 5% or more of the Company's shares within six months after their purchase of the same, and 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 disgorged and paid to the Company, and the Board of Directors of the Company shall be responsible for recovering such gains from the abovementioned parties. However, this does not apply to securities companies that hold more than 5% of the shares due to unsold residual shares from underwriting, and other circumstances as stipulated by the China Securities Regulatory Commission (CSRC). Where the listing rules of the place where the Company's shares are listed provide otherwise in respect of the restrictions on the transfer, such rules shall prevail.

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

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

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

## **CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' MEETINGS**

### **Section 1 Shareholders**

**Article 31** The Company shall keep a register of members according to the evidence provided by the securities registration and clearing authority. The register of members shall be the sufficient evidence of the shareholders' shareholding in the Company. The original register of holders 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. Any shareholder who is registered in, or any person requests to have his/her name entered into, the register of holders of H shares may, if his/her share certificate is lost, apply to the Company for a replacement share certificate in respect of such shares. If a holder of H Shares loses his/her share certificate and applies for a replacement share certificate, it may be dealt with in accordance with the laws or other relevant regulations of the place where the original register of holders of H Shares is maintained and the place where the shares of the Company are listed. Shareholders have rights and assume obligations in proportion to the class of shares they hold; Shareholders who hold the same class of shares shall enjoy equal rights and assume the same obligations.

**Article 32** When the Company convenes a shareholders' meeting, distributes dividends, commences liquidation proceedings or engages in other activities requiring the identification of shareholders, the Board of Directors or the convener of a shareholders' meeting shall decide the date of record. The shareholders whose names appear on the register of members at the close of trading on the date of record are entitled to the relevant rights of shareholders.

**Article 33** The shareholders of the Company shall be entitled to the following rights:

- (I) to be entitled to dividends and other forms of distribution in proportion to the number of shares held;
- (II) request to hold, convene and preside over, to attend or appoint a proxy to attend shareholders' meetings in accordance with the law and to exercise the corresponding voting rights;
- (III) to supervise the operation of the Company and to put forward proposals or raise inquiries;
- (IV) to transfer, donate, or pledge shares held by them in accordance with the laws, administrative regulations and provisions of these Articles of Association;
- (V) to review and copy the Articles of Association, the register of members, minutes of shareholders' meetings, resolutions of the meetings of the Board of Directors and financial and accounting reports, and to review the Company's accounting books and accounting documents (for shareholders who meet the requirements);
- (VI) upon termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company in accordance with the number of shares held;
- (VII) with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, to require the Company to acquire the shares held by them;
- (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 these Articles of Association.

**Article 34** The shareholder who asks to review the information mentioned in the preceding Article or make a request for information shall submit to the Company written documents proving the class and number of the shares that he or she holds in the Company. The Company shall provide the information as requested by the shareholder after authenticating his or her identity. The shareholder who asks to review and copy relevant materials of the Company shall comply with the provisions of laws and administrative regulations including the Company Law and the Securities Law and the securities regulatory rules of the place where the shares of the Company are listed.

**Article 35** If a resolution of the shareholders' meeting or the Board of Directors of the Company violates any law or administrative regulation, the shareholder shall have the right to petition to the People's court to invalidate the resolution.

If the procedures for convening, or the method of voting at a shareholders' meeting or a meeting of the Board of Directors are in breach of laws, administrative regulations and these Articles of Association, or the content of a resolution violates these Articles of Association, shareholders shall have the right to petition to the People's Court to revoke the resolution within sixty days from the date of the adoption of such resolution. However, this does not apply if such procedures for convening the shareholders' meeting and the meeting of the Board of Directors, or the voting thereat, have only minor flaws that have no substantial impact on the resolution.

Where the Board of Directors, shareholders and other stakeholders dispute the validity of a resolution of a shareholders' meeting, they shall promptly file a lawsuit with the People's Court. Before the People's Court makes a judgement or ruling, such as a cancellation of a resolution, the stakeholders shall execute the resolution of the shareholders' meeting. The Company, its directors and senior management shall perform their duties diligently to ensure the normal operation of the Company.

Where the People's Court makes a judgement or ruling on the relevant matter, the Company shall fulfil its obligations to disclose the information in accordance with laws, administrative regulations, and the requirements of the CSRC and stock exchanges, fully explain the impact of the judgement or ruling on the Company, and actively cooperate with the authorities in the enforcement of the judgement or ruling after it has come into effect. Where previous matters need to be corrected, the Company shall handle the correction in a timely manner and fulfil its obligations to disclose the information accordingly.

**Article 36** A resolution of the shareholders' meeting or the meeting of Board of Directors of the Company shall not be valid under any of the following circumstances:

- (I) no shareholders' meeting or meeting of Board of Directors has been convened to pass the resolution;
- (II) the resolution is not voted on at the shareholders' meeting or meeting of Board of Directors;
- (III) the number of persons attending the meeting or the number of voting rights held by them does not reach the number of persons or the number of voting rights required as stipulated in the Company Law or these Articles of Association;

(IV) the number of persons or the number of voting rights held by them voting for the resolution does not reach the number of persons or the number of voting rights held as stipulated in the Company Law or these Articles of Association.

**Article 37** If a director or any senior management member (other than members of the Audit Committee) of the Company violates any law or administrative regulation or breaches these Articles of Association in performing his or her duties, causing losses to the Company, shareholders holding 1% or more of the shares in the Company, either individually or collectively, for 180 or more consecutive days shall have the right to request the Audit Committee in writing to institute a legal action in the People's Court; if a member of the Audit Committee violates any law or administrative regulation or breaches these Articles of Association in performing its duties, causing losses to the Company, such aforementioned shareholders may request the Board of Directors in writing to institute a legal action in the People's Court.

If the Audit Committee or the Board of Directors refuses to institute a legal action upon receipt of the written request from the shareholders specified in the preceding paragraph, or fails to do so within 30 days from the date of receipt of the written request, or if the circumstances are urgent and failure to promptly institute a legal action would cause irreparable harm to the Company, the shareholders mentioned in the preceding paragraph shall have the right to institute a legal action in the People's Court in their own names in the interests of the Company.

In the event that a third party infringes upon the legal interests of the Company, thereby causing the Company to sustain a loss, the shareholders, as specified in the first paragraph of this Article, may institute a legal action in a people's court pursuant to the first two paragraphs hereinabove in this Article.

In the event the directors, supervisors and senior management of a wholly-owned subsidiary of the Company violate the law, administrative regulations or the provisions of these Articles of Association in performing their duties, and incur a loss to the Company, or in the event the legal interests of a wholly-owned subsidiary of the Company are violated by other parties and a loss is incurred, shareholders, either individually or jointly holding more than 1% of the Company's shares for more than 180 consecutive days may, in accordance with the provisions of the preceding three paragraphs of Article 189 of the Company Act, submit a written request to the Board of Supervisors or the Board of Directors of the wholly-owned subsidiary for commencing legal proceedings in the People's Court, or directly file a lawsuit with the People's Court in their own name.

**Article 38** In the event that a director or senior management violates any law or administrative regulation or the provisions of these Articles of Association to the detriment of the interests of the shareholders, the shareholders may file a lawsuit with the People's Court.

**Article 39** The shareholders of the Company shall assume the following obligations:

- (I) to abide by laws, administrative regulations and these Articles of Association;
- (II) to pay subscription monies according to the shares subscribed and the method of subscription;
- (III) not to withdraw the share capitals unless required by the laws and regulations;
- (IV) not to abuse the shareholder's rights so as to damage the interests of the Company or those of any other shareholders; not to abuse the independent legal person status of the Company and the limited liability owed by the shareholders so as to damage the interests of the Company's creditors;
- (V) other obligations imposed by laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association.

**Article 40** Where shareholders of the Company abuse their shareholders' rights and thereby causing loss to the Company or other shareholders, such shareholders shall be liable for indemnity in accordance with the laws. Where shareholders of the Company abuse the Company's status as an independent legal entity and the limited liability owed by the shareholders for the purposes of evading from making debt repayments, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

**Article 41** Controlling shareholders and actual controllers of the Company shall comply with the following provisions:

- (I) to exercise their rights as shareholders in accordance with the law and not to abuse their control or use their connected relationship to prejudice the legitimate interests of the Company or other shareholders;
- (II) to strictly fulfil their public statements and various undertakings and not to change or waive such statements and undertakings;
- (III) to fulfil their information disclosure obligations in strict accordance with relevant regulations, proactively cooperate with the Company in information disclosure and inform the Company in a timely manner of material events that have occurred or are intended to occur;

- (IV) not to appropriate the Company's funds in any way;
- (V) not to order, instruct, or request the Company and its relevant personnel to provide guarantees in violation of laws and regulations;
- (VI) not to make use of the Company's undisclosed material information to gain benefits, or disclose in any way undisclosed material information relating to the Company, or engage in insider trading, short-term trading, market manipulation or other illegal and unlawful acts;
- (VII) not to prejudice the legitimate interests of the Company and other shareholders through unfair connected transactions, profit distribution, asset restructuring, external investment or any other means;
- (VIII) to ensure the integrity of the Company's assets, and the independence of its personnel, finance, organization and business, and not to affect the independence of the Company in any way;
- (IX) laws, administrative regulations, CSRC regulations, the securities regulatory rules of the place where the shares of the Company are listed and other requirements of these Articles of Association.

If a controlling shareholder or actual controllers of the Company does not act as a Director of the Company but actually executes the affairs of the Company, the provisions of these Articles of Association on the duties of loyalty and diligence of Directors shall apply.

Where a controlling shareholder or actual controller of the Company instructs a director or senior management to engage in an act that is detrimental to the interests of the Company or its shareholders, he/she shall bear joint and several liability with the director or senior management.

**Article 42** A controlling shareholder or actual controllers shall maintain control over the Company and the stability of its production operations if they pledge the Company's shares held or effectively controlled by them.

**Article 43** In the event of any transfer of the Company's shares held by a controlling shareholder or actual controllers, they shall comply with the restrictive provisions regarding the transfer of shares stipulated under the laws, administrative regulations, the regulations of the CSRC and the stock exchanges, as well as the undertakings they have made in respect of restrictions on share transfer.

## Section 2 General Provisions for Shareholders' Meetings

**Article 44** The shareholders' meeting of the Company is composed of all shareholders. The shareholders' meeting, as the organ of authority of the Company, shall have the following functions and powers in accordance with the laws:

- (I) to elect and replace directors, and make decisions on the remuneration of the relevant directors;
- (II) to consider and approve the report of the Board of Directors;
- (III) to consider and approve the profit distribution plans and the plans for making up losses of the Company;
- (IV) to pass resolutions on any increase or decrease of the Company's registered capital;
- (V) to pass resolutions on the issue of corporate bonds;
- (VI) to pass resolutions on the merger, division, dissolution, liquidation, or change in corporate form of the Company;
- (VII) to amend these Articles of Association;
- (VIII) to pass resolutions on the engagement, dismissal of any accounting firm engaged in the audit work of the Company;
- (IX) to consider and approve matters relating to guarantees under Article 45 of these Articles of Association;
- (X) to consider matters relating to the purchase or sale by the Company within one year of material assets valued at more than 30% of the Company's latest audited total assets of the Company;
- (XI) to consider and approve any change in the use of proceeds;
- (XII) to consider and approve any share incentive scheme and the employee stock ownership plan;

(XIII) to consider connected transactions between the Company and related parties with an amount of more than RMB 30 million and accounting for more than 5% of the absolute value of the Company's audited net assets in the latest period (except for guarantees provided by the Company, cash assets donated, and debts simply reduced or exempted from the Company's obligations);

(XIV) to consider and timely disclose transactions that meet any of the following standards:

1. the total assets involved in the transaction (both book value and appraisal value, whichever is higher) account for more than 50% of the company's total audited assets in the latest period;
2. the net assets involved in the subject matter of the transaction (for instance, 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 operating revenue related to the subject of the transaction (for instance, equity interest) for the latest accounting year accounts for more than 50% of the Company's audited operating revenue for the latest accounting year, with an absolute amount exceeding RMB50 million;
4. the net profit related to the subject of the transaction (for instance, 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.

If the data involved in the above indicators are negative, the absolute value shall be calculated. The above "transactions" include purchase or sale of assets; foreign investment (including entrusted financing, investment in subsidiaries, etc.); leasing in or out of assets; entrusted or entrusted management of assets and business; donation or

donation of assets; creditor's rights or debt restructuring; signing of license agreements; transfer or assignment of R&D projects; waiver of rights (including waiver of pre-purchase right, pre-payment right to subscribe capital, etc.) and other transactions recognized by Shenzhen Stock Exchange. The above "purchase or sale of assets" does not include the purchase or sale of assets related to daily operations such as the purchase of raw materials, fuels and power, the sale of products and commodities, etc., but the purchase or sale of such assets involved in asset replacement is still included.

In the event that the Company and the same counterparty concurrently engage in transactions in opposite directions other than the following, the higher of the financial indicators involved in any of the transactions in a single direction shall prevail, and the provisions of Paragraph 1, Item 17 of this Article shall apply:

1. external investments (including entrusted financing, investment in subsidiaries, etc.);
2. provision of financial assistance (including entrusted loans, etc.);
3. provision of guarantees (including those for the controlling subsidiaries, etc.);

Where the transaction of the Company falls into any of the following circumstances, it may be exempted from being submitted to the shareholders' meeting for deliberation in accordance with the provisions of Item (XIV) of this Article, but it shall still perform the obligation of information disclosure in accordance with relevant provisions:

1. The Company has transactions such as cash assets, debt relief, etc. that do not involve payment of consideration and do not carry any obligations;
2. The transactions of the Company only meet the criteria of Item 4 or Item 6 of Item (XIV) of this Article, and the absolute value of earnings per share of the Company in the most recent fiscal year is less than RMB0.05.

(XV) Financial assistance matters that fall under any of the following circumstances shall be submitted to the shareholders' meeting for deliberation after being reviewed and approved by the Board of Directors, except as otherwise provided by laws, administrative regulations, departmental rules, or the securities regulatory rules of the place where the Company's Shares are listed:

1. a single instance of financial assistance exceeds 10% of the company's most recently audited net assets;

2. the assisted party's latest financial statements showing an asset-liability ratio that exceeds 70%;
3. cumulative amount of financial assistance within the twelve months exceeding 10% of the listed Company's latest audited net assets;
4. provision of financial assistance to related invested companies (excluding entities controlled by the Company's controlling shareholders or actual controllers);
5. other circumstances as stipulated by the securities regulatory rules of the place where the Company's shares are listed or by these Articles of Association.

If the recipient of the financial assistance is a controlled subsidiary included in the Company's consolidated financial statements and the Company's equity interest exceeds 50%, and if the other shareholders of the controlled subsidiary do not include the Company's controlling shareholder, actual controller, or their associates, the provisions of the preceding two paragraphs may be waived;

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

The shareholders' meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

**Article 45** The following external guarantee actions of the Company shall be submitted to the shareholders' meeting for deliberation after being reviewed and approved by the Board of Directors:

- (I) The total amount of external guarantees provided by the Company and its controlled subsidiaries exceeds 50% of the most recently audited net assets, and any guarantee provided thereafter;
- (II) The total amount of external guarantees provided by the Company and its controlled subsidiaries exceeds 30% of the most recently audited total assets, and any guarantee provided thereafter;
- (III) The cumulative amount of guarantees provided to others within the most recent twelve months exceeds 30% of the most recently audited total assets of the Company;

- (IV) Guarantees provided to guarantee recipients with asset-liability ratio exceeding 70%;
- (V) A single guarantee amount exceeding 10% of the most recently audited net assets;
- (VI) Guarantees provided to shareholders, actual controllers, and their related parties;
- (VII) Other circumstances as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's Shares are listed, or these Articles of Association.

The total amount of external guarantees provided by the company and its controlled subsidiaries referred to above means the sum of the total external guarantees provided by the company (including guarantees provided by the company to its controlled subsidiaries) and the total external guarantees provided by the controlled subsidiaries of the company.

The guarantees as mentioned in item (III) of the first paragraph herein submitted to the shareholders' meeting for consideration shall be passed with more than two thirds of the votes held by the shareholders present at the meeting.

When the proposal for providing a guarantee to a shareholder, an actual controller and its related parties is considered at the shareholders' meeting, the shareholder or the shareholders controlled by the actual controllers shall not participate in the voting, and this proposal shall be passed by more than half of the voting right held by other shareholders present at the shareholders' meeting.

**Article 46** The shareholders' meeting includes annual shareholders' meeting and extraordinary shareholders' meeting. The annual shareholders' meeting shall be held once a year, within six months following the end of the previous fiscal year.

**Article 47** The Company shall convene extraordinary shareholders' meeting within 2 months upon the occurrence of the following events:

- (I) The number of Directors is less than the minimum number specified in the Company Law, or less than two-thirds of the number specified in these Articles of Association;
- (II) The unrecovered losses of the Company amount to one third of the total amount of its paid-up share capital;
- (III) When requested by shareholders holding individually or collectively more than 10% of the voting rights of the company;

(IV) The Board considers it necessary;

(V) The Audit Committee proposes to convene such a meeting;

(VI) Other circumstances under relevant laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

If the extraordinary shareholders' meeting is convened in accordance with the securities regulatory rules of the place where the Company's Shares are listed, the actual date of the extraordinary shareholders' meeting may be adjusted in accordance with the securities regulatory rules of the place where the Company's Shares are listed.

**Article 48** The location for the shareholders' meeting of the Company shall be the registered office of the Company or any other place designated by the Company.

The shareholders' meeting shall be held at a venue in the form of an on-site meeting. The Company may also provide online or other means to facilitate the participation of shareholders. Shareholders who participate in the shareholders' meeting through the above means must submit the documents that can prove their shareholder status as stipulated in Article 30 to the Company for confirmation before the end of the meeting registration in order to attend the meeting.

**Article 49** When the Company convenes a shareholders' meeting, it will engage a lawyer to issue a legal opinion and make an announcement on the following issues:

(I) Whether the procedures of convening and holding the meeting comply with relevant laws or administrative regulations and these Articles of Association;

(II) Whether the qualifications of the attendants and the convener are legal and valid;

(III) Whether the voting procedure and results of the meeting are legal and valid;

(IV) Legal opinions on other relevant matters as requested by the Company.

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

**Article 50** The shareholders' meetings shall be convened by the Board of Directors on time within the specified period.

Subject to the consent of more than half of all the independent directors, the independent directors shall have the rights to propose to the Board of Directors to convene an extraordinary shareholders' meeting. Regarding the proposal requesting to convene an extraordinary shareholders' meeting by the independent directors, the Board of Directors shall give a written reply stating its agreement or disagreement to the convening of the extraordinary shareholders' meeting within ten days after receiving the proposal in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed, stock exchange and the Articles of Association.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, a notice for convening such meeting shall be issued within five days after the date of the resolution of the Board of Directors. If the Board of Directors refuses to convene an extraordinary shareholders' meeting, an explanation and relevant announcement shall be made.

**Article 51** If the Audit Committee proposes to the Board of Directors to convene an extraordinary shareholders' meeting, and such proposal shall be submitted in writing. The Board of Directors shall give a written reply stating its agreement or disagreement to the convening of the extraordinary shareholders' meeting within ten days after receiving the proposal in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed, stock exchange and the Articles of Association.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, a notice for convening such meeting will be issued within five days after the date of the resolution of the Board of Directors and any changes to the original proposal contained in the notice shall be subject to the approval of the Audit Committee.

If the Board of Directors disagrees to convene the extraordinary shareholders' meeting or does not give any written reply within ten days after receiving the proposal, the Board of Directors shall be deemed as failing to perform the duty of convening a shareholders' meeting. In such case, the Audit Committee may convene and preside over the meeting.

**Article 52** Shareholders individually or jointly holding more than 10% of voting rights of the Company shall request the Board of Directors in writing to convene an extraordinary shareholders' meeting. The Board of Directors shall, in accordance with the requirements of laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed, stock exchange the Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary shareholders' meeting within 10 days upon receipt of the request.

If the Board of Directors agrees to convene the extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within five days upon after the date of the resolution of the Board of Directors. Any changes made to the original proposal in the notice shall be agreed by the relevant shareholders.

If the Board of Directors disagrees to convene the extraordinary shareholders' meeting, or does not reply within 10 days upon receipt of the proposal, shareholders individually or jointly holding more than 10% of the voting rights of the Company are entitled to request the Audit Committee in writing to convene an extraordinary shareholders' meeting.

If the Audit Committee agrees to convene the extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within five days upon receipt of the proposal. Any changes made to the original request in the notice shall be agreed by the relevant shareholders.

If the Audit Committee does not issue the notice of shareholders' meeting within the prescribed period, it shall be deemed as the Audit Committee not convening and not holding the shareholders' meeting. Then the shareholders individually or jointly holding more than 10% of the voting rights of the Company for more than 90 consecutive days are entitled to convene and hold the meeting by themselves.

**Article 53** If the Audit Committee or the shareholders decide to convene a shareholders' meeting on their own, they must notify the Board of Directors in writing and complete the necessary reporting, announcements, or filings in accordance with the securities regulatory rules of the place where the Company's Shares are listed and the regulations of the stock exchange.

The Audit Committee or the shareholders who call the meeting shall, when issuing the notice of the shareholders' meeting and the announcement of the resolutions of the shareholders' meeting, complete the necessary reporting, announcements, or filings in accordance with the securities regulatory rules of the place where the Company's Shares are listed and the regulations of the stock exchange, and submit relevant supporting documents to the stock exchange.

The proportion of voting rights held by the shareholders who call the meeting shall not be lower than 10% before the announcement of the resolutions of the shareholders' meeting.

**Article 54** Where the Audit Committee or shareholders convene a shareholders' meeting by themselves, the Board of Directors and the secretary to the Board of Directors shall cooperate. The Board of Directors shall provide the register of shareholders on the shareholding record date.

If the Board of Directors fails to provide the register of shareholders, the convener may carry relevant announcement on the notice of convening shareholders' meeting to apply with the securities registration and clearing organization. The convener shall not use the register of shareholders for purposes other than convening a shareholders' meeting.

**Article 55** The necessary expenses for the shareholders' meeting convened by the Audit Committee or the shareholders on their own shall be borne by the Company.

#### **Section 4 Proposals and Notices of Shareholders' Meetings**

**Article 56** The contents of the proposals shall be within the scope of duties of the shareholders' meeting. It shall have a clear topic and specific matters to be resolved on, and shall be in compliance with relevant requirements of the laws, administrative regulations, securities regulatory rules of the place where the Company's Shares are listed and the relevant provisions of these Articles of Association.

**Article 57** When a shareholders' meeting is convened by the Company, the Board of Directors, the Audit Committee or shareholders individually or jointly holding more than 1% of shares of the Company are entitled to propose resolutions to the Company.

Shareholders individually or jointly holding more than 1% shares of the Company may submit ad hoc proposals in writing to the convener of the shareholders' meeting 10 days before the convening of the shareholders' meeting. The convener shall issue a supplemental notice of the shareholders' meeting within 2 days upon receipt of the proposals and announce the contents of the ad hoc proposals, and submit such ad hoc proposals to the shareholders' meeting for consideration, unless the ad hoc proposals violate the laws, administrative regulations or provisions of the Articles of Association, or do not fall within the scope of the shareholders' meeting. If, according to the securities regulatory rules of the place where the Company's Shares are listed, the shareholders' meeting is required to be postponed due to the issuance of a supplementary notice for the shareholders' meeting, the meeting shall be postponed in accordance with the securities regulatory rules of the place where the Company's Shares are listed.

Except for circumstances provided in the above paragraph, the convener, after issuing the notice and announcement of the shareholders' meeting, shall neither revise the proposals stated in the notice of shareholders' meeting nor add new proposals.

The shareholders' meeting shall not vote on or make resolutions regarding any proposal that is not specified in the notice of the shareholders' meeting or that does not comply with the provisions of these Articles of Association.

**Article 58** The convener shall notify each shareholder by announcement at least twenty-one days before the annual shareholders' meeting and at least fifteen days before the extraordinary shareholders' meeting. When calculating the starting period, the Company shall not include the day of the meeting.

**Article 59** The notice of the shareholders' meeting shall include the following items:

- (I) The time, place, and duration of the meeting;
- (II) Matters and proposals to be deliberated at the meeting;
- (III) Shall contain a conspicuous statement that all shareholders are entitled to attend the shareholders' meeting and appoint a proxy to attend and vote on his/her behalf in written form and such proxy needs not to be a shareholder of the Company;
- (IV) Shall specify the record date for determining the shareholders who are entitled to attend the shareholders' meeting;
- (V) Shall state the names and telephone numbers of the standing contact persons for the meeting;
- (VI) The convener of the meeting;
- (VII) Time and process of voting online or by other means.

The notice of the shareholders' meeting and any supplementary notices shall fully and completely disclose all specific contents of all proposals.

Materials that are necessary for shareholders to make reasonable decisions on the matters to be discussed shall be disclosed no later than the time when the notice of the shareholders' meeting is issued.

If a shareholder lawfully and properly proposes a temporary proposal before the shareholders' meeting is convened, the convener shall issue a supplementary notice of the shareholders' meeting within the prescribed time limit, disclosing the name or title of the shareholder proposing the temporary proposal, the proportion of shares held, and the content of the new proposal.

If the shareholders' meeting is conducted through online or other means, the notice of the shareholders' meeting shall clearly specify the voting time and procedures for online or other means of voting. Online voting or voting by other means at the shareholders' meeting shall

commence no earlier than 3:00 p.m. on the day before the physical meeting but no later than 9:30 a.m. on the date of the physical meeting and shall not end earlier than 3:00 p.m. on the date of the conclusion of the physical meeting.

The gap between the date of registration of shareholdings and the date of the meeting shall be no more than 7 business days. The date of registration of shareholdings shall not be changed once confirmed.

**Article 60** In the event that matters involving the election of directors are to be considered at the shareholders' meeting, the notice of such shareholders' meeting shall fully disclose the detailed information of the candidates for such directors, which shall at least include the following:

- (I) personal particulars including education background, working experience and any part-time job;
- (II) whether there is any connected relationship with the Company or its controlling shareholders and actual controllers;
- (III) the number of shares held in the Company;
- (IV) whether or not they have been penalized by CSRC and other relevant authorities and the stock exchange;
- (V) Other contents required by the CSRC and the securities regulatory rules of the place where the Company's Shares are listed.

Apart from directors elected through the cumulative voting system, each candidate of director shall be individually proposed.

**Article 61** After the notice of the shareholders' meeting has been issued, the meeting should not be postponed or cancelled without proper reason, and the proposals listed in the notice of the shareholders' meeting should not be withdrawn. In the event that the shareholders' meeting is postponed or cancelled, or a proposal is withdrawn, the convener shall issue an announcement at least two trading days before the originally scheduled meeting date, specifying the reasons for the postponement or cancellation. If the meeting is postponed, the new date of the meeting shall also be disclosed. If the securities regulatory rules of the place where the Company's shares are listed have special provisions regarding the procedures for postponing or cancelling a shareholders' meeting, such provisions shall be followed, provided that they do not violate Chinese laws, regulations, and regulatory requirements.

## **Section 5 Convening of Shareholders' Meetings**

**Article 62** The Board of Directors of the Company and other convener shall adopt necessary measures to ensure the normal discipline of the shareholders' meeting. In respect of actions interfering the shareholders' meeting, making provocations and troubles and infringing the legitimate interests of shareholders, measures shall be adopted to stop and to report to the relevant authorities in a timely manner for investigation and handling.

**Article 63** All shareholders appearing in the register of shareholders on the record date or their proxies shall be entitled to attend the shareholders' general meeting and to exercise voting rights in accordance with the relevant laws, regulations, securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

A shareholder may attend and vote at the shareholders' meeting in person or by proxy. A proxy does not need to be a shareholder of the Company. If the shareholder is a Recognized Clearing House (or its agents) as defined in the relevant ordinances promulgated in Hong Kong from time to time, the shareholder may authorize his/her company representatives or one or more persons as he/she thinks fit to act as his/her proxy at any general meeting.

**Article 64** Individual shareholders attending the meeting in person shall present their personal identity cards or other valid certificates or documents or proof of shareholding. Proxies attending the meeting for someone else 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, the Board of Directors or other decision-making bodies. Legal representatives attending the meeting shall present their personal identity cards and valid documents that can prove its identity as the legal representative. Proxies attending the meeting shall present their personal identity cards and the written proxy statement legally issued by the legal representative of the legal person shareholder, the Board of Directors or other decision-making bodies.

If the shareholder is a Recognized Clearing House (or their proxies), the Recognized Clearing House may authorize its company representative or one or more persons as it deems appropriate to act as its representative at any shareholders' meeting or any creditors' meeting; however, if more than one person is authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized. A person so authorized may attend the meeting and exercise the rights on behalf of the Recognized Clearing House (or their proxies) (without presenting a shareholding certificate, notarized authorization and/or further evidence confirming its duly authorization) as if such person were an individual shareholder of the Company, and enjoy the same legal rights as other shareholders, including the right to speak and vote.

**Article 65** Any shareholder who is entitled to attend and vote at a shareholders' meeting shall be entitled to appoint one or more persons (the person(s) may not be shareholders) as his/her proxy(ies) to attend and vote at the meeting. The power of attorney issued by a shareholder to authorize another person to attend the shareholders' meeting shall specify the following contents:

- (I) Appointer's name, class and quantity of shares of the Company held;
- (II) Name of the proxy;
- (III) Shareholders' specific instructions including consent, objection or abstention concerning each proposal on the shareholders' meeting agenda;
- (IV) Date of signing of the proxy form and validity period;
- (V) Signature (or chop) of the appointer. If the appointer is a corporate shareholder, it should add the chop of the legal person.

The power of attorney for voting by proxy shall be placed at the domicile of the Company or other place specified in the meeting notice 24 hours before the holding of the meeting for which the power of attorney is issued or 24 hours before the designated voting time.

**Article 66** The power of attorney for voting by proxy shall be placed at the domicile of the Company or other place specified in the meeting notice 24 hours before the holding of the meeting for which the power of attorney is issued or 24 hours before the designated voting time. All shareholders appearing in the register of shareholders on the record date or their proxies shall be entitled to attend the shareholders' general meeting and to exercise voting rights in accordance with the relevant laws, regulations and the Articles of Association.

A shareholder may attend and vote at the shareholders' meeting in person or by proxy.

**Article 67** Where the power of attorney for voting proxy is signed by another person authorized by the entrusting party, the authorization letter or other document authorizing the signatory shall be notarized. The notarized authorization letter or other authorization document and the instrument appointing the voting proxy shall be placed at the domicile of the Company or at such other place as specified in the notice of the meeting.

**Article 68** The Company shall prepare a log book to record the parties attending the shareholders' meeting. The log book shall set out the name of the person or unit attending the meeting, their identification document numbers, the number of voting shares they have and the name of the principals or unit.

**Article 69** The convener and the legal advisers retained by the Company shall jointly verify the eligibility of the shareholders to vote based on the Company's shareholder register provided by the securities registration and clearing authority and shall register the name of the shareholders

together with the numbers of voting shares they have. Registration shall come to a close before the presider of the meeting announces the number of shareholders and proxies physically present at the meeting as well as the total number of voting shares represented by the shareholders who are entitled to vote.

**Article 70** When the shareholders' meeting requests Directors and senior management to attend the meeting, the Directors and senior management shall be present and respond to shareholders' inquiries.

**Article 71** The shareholders' meeting shall be chaired by the chairman of the Board of Directors. When the chairman is unable or fails to perform his duties, the vice chairman will preside over the meeting. If the vice chairman is unable or fails to perform his duties, a director jointly elected by more than half of the Directors shall preside over the meeting.

A shareholders' meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or fails to perform his duties, a member of the Audit Committee elected by more than half of all members of the Audit Committee shall preside.

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

At a general meeting, if the presider of the meeting violates the rules of procedure which makes it impossible for the meeting to proceed, the meeting may, with the consent of more than half of the shareholders with voting rights present at the meeting, elect one person to serve as the presider of the meeting and continue.

**Article 72** The Company shall formulate the rules of procedures for shareholders' meetings, which stipulate procedures for calling, convening shareholders' meetings and voting procedures, including the notice, registration, consideration of proposed motions, voting, vote counting, announcement of voting results, formation of meeting resolutions, keeping and signing of meeting minutes, and announcement, as well as the authorization principle by the shareholders' meetings to the Board of Directors and the specific powers so authorized. The rules of procedures for shareholders' meetings shall constitute an appendix to the Article of Association, which shall be proposed by the Board and approved by the shareholders' meeting.

**Article 73** At the annual shareholders' meeting, the Board shall make report on their works in the past year to the shareholders' meeting. Each independent Director shall also make work report.

**Article 74** The Directors and senior management members shall make explanation and interpretation on the inquiry and suggestions of the shareholders at the shareholders' meeting.

**Article 75** The meeting presider shall declare the number of shareholders and proxies present and the total number of shares with voting rights they hold before voting. To determine the number of shareholders and proxies present and the total number of shares with voting rights they hold, the meeting register shall prevail.

**Article 76** Minutes of a shareholders' meeting shall be kept by the secretary to the Board of Directors. The minutes shall contain the following details:

- (I) Time, place, agenda of meetings and names of the conveners;
- (II) The names of the presider of the meeting, the Directors and senior management members present at the meeting;
- (III) The number of attending shareholders and proxies, their total number of shares with voting rights and the proportion of their shares to the total number of shares of the Company;
- (IV) The review procedures, key points of speakers and resolution results of each proposal;
- (V) The inquiry opinions or recommendations of shareholders and the replies or elaborations thereon;
- (VI) The names of lawyers, vote counters and vote scrutineer;
- (VII) Other contents being recorded in the minutes in accordance with the requirements of these Articles of Association.

**Article 77** The convener shall warrant that the contents of the minutes are true, accurate and complete. The Directors, secretary to the Board of Directors, the convener or their proxies attending or present at the meeting, the presider of the meeting shall sign on the minutes. The minutes, record of attendance of the shareholders, the proxy forms and valid information on online and other ways of voting shall be kept all together for a period of not less than ten years.

**Article 78** The conveners shall ensure the continuation of the shareholders' meeting, till the final resolution is made. If the shareholders' meeting is suspended or the resolution cannot be made due to force majeure or other special causes, necessary measures shall be taken to restore the shareholders' meeting or directly terminate the shareholders' meeting, and public announcement shall be made in time. Meanwhile, the convener shall complete necessary reports or announcements in accordance with the securities regulatory rules of the place where the Company's Shares are listed and the regulations of the stock exchange.

## **Section 6 Voting and Resolution of Shareholders' Meetings**

**Article 79** Resolutions of the shareholders' meeting include ordinary resolutions and special resolutions.

Ordinary resolution at a shareholders' meeting shall be passed by more than half of the voting rights held by shareholders attending the shareholders' meeting.

Special resolution at a shareholders' meeting shall be passed by more than two-thirds of the voting rights held by shareholders attending the shareholders' meeting.

**Article 80** The following matters shall be approved by ordinary resolution at the shareholders' meeting:

- (I) Work reports of the Board of Directors;
- (II) Profit distribution plan and loss make-up plan formulated by the Board of Directors;
- (III) Appointment or removal of the members of the Board of Directors and their remuneration and payment methods;
- (IV) Matters concerning the change of the purpose of the raised capital;
- (V) Engagement or dismissal of the accounting firm;
- (VI) Matters other than those approved by special resolution stipulated in the laws, administrative regulations, securities regulatory rules of the place where the Company's Shares are listed or these Articles of Association.

**Article 81** The following matters shall be approved by special resolution at the shareholders' 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) Amendment to these Articles of Association;
- (IV) Purchase or sale of significant assets within a year or provision of guarantees which exceeds 30% of the Company's audited total assets for the latest period;
- (V) Share incentive scheme;
- (VI) Changes in the rights attached to any class of shares;

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

If the share capital of the Company contains different classes of shares, any alteration made to the rights attached to any shares of such class shall be approved by shareholders attending general meetings of such class of shares attached with such rights by special resolutions unless otherwise required. For the purpose of this Article, A Shares and H Shares of the Company shall be deemed as same class of shares.

**Article 82** Shareholders shall exercise voting rights based on the number of shares with voting rights held by them, and each share shall have one vote. On a poll taken at a meeting, a shareholder (including proxy thereof) entitled to two or more votes need not cast all his/her votes in the same way (vote for, against or abstain from voting).

When a shareholders' meeting deliberates on significant matters which have an impact on the interests of small and medium investors, the votes of small and medium investors shall be calculated separately. The separate voting results shall be disclosed publicly in a timely manner.

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

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

If a shareholder's purchase of shares with voting rights of the Company violates 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' meeting within 36 months after the purchase. Where the securities regulatory rules of the place where the Company's Shares are listed provide otherwise, such provisions shall prevail.

The Board of Directors, independent Directors and shareholders holding more than 1% of the shares with voting rights or investor protection agencies established in accordance with laws, administrative regulations or the regulations of the CSRC may solicit shareholders' voting rights. The solicitation of shareholders' voting rights shall provide full disclosure of information such as specific voting intentions to the shareholders from whom voting rights are being solicited. The solicitation of shareholders' voting rights by way of compensation or disguised compensation is

prohibited. The Company shall not impose minimum shareholding restrictions on the solicitation of voting rights. Where the securities regulatory rules of the place where the Company's Shares are listed provide otherwise, such provisions shall prevail.

**Article 83** Where a shareholders' meeting is convened to consider matters relating to a connected transaction, related shareholders shall abstain from voting and the number of shares carrying voting rights as represented by them shall not be included in the total number of valid votes; Adequate disclosure of the result of votes cast by shareholders not related to the transaction shall be made in the announcement on the resolutions of the shareholders' meeting.

The related shareholders' abstention and voting procedures are as follows:

- (I) The Board of Directors or other convener shall, in accordance with the stock listing rules of the stock exchange, determine whether the relevant matters proposed to be submitted to the shareholders' meeting for consideration constitute connected transactions. In making such determination, the shareholding amount of shareholders shall be based on the record date;
- (II) Where a matter to be considered by the shareholders' meeting is related to a shareholder, such shareholder shall disclose its related relationship to the Board of Directors on the date of the shareholders' meeting and voluntarily apply to abstain from voting. If the Board of Directors or other convener determines that the relevant matters proposed to be submitted to the shareholders' meeting for consideration constitute connected transactions, the Board of Directors or other convener shall deliver a written notice to the related shareholder and obtain its written response as to whether it applies for exemption from abstention;
- (III) The Board of Directors or other convener shall complete the foregoing work prior to issuing the notice of the shareholders' meeting, and shall disclose the results of such work in the notice of the shareholders' meeting;
- (IV) Where a related shareholder fails to voluntarily apply to abstain from voting, other shareholders or shareholder representatives attending the shareholders' meeting shall have the right to request the related shareholder to abstain from voting. If, when other shareholders or shareholder representatives raise a request for abstention, the shareholder requested to abstain from voting believes that he/she does not fall within the scope of those required to abstain from voting, the presider of the shareholders' meeting shall consult with the on-site Directors and relevant shareholders based on the circumstances and make a decision on whether abstention is required. When the shareholders' meeting votes on connected transaction matters, after deducting the number of voting shares represented by related shareholders, the non-related shareholders present at the shareholders' meeting shall vote in accordance with the provisions of these Articles of Association;

- (V) In the event of special circumstances where a related shareholder is unable to abstain from voting, the Company may, with the consent of the competent authorities, proceed with the vote in accordance with normal procedures and include a detailed explanation in the resolution of the shareholders' meeting.

**Article 84** Unless the Company is in a crisis or under any special circumstances, the Company will not enter into a contract with a person other than a director, senior management member pursuant to which the management of the Company's entire or important business will be given to that person, unless otherwise approved by a special resolution at the shareholders' meeting.

**Article 85** The list of candidates for Directors shall be submitted to the shareholders' meeting for approval in the form of a proposal.

The method of, and procedure for, nominating Directors are as set forth below:

- (I) The preceding Board of Directors shall propose a recommended list of non-employee representative Directors according to the number of Directors to be elected to the extent of the number specified by these Articles of Association. Such list shall be submitted as candidates for Directors to the shareholders' meeting for election upon resolution by the Board of Directors.
- (II) Shareholders individually or collectively holding more than three percent of the total outstanding voting shares of the Company may propose the candidates for Directors who are non-employee representatives to the Board of Directors of the Company, provided that the number of persons nominated complies with the Articles of Association and is not greater than the number of persons to be elected.
- (III) The Board of Directors of the Company and shareholders individually or collectively holding more than one percent of the issued shares of the Company may nominate candidates for independent Directors provided that the number of persons nominated shall comply with the provisions of the Articles of Association and shall not exceed the number of persons to be elected. For independent Directors who are not qualified or competent as independent Directors, fail to perform their duties independently or fail to safeguard the legitimate rights and interests of the Company and minority shareholders, shareholders who individually or collectively hold more than one percent of the shares of the Company may submit a proposal to the Board of Directors of the Company to challenge or remove an independent Director. In the event that the Board of Directors of the Company disagrees with the relevant information of the candidates for Independent Directors, the Board of Directors' written opinion shall be submitted at the same time. The independent Director concerned shall promptly explain the challenged matters and disclose them. The Board of Directors of the Company shall promptly convene a special meeting to discuss the matter after receiving the relevant challenge or proposal for removal and disclose the results of the discussion.

In convening a shareholders' meeting for election of independent Directors, the Board of Directors of the Company shall state whether the Shenzhen Stock Exchange objects to the nomination of any candidates for independent Directors. The candidates for independent Directors objected to by the Shenzhen Stock Exchange shall not be elected as independent Directors by the shareholders' meeting of the Company.

The election of Directors shall fully reflect the opinions of minority shareholders. When electing Directors at a shareholders' meeting, the cumulative voting system may be adopted. Cumulative voting system shall be adopted in the election of more than two independent Directors or in the election of two or more Directors by a company where a single shareholder and parties acting in concert with him hold 30% or more of the shares with voting interests.

If Directors will be elected by cumulative voting at the shareholders' meeting, the voting of independent Directors and non-independent Directors shall be conducted separately. For Directors that are not elected by cumulative voting, each of the candidates for Directors shall be proposed by a separate proposal.

The cumulative voting system referred to in the preceding paragraph means each share shall have the same voting right as the number of Directors to be elected, when election of Directors is voted at the shareholders' meeting. The voting right held by shareholders may be used collectively. The Board of Directors shall announce the resumes and basic particulars of the candidates for Directors to the shareholders.

The following provisions shall apply to the election of Directors by cumulative voting system:

- (I) Each share held by a shareholder that is entitled to vote shall have a number of voting rights equal to the total number of Directors to be elected. The total number of votes that each shareholder is entitled to cast shall be the product of the total number of shares they hold with voting rights and the number of Directors to be elected (e.g. if a shareholder owns 100 shares and the Company intends to elect 8 Directors, the total accumulative voting rights of that shareholder shall be  $100 \times 8 = 800$  votes);
- (II) Shareholders may cast their accumulative voting rights to a single candidate or alternatively, cast to different candidates or all candidates provided that the total number of their votes does not exceed the total number of votes cast. When dispersing voting rights, it does not have to be an integral multiple of the number of shares held by them it (e.g. if the shareholder as described in the preceding examples casts his/her cumulative voting rights to three candidates, 300 votes to one of them and 210 votes to another one, then only  $800 - 300 - 210 = 290$  votes to the last one);

- (III) After the voting process ends, Directors shall be elected by winning more than a half of the total number of valid cumulative votes held by the shareholders attending and voting, according to the number of votes received by each candidate and subject to the number of Directors to be elected in descending order;
- (IV) If the number of candidates for Directors who receive more than a half of the total number of valid cumulative votes held by the shareholders voting exceeds the number of Directors to be elected and more than two candidates ranked last receive the same number of votes, the other candidates ranked before them shall be elected. A new ballot shall be conducted for those candidates who have received the same number of votes by applying the cumulative voting system. The candidates who rank first in descending order of votes number shall be elected;
- (V) In the event that the number of candidates for Directors receiving more than a half of the total number of valid cumulative votes held by the shareholders voting in the first round of voting is less than the number of Directors to be elected, a new ballot shall be conducted for the unelected candidates by applying the cumulative voting system. The candidates who rank first in descending order of votes number shall be elected to fill the number of candidates to be elected. In the event of failure to determine the elected candidate due to a tie vote, a new ballot shall be held in accordance with the above-mentioned rules;
- (VI) In the event of failure to elect Directors with the number specified in these Articles of Association after three rounds of voting at the shareholders' meeting, the original Directors shall not leave office and the Board of Directors shall convene an extraordinary meeting within 15 days to determine the time for convening another shareholders' meeting to elect the missing Directors and report the situation in writing to the dispatch authorities of the CSRC and the Stock Exchange. The Directors elected at this shareholders' meeting shall remain valid, but their terms of office shall be postponed until the number of newly elected Directors reaches the number stipulated in these Articles of Association;
- (VII) Prior to the application of the cumulative voting system to elect Directors, the Company shall issue a written statement to shareholders on the explanation and specific operation of the cumulative voting system and, if necessary, arrange staff to be on hand to instruct them on how to vote.

Directors and independent Directors shall be elected separately through separate voting.

**Article 86** Except for cumulative voting system, all the proposals shall be voted separately at the shareholders' meeting; in the event of several proposals for the same issue, such proposals shall be voted on in the order of time at which they are submitted. Unless the shareholders' meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the shareholders' meeting.

**Article 87** When considering a proposal at a shareholders' meeting, no amendments shall be made thereto. Any change made thereto shall be considered as a new proposal, for which the voting shall not proceed in that meeting.

**Article 88** The same vote may only be cast once at the physical location of a shareholders' meeting, or by online voting or other means. In the event of multiple casting of the same vote, only the outcome of the first casting of such vote shall be counted.

**Article 89** At any shareholders' meeting, voting shall be conducted by open poll.

**Article 90** Before conducting any vote on a proposal at the shareholders' meeting, two shareholders' representatives shall be elected to participate in the vote counting and vote scrutiny. When a matter being considered involves a conflict of interest for a shareholder, he or she and his or her proxies may not be included in the vote counting or vote scrutiny.

When votes are cast on proposals at the shareholders' meeting, the lawyers and the shareholder representatives shall be jointly responsible for counting and scrutinizing votes and shall announce the voting results at the meeting. The voting result shall be recorded in the meeting minutes.

The shareholders of the listed company or their proxies who vote online or by other means shall be entitled to verify their voting results in the corresponding voting system.

**Article 91** The onsite shareholders' meeting shall not be concluded earlier than the online meeting or that held by other means, and the chairman of the shareholders' meeting shall announce the voting status and voting results of each proposal and whether a proposal is passed according to the voting results.

Before the voting results are officially announced, the company, the persons responsible for counting the votes and scrutinizing the poll, shareholders, internet services provider and other relevant parties involved in the onsite meeting, online meeting or that held by other means shall be under an obligation to keep the voting results strictly confidential.

**Article 92** Shareholders attending the shareholders' meeting shall provide one of following opinions on the proposals to be voted on: for, against or abstain, except for the securities registration and clearing institution which, as the nominal holder of shares under the Stock Connect mechanism between mainland and Hong Kong stock markets, shall make declaration according to the intentions of actual holders.

Unfilled, incorrectly filled, illegible or uncast votes will be regarded as the voters having given up their voting rights and the voting results of the shares held by them shall be counted as "abstention".

**Article 93** Where the chairman of the meeting has any doubt as to the voting result of a resolution, he/she may demand the votes to be recounted. If the chairman of the meeting does not have the votes recounted, any shareholder or proxy attending the meeting who disagrees with the result announced by the chairman of the meeting may request the votes to be recounted immediately after the announcement, and the chairman of the meeting shall arrange for the votes to be recounted immediately.

**Article 94** The resolutions passed at the shareholders' meeting shall be announced in a timely manner. The announcement shall contain the number of the shareholders and proxies attending the meeting, the number of voting shares held by them and the proportion to the total number of voting shares of the Company, the voting method, the voting result of each proposal and the details of each proposal passed.

**Article 95** If a proposal is not passed, or the shareholders' meeting alters a resolution passed at the previous shareholders' meeting, a special note shall be made in the announcement of the resolutions of the shareholders' meeting.

**Article 96** Where a proposal in relation to the election of Directors is passed at a shareholders' meeting, the term of office of the new Directors shall commence immediately after the conclusion of the shareholders' meeting.

**Article 97** Where a proposal in relation to the payment of cash dividends, the issue of bonus shares or the capitalization of capital reserves is passed at a shareholders' meeting, the Company shall implement the specific plans within two months after the conclusion of such shareholders' meeting. If the specific plan cannot be implemented within two months due to the requirements of the laws and regulations and the securities regulations and rules of the places where the Company's shares are listed, the implementation date of the specific plan may be adjusted in accordance with such regulations and the actual situation.

## **CHAPTER 5 BOARD OF DIRECTORS**

### **Section 1 Directors**

**Article 98** The Director of the Company shall be a natural person. A person may not serve as a Director of the Company if any of the following circumstances applies:

- (I) Persons who have no or restricted capacity for civil conduct;
- (II) Persons who were sentenced to criminal punishment due to corruption, bribery, embezzlement of property, misappropriation of property or disrupting the socialist market economic order, or who have been deprived of political rights due to any criminal offenses, where less than five years have lapsed since the expiration of the execution period, or who were granted probation, where less than two years have lapsed since the expiration of the probationary term;

- (III) Persons who served as a Director, factory manager or manager of a company or an enterprise that declared insolvent and liquidated and were personally liable for the insolvency of such company or enterprise, and less than three years have lapsed since the date of completion of the insolvency and liquidation of that company or enterprise;
- (IV) Persons who served as the legal representative of a company or an enterprise of which the business license was revoked and was ordered to close down due to violation of laws and who was personally liable for such revocation and order, where less than three years have lapsed since the date of the revocation of the business license of that company or enterprise and was ordered to close down;
- (V) Persons who have a substantial amount of personal debts due and unsettled and is listed as a mala fide judgment debtor by a People's court;
- (VI) Persons who are penalized by CSRC to be prohibited from participating in the markets with a period yet to be expired;
- (VII) Persons who have been publicly determined by the stock exchange as unfit to serve as a Director, member of the senior management, etc., of a listed company, where the restriction period has not expired;
- (VIII) Other circumstances stipulated by laws, administrative regulations, departmental rules or the securities regulatory rules of the place where the Company's shares are listed.

The period prescribed in this Article shall determine on the date of holding of the shareholders' meeting at which the nomination proposal of the relevant Director is to be discussed.

If the election or appointment of a Director has violated this Article, such election, appointment or employment shall be invalid. If any of the circumstances under this Article occurs during the period of employment of a Director, the Company shall dismiss the Director from his duties and cease his performance of duties.

**Article 99** Directors shall be elected or replaced at the shareholders' meeting, and may be removed by the shareholders' meeting before the expiration of their term of office. The term of office of the Directors shall be three years. Upon maturity of the current term of office, a Director shall be eligible to offer himself/herself for reelection and reappointment. The independent Directors may not serve for more than six consecutive years. Before the expiration of a Director's term, his/her duties shall not be released by the shareholders' meeting without reason. If the securities regulatory rules of the place where the Company's shares are listed have other provisions regarding the re-election of Directors, such provisions shall apply.

A Director's term of office commences from the date of taking office, until the current term of office of the Board of Directors ends. A Director shall continue to perform his/her duties as a Director in accordance with the laws, administrative regulations, departmental rules, the securities

regulatory rules of the place where the Company's shares are listed and these Articles of Association until a re-elected Director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.

The senior management may concurrently serve as a Director, provided that the aggregate number of the Directors who concurrently serve as the senior management and Directors who are employee representatives shall not exceed a half of all the Directors of the Company.

**Article 100** The Directors shall comply with laws, administrative regulations and these Articles of Association, and shall bear the fiduciary obligations towards the Company, and shall take measures to avoid conflicts between their own interests and the Company's interests, and shall not use their functions and powers to seek improper benefits. The Directors shall bear the following fiduciary obligations towards the Company:

- (I) Shall not embezzle the properties of the Company and misappropriate the funds of the Company;
- (II) Shall not deposit the Company's funds in an account under his own name or the name of other individuals;
- (III) Shall not abuse their authority to accept bribes or other illegal income;
- (IV) Shall not directly or indirectly enter into any contract or perform any transaction with the Company without reporting to the Board of Directors or the shareholders' meeting and obtaining approval through a resolution of the Board of Directors or the shareholders' meeting in accordance with the provisions of these Articles of Association;
- (V) Shall not make use of his position to procure business opportunities that should belong to the Company for himself or others, except when having reported to the Board of Directors or the shareholders' meeting and approved by a resolution of the shareholders' meeting, or except that the Company is unable to utilize such business opportunity according to the provisions of laws, administrative regulations, or these Articles of Association;
- (VI) Shall not engage in the same business as the Company for his own account or for the benefits of any other persons without reporting to the Board of Directors or the shareholders' meeting and obtaining approval through a resolution of the shareholders' meeting;
- (VII) Shall not accept commissions from transactions between others and the Company for their own benefit;
- (VIII) Shall not disclose confidential information of the Company without authorization;

- (IX) Shall not abuse his connected relationship to compromise the interests of the Company;
- (X) Other fiduciary obligations stipulated by laws, administrative regulations, departmental rules and these Articles of Association.

Income generated by a Director in violation of the provisions of this Article shall belong to the Company; where the Company suffers losses thereto, the Director shall be liable for compensation.

When close relatives of Directors and members of the senior management, enterprises directly or indirectly controlled by Directors, members of the senior management or their close relatives, and other related parties having other affiliations with Directors or members of the senior management enter into contracts or conduct transactions with the Company, the provisions of item (IV) of the second paragraph of this Article shall apply.

**Article 101** Directors shall comply with the provisions of laws, administrative regulations and these Articles of Association, owe obligations of diligence to the Company, and shall exercise reasonable care that a manager would normally be expected to exercise for the best interests of the Company when performing their duties.

Directors owe the following obligations of diligence to the Company:

- (I) Shall prudently, earnestly and diligently exercise the rights the Company grants to them to ensure that the Company conducts its commercial activities in a manner that complies with the requirements of state laws, administrative regulations and various state economic policies, and that the Company's commercial activities do not go beyond the scope of the business activities stipulated in the Company's business license;
- (II) Shall treat all shareholders fairly;
- (III) Shall maintain a timely awareness of the business operation and management of the Company;
- (IV) Shall sign written confirmation opinions on the regular reports of the Company, and ensure that the information disclosed by the Company is true, accurate and complete;
- (V) Shall truthfully provide relevant information and materials to the Audit Committee and shall not obstruct the Audit Committee from exercising its functions and powers;
- (VI) Other obligations of diligence stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's Shares are listed and these Articles of Association.

**Article 102** If the Director fails to attend the meeting of the Board of Directors in person or entrust other Directors to attend the meeting for two consecutive times, it shall be deemed that he/she cannot perform his/her duties, and the Board of Directors shall advise the shareholders' meeting to remove such Director.

**Article 103** A Director may resign before expiry of his/her term of office. A Director who resigns shall submit a written resignation report to the Company, the resignation shall take effect on the date the Company receives the resignation report, and the Company shall disclose the relevant situation within two trading days. If the number of members of the Board of Directors of the Company falls below the quorum as a result of the resignation of a Director, or the number of independent Directors falls below one-third of members of the Board of Directors or the quorum as a result of the resignation of an independent Director, or there is no independent Director with appropriate professional qualification or appropriate accounting or related financial management expertise, the original Director shall continue to perform his/her duties as a Director in accordance with the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association until the re-elected Director takes office.

**Article 104** The Company shall establish a director resignation management system to specify the safeguarding measures for pursuing liability and compensation for unfulfilled public commitments and other outstanding matters. When a Director's resignation becomes effective or his/her term of office expires, he/she shall complete all handover procedures with the Board of Directors. His/her fiduciary duties owed to the Company and shareholders shall not be automatically terminated upon the end of his/her term of office, and shall remain valid within a reasonable period as stipulated in these Articles of Association. The liability that a Director shall bear during his/her term of office due to the performance of his/her duties shall not be waived or terminated due to his/her resignation.

**Article 105** Without the provisions of these Articles of Association or the lawful authorization of the Board of Directors, no Director shall act in his/her own name on behalf of the Company or the Board of Directors. When a Director acts in his/her own name, the Director shall declare his/her position and identity in advance if the third party reasonably believes that the Director is acting on behalf of the Company or the Board of Directors.

**Article 106** Where a Director causes damage to others in performing his/her duties in the Company, the Company shall be liable for compensation; if the Director acts with intentional or gross negligence, he/she shall also be liable for compensation.

If a Director violates the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or these Articles of Association, and causes losses to the Company when performing his/her duties in the Company, he/she shall be liable for compensation.

## **Section 2 Board of Directors**

**Article 107** The Company shall establish a Board of Directors, and the Board of Directors consists of seven Directors, among which there is one employee representative Director, and the number of independent Directors shall no fewer than one-third of the number of the Board of Directors and no fewer than three.

**Article 108** The Board of Directors exercises the following functions and powers:

- (I) Convene the shareholders' meeting and report on work to the shareholders' meeting;
- (II) Implement the resolutions of the shareholders' meeting;
- (III) Determine the business and investment plans of the Company;
- (IV) Devise the earnings distribution and loss offset plans of the Company;
- (V) Formulate the plans for increasing or decreasing the Company's registered capital, the issuance of bonds or other securities, as well as the listing;
- (VI) Formulate plans for major acquisitions of the Company, purchase of shares of the Company, or merger, separation, dissolution and change of the form of the Company;
- (VII) Determine matters such as the Company's external investment, acquisition or sale of assets, asset pledge, external guarantee matters, entrusted wealth management, connected transactions, external donations and financial aids within the scope authorized by the shareholders' meeting;
- (VIII) Decide on the setup of the Company's internal management organization;
- (IX) Appoint or dismiss the Company's manager, secretary to the Board of Directors and other senior management and decide on their compensation and incentives/disincentives; appoint or dismiss the Company's vice manager, chief financial officer and other senior management and decide on their compensation and incentives/disincentives based on the nominations by the manager;
- (X) Set the basic management systems of the Company;
- (XI) Make the modification plan to these Articles of Association;
- (XII) Manage the disclosure of the Company's information;
- (XIII) Request to the shareholders' meeting to hire or replace the accounting firm that provides audits for the Company;

(XIV) Listen to the work report of the Company's manager and review the work of the manager;

(XV) Other functions and powers authorized by laws, administrative regulations, departmental rules, these Articles of Association or the shareholders' meeting.

When a guarantee matter is considered by the Board of Directors, in addition to being considered and approved by a majority of all Directors, it shall be considered and agreed by more than two-thirds of the Directors present at the meeting of the Board of Directors, and disclosed to the public in a timely manner. If the matter falls under any of the circumstances stipulated in Article 42 of these Articles of Association, it shall be submitted to the shareholders' meeting for consideration after being considered and approved by the Board of Directors, unless otherwise provided by laws, administrative regulations, departmental rules or the Shenzhen Stock Exchange.

When the Company provides financial aids, in addition to being considered and approved by a majority of all Directors, it shall be considered and agreed by more than two-thirds of the Directors present at the meeting of the Board of Directors, and a resolution shall be made and disclosed to the public in a timely manner; when the Company provides financial aids to affiliated participating companies (excluding entities controlled by the Company's controlling shareholder or actual controller), in addition to being considered and approved by a majority of all non-affiliated Directors, it shall be considered and agreed by more than two-thirds of the non-affiliated Directors present at the meeting of the Board of Directors. If the matter falls under any of the circumstances stipulated in item (XV) of Article 41 of these Articles of Association, it shall be submitted to the shareholders' meeting for consideration after being considered and approved by the Board of Directors, unless otherwise provided by laws, administrative regulations, departmental rules or the Shenzhen Stock Exchange.

**Article 109** The Board of Directors of the Company shall provide explanations to the shareholders' meeting on the non-standard audit opinions issued by the certified public accountants on the Company's financial reports.

**Article 110** The Board of Directors shall formulate the rules of procedure for the Board of Directors, so as to ensure that the Board of Directors implements the resolutions of the shareholders' meeting, improves work efficiency and ensures scientific decision-making.

The rules of procedure for the Board of Directors provide for the convening and voting procedures of the Board of Directors, which shall be formulated by the Board of Directors and approved at the shareholders' meeting.

**Article 111** The Board of Directors shall determine the authorities in external investment, acquisition or sale of assets, asset pledge, external guarantee matters, entrusted wealth management, connected transactions, external donations, financial aids and other aspects, and establish strict review and decision-making procedures; major investment projects shall be reviewed by relevant experts and professionals and reported to the shareholders' meeting for approval.

Except as otherwise stipulated in these Articles of Association, the authorities of the Board of Directors in external investment, acquisition or sale of assets, asset pledge, entrusted wealth management, connected transactions, external donations, financial aids and other aspects are as follows:

- (I) Transaction matters incurred by the Company that reach any of the following criteria but are not required to be considered and approved by the shareholders' meeting (excluding receipt of cash assets as gift, liabilities purely to reduce or exempt the obligations of the Company, external guarantees, connected transactions, financial aids):
1. Transactions involving assets whose total amount accounts for more than 10% of the Company's audited total assets for the latest period, and if carrying amount and appraisal value both exist for the total amount of assets involved in the transaction, the higher shall prevail;
  2. Transaction subject (e.g. equity) involving assets whose net amount accounts for more than 10% of the Company's audited net assets for the latest period, and whose absolute amount exceeds RMB10 million and if carrying amount and appraisal value both exist for the net amount of assets involved in the transaction, the higher shall prevail;
  3. Transaction subject (e.g. equity) whose relevant operating revenue in the most recent fiscal year accounts for more than 10% of the Company's audited operating revenue in the most recent fiscal year, and whose absolute amount exceeds RMB10 million;
  4. Transaction subject (e.g. equity) whose relevant net profit in the most recent fiscal year accounts for more than 10% of the audited net profit of a listed company in the most recent fiscal year, and whose absolute amount exceeds RMB1 million;
  5. Transaction whose amount (including liabilities and expenses assumed) accounts for more than 10% of the Company's audited net assets for the latest period, and whose absolute amount exceeds RMB10 million;
  6. Transaction whose profit incurred accounts for more than 10% of the Company's audited net profit in the most recent fiscal year, and whose absolute amount exceeds RMB1 million.

If the figures involved in the above indicators are negative, the absolute value shall be taken for calculation. The “transaction matters” mentioned above include purchase or sale of assets, external investment (including entrusted wealth management, investments in subsidiaries, etc.), leasing in or out of assets, entrusting or being entrusted to manage assets and business, giving or receiving assets as gift, restructuring of claims or debts, entering into licensing agreements, transferring or acquiring research and development projects, waiving rights (including waiving pre-emptive rights, priority for invited capital contribution, etc.) and other transaction matters as recognized by the Shenzhen Stock Exchange. The “purchase or sale of assets” mentioned above does not include the purchase or sale behaviors related to the purchase of raw materials, fuels and power, and the sale of products, commodities and other assets related to daily operation, but the purchase or sale behaviors of such assets involved in the assets exchange are still included;

- (II) External guarantee matters of the Company other than those required to be considered and approved by the shareholders’ meeting as stipulated by laws, administrative regulations, departmental rules, the relevant rules of the Shenzhen Stock Exchange and these Articles of Association;
- (III) The Company’s connected transaction matters (excluding receipt of cash assets as gift by the Company, liabilities purely to reduce or exempt the obligations of the Company) incurred with related natural persons with the transaction amount exceeding RMB300,000, and incurred with related legal persons with the transaction amount exceeding RMB3 million and accounting for more than 0.5% of the absolute value of the Company’s audited net assets for the latest period, which are not required to be considered and approved by the shareholders’ meeting.

When the Board of Directors considers matters in item (II) mentioned above, in addition to being agreed by a majority of all Directors of the Company, it must be agreed by more than two-thirds of the Directors present at the meeting.

- (IV) Financial aid matters of the Company other than those required to be considered and approved by the shareholders’ meeting as stipulated by laws, administrative regulations, departmental rules, the relevant rules of the Shenzhen Stock Exchange and these Articles of Association.

The shareholders’ meeting may, subject to specific circumstances, grant the Board of Directors special authorization to exercise decision-making power over matters beyond the authorities specified in the preceding paragraph.

If there are any special provisions regarding the authorities of the Board of Directors in laws, administrative regulations, departmental rules, the relevant rules of the Shenzhen Stock Exchange and these Articles of Association, or if there are inconsistencies with the provisions of these Articles of Association, such provisions shall prevail.

**Article 112** The Board of Directors shall have a chairman and may have a vice chairman. The chairman and the vice chairman shall be elected by a majority of all Directors of the Board of Directors.

**Article 113** The chairman shall exercise the following functions and powers:

- (I) To preside over shareholders' meetings and to convene and preside over meetings of the Board of Directors;
- (II) To urge and examine the implementation of the resolutions of the Board of Directors;
- (III) Other functions and powers conferred by the Board of Directors.

**Article 114** The vice chairman of the Company shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing or is not performing his/her duties, the duties shall be performed by the vice chairman; where the vice chairman is incapable of performing or is not performing his/her duties, a Director nominated by a majority of Directors shall perform his/her duties.

**Article 115** The Board of Directors shall convene at least four regular meetings each year, approximately once a quarter, and such meetings shall be convened by the chairman by giving notice in writing to all Directors fourteen days before convening the meeting.

**Article 116** An interim meeting of the Board of Directors may be proposed to be convened by shareholders representing more than one-tenth of the voting rights, more than one-third of the Directors or the Audit Committee. The chairman shall convene and preside over the meeting of the Board of Directors within ten days of receiving such proposal.

**Article 117** The Board of Directors shall convene an interim meeting of the Board of Directors by giving notice in writing (by hand, mail, facsimile, email, telephone, message or other effective means) to all Directors three days before convening the meeting.

In case of emergency where an interim meeting of the Board of Directors is required to be convened as soon as possible, the notice of meeting may be given at any time by telephone or other means, but the convener shall provide an explanation at the meeting.

**Article 118** The notice of meetings of the Board of Directors shall contain the following:

- (I) Date and venue of the meeting;
- (II) Duration of the meeting;
- (III) Reason for convening the meeting and agenda thereof;

(IV) Date of issuing the notice.

**Article 119** No meeting of the Board of Directors shall be held unless attended by a majority of Directors. Resolutions made by the Board of Directors must be approved by a majority of all Directors.

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

**Article 120** If any Director has connection with the enterprise or individual involved in the resolution to be voted on at a meeting of the Board of Directors, such Director shall report in writing to the Board of Directors in a timely manner. The connected Directors shall not exercise voting rights on the resolution, and shall not exercise voting rights on behalf of other Directors. The meeting of the Board of Directors may be held when a majority of the non-connected Directors attend the meeting, and the resolutions made at the meeting of the Board of Directors shall be passed by a majority of the non-connected Directors. If the number of non-connected Directors attending the meeting of the Board of Directors is less than three, the issue shall be submitted to the shareholders' meeting for consideration.

**Article 121** The means for convening and voting at meetings of the Board of Directors shall be: voted on by written registered ballot.

**Article 122** Directors shall attend the meetings of the Board of Directors personally; where a Director is unable to attend the meeting for any reason, he/she may entrust another Director in writing to attend on his/her behalf. The power of attorney shall state the name of the proxy, the matters to be represented, the scope of authorization and the validity period, and the entrusting party shall sign or affix seal thereto. The Director who attends the meeting on his/her behalf shall exercise the Director's rights within the scope of authorization. Where a Director does not attend a meeting of the Board of Directors and does not entrust a proxy to attend on his/her behalf, he/she shall be deemed to waive his/her voting rights at the meeting.

**Article 123** The Board of Directors shall prepare minutes regarding the decisions on the matters discussed at the meetings, which shall be signed by the Directors present.

The minutes of meetings of the Board of Directors shall be kept as archives of the Company for not less than ten years.

**Article 124** The minutes of meetings of the Board of Directors shall include:

- (I) The date and venue of the meeting and the name of the convener;
- (II) The names of Directors attending the meeting and the names of Directors (proxies) attending the meeting on behalf of others;
- (III) The agenda of the meeting;

- (IV) The key points of speeches of Directors;
- (V) The manners and results of voting on each matter for resolution (voting results shall specify the number votes for, against or abstain from voting on, the resolution);
- (VI) Such other matters as the Directors present consider appropriate to be recorded.

### **Section 3 Independent Directors**

**Article 125** The Independent Directors shall conscientiously perform their duties in accordance with the laws, administrative regulations, the requirements of the securities regulatory authorities of the places where the Company's Shares are listed, the stock exchanges, and these Articles of Association, and shall play the roles of participating in decision-making, supervision, checking and balancing, and professional consultation in the Board of Directors, so as to safeguard the interests of the Company as a whole and protect the legitimate rights and interests of minority shareholders.

**Article 126** Independent Directors shall maintain their independence, and the following persons shall not serve as independent Directors:

- (I) Persons working for the Company or its subsidiaries, their spouses, parents and children, and major social relations;
- (II) Natural person shareholders who directly or indirectly hold more than 1% of the Company's issued shares or who are among the Company's top ten shareholders, and their spouses, parents and children;
- (III) Persons who work for shareholders (except for Hong Kong Securities Clearing Company Limited and HKSCC Nominees Limited) who directly or indirectly hold more than 5% of the Company's issued shares or who work for entities of the Company's top five shareholders, and their spouses, parents, and children;
- (IV) Persons serving in the subsidiaries of the Company's controlling shareholders and de facto controllers and their spouses, parents and children;
- (V) Persons who have significant business dealings with the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, or who serve in entities with which they have significant business dealings and their controlling shareholders or de facto controllers;

- (VI) Persons providing financial, legal, consulting and sponsorship and other services to the Company, its controlling shareholders, actual controllers or their respective subsidiaries; including but not limited to, all members of the project team of the intermediaries providing the services, reviewers at all levels, persons signing the report, partners, Directors, senior management and principals;
- (VII) Persons who have been in the situations listed in the previous six paragraphs within the last twelve months;
- (VIII) Other persons who do not possess independence as stipulated by laws, administrative regulations, the provisions of the CSRC, the regulatory rules of the place where the Company's Shares are listed, and these Articles of Association.

The subsidiaries of the controlling shareholders and actual controller of the Company referred to in items (IV) to (VI) under the preceding paragraph exclude enterprises that are under common control of the same state-owned assets administration institution as the Company but do not constitute related parties of the Company in accordance with the relevant provisions.

Independent Directors shall conduct an annual self-examination of independence and submit the self-examination to the Board of Directors. The Board of Directors shall evaluate and issue a special opinion on the independence of the existing independent Directors on an annual basis, which shall be disclosed at the same time as the annual reports.

**Article 127** An independent Director shall meet the following conditions:

- (I) Being qualified to be a director of a listed Company in accordance with the laws, administrative regulations and other relevant provisions;
- (II) Having the independence required by these Articles of Association;
- (III) Having the basic knowledge of operation of a listed Company and being familiar with the relevant laws, regulations and rules;
- (IV) Having at least five years of working experience in law, accounting or economics necessary for performing the duties of an independent Director;
- (V) Having good personal integrity and no major breach of trust or other adverse records;
- (VI) Other conditions stipulated by laws, administrative regulations, the provisions of the CSRC, the regulatory rules of the place where the Company's Shares are listed, and these Articles of Association.

**Article 128** The independent directors, as members of the Board of Directors, shall have fiduciary obligations and diligent obligations towards the Company and all shareholders, and shall prudently perform the following duties:

- (I) To participate in the decision-making of the Board of Directors and express clear opinions on the matters considered;
- (II) To supervise the matters of potential material conflict of interests between the Company and its controlling shareholders, actual controllers, Directors and senior management, so as to protect the legitimate rights and interests of minority shareholders;
- (III) To provide professional and objective advice on the operation and development of the Company and promote the improvement of the decision-making standard of the Board of Directors;
- (IV) Other duties stipulated by laws, administrative regulations, the provisions of the CSRC, the regulatory rules of the place where the Company's Shares are listed, and these Articles of Association.

**Article 129** The independent Directors shall exercise the following special functions and powers:

- (I) To independently engage intermediaries to audit, consult or verify specific matters of the Company;
- (II) To propose to the Board of Directors to convene an extraordinary general meeting;
- (III) To propose meetings of the Board of Directors;
- (IV) To openly solicit shareholders' rights from shareholders in accordance with the law;
- (V) To express independent opinions on matters that may jeopardize the rights and interests of the Company or minority shareholders;
- (VI) Other functions and powers stipulated by laws, administrative regulations, the provisions of the CSRC, the regulatory rules of the place where the Company's Shares are listed, and these Articles of Association.

When an independent Director exercises the functions and powers set forth in items (I) to (III) under the preceding paragraph, he/she shall obtain the approval of a majority of all independent Directors.

The Company shall disclose in a timely manner any exercise of the functions and powers set forth in the first paragraph by independent Directors. If the above functions and powers cannot be exercised normally, the Company shall disclose the details and reasons.

**Article 130** The following matters shall be submitted to the Board of Directors for consideration after being approved by a majority of all independent Directors of the Company:

- (I) Disclosable connected transactions;
- (II) Proposals for changes in or waivers of commitments by the Company and its related parties;
- (III) Decisions made and measures taken by the board of directors of any acquiree in connection with the acquisition;
- (IV) Other matters stipulated by laws, administrative regulations, the provisions of the CSRC, the regulatory rules of the place where the Company's Shares are listed, and these Articles of Association.

**Article 131** The Company shall establish a system of special meetings attended by all of its independent Directors. Matters such as connected transactions considered by the Board of Directors shall be subject to prior endorsement by the special meetings of independent Directors.

The Company shall regularly or irregularly convene the special meetings of independent Directors. Matters set forth in (I) to (III) under the first paragraph of Article 129, and Article 130 of these Articles of Association shall be considered by the special meetings of independent Directors.

The special meetings of independent Directors may consider and discuss other matters of the Company as necessary.

A special meeting of independent Directors shall be convened and chaired by an independent Director jointly nominated by a majority of the independent Directors; where the convener is unable or fails to perform his or her duties, two and more independent Directors may convene the meeting on their own initiative and nominate a representative to preside over the meeting.

Minutes of special meetings of independent Directors shall be prepared in accordance with the provisions, and the opinions of the independent Directors shall be recorded therein. The independent Directors shall sign to confirm the minutes.

The Company shall provide convenience and support for the convening of any special meeting of independent Directors.

#### **Section 4 Special Committees Under the Board**

**Article 132** The Board of Directors of the Company has established the Audit Committee to exercise the functions and powers of the Board of Supervisors as stipulated in the Company Law.

**Article 133** The Audit Committee consists of three directors who do not hold senior management positions in the Company, of which three are independent directors, with the accounting professionals among the independent directors serving as conveners.

**Article 134** The Audit Committee is responsible for reviewing the Company's financial information and its disclosures, supervising and evaluating the internal and external audits and internal controls. The following matters shall be submitted to the Board of Directors for consideration after the approval by a majority of all members of the Audit Committee:

- (I) Disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;
- (II) Appointment or dismissal of the accounting firm that undertake the Company's auditing business;
- (III) Appointment or dismissal of the Company's chief financial officer;
- (IV) Changes in accounting policies and accounting estimates or correction of material accounting errors for reasons other than changes in accounting standards;
- (V) Other matters stipulated by laws, administrative regulations, the provisions of the CSRC, the regulatory rules of the place where the Company's Shares are listed, and these Articles of Association.

**Article 135** The Audit Committee shall hold at least one meeting every quarter, and may hold an extraordinary meeting when two or more members propose, or when the convenor deems it necessary. The quorum of the meeting of the Audit Committee shall be more than two-thirds of the members present.

Decisions made by the Audit Committee shall be approved by more than half of the members of the Audit Committee.

The voting on the resolution of the Audit Committee shall be on a one-person-one-vote basis.

The Audit Committee shall prepare meeting minutes for its resolutions in accordance with the relevant provisions, which shall be signed by the members of the Audit Committee present.

The Board of Directors is responsible for formulating the working procedures of the Audit Committee.

**Article 136** The Board of Directors of the Company has established other special committees such as Strategy Committee, Nomination Committee and Remuneration and Appraisal Committee, which shall perform their duties according to these Articles of Association and the authorization granted by the Board of Directors. The Board of Directors is responsible for formulating the working procedures of the special committees.

**Article 137** More than one-half of the members of the Nomination Committee shall be independent Directors, with the Chairman of the Board of Directors or an independent Director acting as the convenor. The Nomination Committee is responsible for formulating criteria and procedures for the selection of Directors and senior management, selecting and reviewing the candidates for directors and senior management and their qualifications, and making recommendations to the Board of Directors on the following matters:

- (I) Nomination, appointment or dismissal of the directors;
- (II) Appointment or dismissal of senior management;
- (III) Other matters stipulated by laws, administrative regulations, the provisions of the CSRC, the regulatory rules of the place where the Company's Shares are listed, and these Articles of Association.

Where the Board of Directors does not adopt or does not fully adopt the recommendations of the Nomination Committee, it shall record the opinions of the Nomination Committee and the specific reasons for not adopting such recommendations in the Board resolution and disclose the same.

**Article 138** More than one-half of the members of the Remuneration and Appraisal Committee shall be independent Directors, with an independent Director acting as the convenor. The Remuneration and Appraisal Committee is responsible for formulating the assessment criteria for directors and senior management and conducting the assessment, formulating and reviewing the remuneration policies and packages for Directors and senior management, including the mechanism for determining the remuneration, the decision-making process and the arrangements for payment and stop-payment recourse, and making recommendations to the Board of Directors on the following matters:

- (I) Remuneration for the Directors and senior management;
- (II) Formulating or changing the equity incentive plans and employee stock ownership plans, the granting of entitlements to participants in such plans, and the satisfaction of conditions for the exercise of such entitlements;
- (III) The shareholding plans of the Company's directors and senior management in subsidiaries to be split; The arrangement of stock ownership plans for Directors and senior management in the event of a proposed spin-off of a subsidiary;

(IV) Others matters stipulated by laws, administrative regulations, the provisions of the CSRC, the regulatory rules of the place where the Company's Shares are listed, and these Articles of Association.

Where the Board of Directors does not adopt or does not fully adopt the recommendations of the Remuneration and Appraisal Committee, it shall record the opinions of the Remuneration and Appraisal Committee and the specific reasons for not adopting such recommendations in the Board resolution and disclose the same.

## CHAPTER 6 SENIOR MANAGEMENT

**Article 139** Our Company has one general manager, appointed or dismissed by the Board of Directors.

The Company have several deputy general managers, appointed or dismissed by the Board of Directors.

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

**Article 140** The provisions of these Articles of Association relating to the circumstances under which a person may not be a director, and the system for managing the termination of his/her office shall also apply to senior management.

The provisions of these Articles of Association concerning the duties of loyalty and diligence of Directors shall also apply to senior management.

**Article 141** Persons who hold administrative positions other than directors or supervisors in the entities of the controlling shareholders or the actual controllers of the Company shall not serve as senior management of the Company.

The senior management of the Company shall only receive remuneration from the Company, and no remuneration shall be paid by the controlling shareholder on behalf of the Company.

**Article 142** The general manager' term of office shall be three years, and the general manager maybe re-elected.

**Article 143** The general manager is responsible to the Board of Directors and exercises the following functions and powers:

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

- (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 Company's basic management system;
- (V) To formulate specific rules and regulations for the Company;
- (VI) To propose to the Board of Directors on the appointment or dismissal of deputy general manager and financial officer;
- (VII) To appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (VIII) Other functions and powers conferred by these Articles of Association or the Board of Directors.

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

**Article 144** The general manager shall formulate the working rules of the general manager, which shall be submitted to the Board of Directors for approval before implementation.

**Article 145** The working rules of the general manager shall include the following:

- (I) The conditions, procedures and participants of the meets of general manager;
- (II) The respective responsibilities of the general manager and other senior management and their division of labor;
- (III) The Company's use of funds and assets, the authority to enter into major contracts, and the reporting system to the Board of Directors;
- (IV) Other matters as the Board may deem necessary.

**Article 146** The general manager may resign before the expiry of his/her term of office. The specific procedures and methods for the resignation of the general manager shall be stipulated in the employment contract between the manager and the Company.

**Article 147** The deputy general managers shall assist the general manager in his or her work, and act on behalf of the general manager to exercise the general manager's duties when the general manager is absent or unable to work. The general manager shall consult with the deputy general managers and other senior management when dealing with important issues, and report to the chairman of the Board of Directors and other Directors on major issues in a timely manner.

**Article 148** The Company shall have a secretary to the Board of Directors, who shall be responsible for the preparation of the shareholders' meeting and meetings of the Board of Directors, the custody of documents, the management of the shareholders' records, handling of information disclosure and investor relations, and other relevant matters.

The secretary to the Board of Directors shall comply with the relevant provisions of the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, and these Articles of Association.

**Article 149** Where the senior management causes damage to others during the performance of his/her duties, the Company shall be liable for compensation; where the senior management acts with willful or material default, he/she shall also be liable for compensation.

The senior management shall be liable for any losses caused to the Company by their breach of any laws, administrative regulations, departmental rules and regulations or the Articles of Association in performing their duties for the Company.

**Article 150** The senior management of the Company shall fulfill their duties honestly, protect the best interests of the Company and all the shareholders. The senior management of the Company shall be liable for compensation in accordance with law for any damage caused to the interests of the Company and public shareholders as a result of their failure to perform duties with honesty or violation of their fiduciary duties.

## **CHAPTER 7 FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDIT**

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

**Article 151** The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations and the relevant state regulatory department.

**Article 152** The Company shall submit its annual reports to the local office of the CSRC and the stock exchange(s) within four months from the ending date of each fiscal year, and the interim reports it submits and discloses to the local office of the CSRC and the Shenzhen Stock Exchange within two months from the ending date of the first six months of each fiscal year.

The aforesaid annual and interim reports shall be drafted in accordance with the relevant laws, administrative regulations, and the provisions of the securities regulatory authority of the place where the Company's shares are listed and the stock exchange(s).

**Article 153** The Company shall not keep accounts other than those provided by laws. Assets of the Company shall not be deposited in an account maintained in the name of any individual.

**Article 154** The Company shall, when distributing the post-tax profit of an accounting year, accrue 10% of the profit to list it in the statutory reserves of the Company. The Company may not further accrue the statutory reserves when its accumulative amount exceeds 50% of the registered capital of the Company.

When the statutory reserves of the Company fall short to offset the loss of prior years, the Company shall use the profit earned during the year to offset the loss before accruing the statutory reserves according to the previous paragraph.

After accruing the statutory reserves out of the post-tax profit, the Company may, subject to the resolution of the shareholders' general meeting, accrue the discretionary reserve out of the post-tax profit.

The post-tax profit left after the loss recovery and accrual of the reserves shall be distributed in proportion according to the shareholding proportions of the shareholders, unless otherwise stipulated in these articles of association.

If the shareholders' meeting distributes the profits by violating the Company's Law, the profits distributed must be refunded to the Company. If the Company suffers losses as a result, the shareholders, the responsible directors and senior management shall bear the liability for compensation.

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

The Company shall appoint one or more receiving agents in Hong Kong for H Shareholders. The receiving agent shall receive and safekeep the dividends and other amounts payable by the Company in respect of the H shares on behalf of the H Shareholders concerned, pending payment to such H Shareholders. The receiving agent appointed by the Company shall comply with the requirements of laws and regulations and the securities regulatory rules of the place where the Company's shares are listed.

**Article 155** The common reserves of the Company is used to make up the Company's losses, increase the production operation of the Company or increase the Company's registered capital.

When the common reserve fund is used to make up for the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be utilized first; if the losses still cannot be made up, the capital reserve fund may be used according to relevant regulations.

When the statutory common reserve is converted into an increase in registered capital, the remaining balance of that reserve shall not be less than 25% of the registered capital of the Company before the conversion.

**Article 156** The profit distribution policy of the Company is:

The Company values reasonable returns to investors while considering shareholders' requirements and expectations. After considering the Company's financial structure, profitability, cash flow status, future investment plans, as well as the external financing environment and other factors, we focus on the long-term sustainable development, aiming to achieve organic unity between sustainable corporate growth and consistent, stable, scientific dividend returns to investors.

***(I) Form of the profit distribution***

The Company may distribute dividends in cash, shares, or a combination thereof, with cash dividends being the preferred method.

***(II) Distribution interval***

The Company shall distribute dividends to shareholders on a yearly basis in a fixed proportion out of the distributable profit of the parent company for the year. If the relevant conditions are satisfied, interim profit distribution may be made by the Company.

***(III) Conditions for distribution***

1. *The specific conditions for and proportion of the cash dividend are as follows:*

The specific conditions for the cash dividend are: (1) the realised distributable profit of the Company for the year (the profit after tax of the Company after recovery of losses and allocation to the common reserve) is positive (according to the financial statements of the parent company) with sufficient cash flows, and the cash dividend distribution will not affect the subsequent continuing operation of the Company; (2) the cumulative distributable profit of the Company is positive in value; (3) the audit firm issues an unqualified audit report on the financial report of the Company for the year; (4) the Company has no such special events as major investment plan or significant cash expenditure. Major investment plan or significant cash expenditure includes: ①the proposed external investment, acquisition of assets or purchase of equipment by the Company in the upcoming twelve months with accumulated expenses amounting to or exceeding 50% of the latest audited net assets of the Company, or exceeding

RMB50,000,000; ②the proposed external investment, acquisition of assets or purchase of equipment by the Company in the upcoming twelve months with accumulated expenses amounting to or exceeding 10% of the latest audited total assets of the Company.

The aggregate cash dividends over the recent three years shall not be less than 30% of average annual distributable profits during such period.

The Board of Directors of the Company shall take into consideration various factors, including its industry features, development stages, its own business model and profitability as well as whether the Company has any substantial capital expenditure arrangement, and differentiate the following circumstances and propose differentiated cash dividend policies:

- (1) Where the Company is in a developed stage with no substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 80% of the total current profit distribution when profits are distributed;
- (2) Where the Company is in a developed stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 40% of the total current profit distribution when profits are distributed;
- (3) Where the Company is in a developing stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution when profits are distributed.

Where the Company's stage of development is difficult to distinguish but there is substantial capital expenditure arrangement, the profit distribution may be dealt with pursuant to the item (3) above.

If a shareholder has improperly occupied the Company capital, the Company shall first deduct such occupied capital from the cash dividends to be distributed to that shareholder when distributing profits.

## *2. The specific conditions for share dividends*

When the Company maintains sound financial performance and the Board of Directors determines that the current share price does not properly reflect the Company's capital structure, and that payment of share dividends would be in the interests of all shareholders as a whole, the Company may propose a stock dividend distribution plan, provided that all above conditions for cash dividend are met.

***(IV) Decision-making mechanism and procedures of profit distribution***

1. Prior to the publication of regular reports, the Board of Directors of the Company shall consider and deliberate the profit distribution proposal, having fully taken into account the Company's ability to operate continuously, and the capital required for ensuring routine production, operation and business development as well as reasonable investment return to investors.
2. When formulating specific profit distribution plans, the Board of Directors of the Company shall comply with the relevant laws and regulations of the PRC, departmental rules and regulations, normative documents, and the policies provided in these Articles of Association.
3. During the decision-making and discussion process regarding profit distribution plans, the Board of Directors of the Company may communicate and contact with institutional investors and minority shareholders holding shares of the Company through various means, including telephone, fax, letter, email, and the investor relations interactive platform on the Company's website, take into full account the opinions and requests of minority shareholders and answer their questions in a timely manner.
4. When formulating specific cash dividend plans, the Board of Directors shall diligently study and evaluate matters such as the timing, conditions, minimum proportion, adjustment conditions and the decision-making procedure requirements for cash dividends.
5. Upon reaching a resolution on the profit distribution plan at a meeting of the Board of Directors, the Board of Directors shall submit the resolution to the shareholders' meeting for review. The profit plan considered at the meeting of the Board of Directors shall be approved by more than half of the Directors.
6. The profit distribution plan considered at the shareholders' meeting shall be subject to the approval from not less than one-half of the voting rights held by shareholders attending the shareholders' meeting (including their proxies). Where plans for distribution of share dividends, or for transfer from reserve fund to capital is considered at the shareholders' meeting, it subject to the approval from more than two-thirds of the voting rights held by shareholders attending the shareholders' meeting (including their proxies).
7. When the company is unable to determine the profit distribution plan for the year in accordance with its established cash dividend policy or minimum cash dividend ratio due to specific circumstances, the profit distribution plan for the year shall be submitted to the shareholders' meeting for review and disclosed on the Company's designated media.

***(V) Change of the profit distribution policy***

In case of force majeure such as war or natural disasters, or any changes in the external operation environment of the Company which may have a material impact on the production and operation of the Company, or any changes in its own operating conditions of the Company, the Company may make adjustments to its profit distribution policy.

The Board of Directors shall make special discussion on adjusting the profit distribution policy of the Company, detail the reasons of such adjustments and form a written demonstration report, which shall be submitted to the shareholders' general meeting for approval by a special resolution after prior consideration of the independent directors.

**Article 157** Once the shareholders' meeting has approved a resolution on the profit distribution plan or the Board of Directors has formulated a specific plan based on the conditions and upper limit of the interim dividend for the subsequent year as approved by the annual shareholders' meeting, the distribution of dividends (or shares) shall be completed within 2 months. If the implementation of the specific plan cannot be completed within 2 months due to regulations and securities regulatory rules of the place where the Company's shares are listed, the implementation date of the specific plan can be adjusted according to those regulations and actual circumstances.

**Section 2 Internal Audit**

**Article 158** The Company shall implement an internal audit system, which specifies the leadership system, duties and responsibilities, staffing, financial protection, the use of audit results and accountability for internal audit.

The Company's internal audit system shall be approved by the Board of Directors before implementation and being disclosed to the public.

**Article 159** The Company's internal audit institution shall conduct supervision and inspection on matters such as the Company's business activities, risk management, internal control, and financial information.

**Article 160** The internal audit institution reports to the Board of Directors.

During the process of supervising and inspecting the Company's business activities, risk management, internal control, and financial information, the internal audit institution shall accept the supervision and guidance of the audit committee. Where the internal audit institution discovers relevant significant issues or leads, it shall immediately report directly to the audit committee.

**Article 161** The internal auditor is responsible for the organization and implementation of the evaluation of the Company's internal control. The Company issues an annual internal control evaluation report based on the evaluation report and related information issued by the internal audit organization and reviewed by the audit committee.

**Article 162** When the audit committee communicates with external audit units such as accounting firms and national audit organizations, the internal audit organization shall actively cooperate and provide necessary support and collaboration.

**Article 163** The audit committee shall participate in the assessment of the person in charge of internal audit.

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

**Article 164** The Company shall engage an accounting firm that meets the requirements of the Company's Law to audit the financial statements of the Company, verify the net assets and offer other relevant consulting services. The term of service shall be one year, which is renewable upon expiry of the term.

**Article 165** The appointment and removal of the accounting firm by the Company shall be determined at the shareholders' meeting and the Board of Director shall not engage an accounting firm before any resolution made by the shareholders' meeting.

**Article 166** The Company guarantees that the accounting evidence, accounting books, financial accounting report and other accounting information provided to the accounting firm engaged are true and complete without any omission, concealment or false statement.

**Article 167** The auditor's fees payable to the accounting firm shall be decided by the shareholders' meeting.

**Article 168** A twenty-day prior notice shall be given to the accounting firm if the Company decides to remove such accounting firm or not to renew the engagement thereof. The accounting firm is entitled to make representations at the shareholders' meeting of the Company before the voting on a resolution regarding the removal of such accounting firm is conducted thereat.

Where the accounting firm resigns, it shall make clear to the shareholders' meeting whether there has been any impropriety on the part of the Company.

## **CHAPTER 8 NOTICE AND ANNOUNCEMENT**

### **Section 1 Notice**

**Article 169** The Company notices shall be served by any of the following means:

- (I) by personal delivery;
- (II) by mail;
- (III) by fax;
- (IV) by email;
- (V) by announcement;
- (VI) by other methods stipulated in these Articles of Association.

Under the premise of the Company's compliance with the relevant listing rules of the place where the shares of the Company are listed, regarding the provision and/or distribution by the Company of corporate communications to holders 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 where the shares of the Company are listed post such information so as to transmit or provide the same to such H Shareholders in lieu of such delivery by hand or postage prepaid mail.

By giving a written notice to the Company, H Shareholders of the Company may select receiving corporate communication from the Company either in electronic way or by post. The shareholder may also select only receive corporate communication in either Chinese or English or both Chinese and English. The shareholder may also give a written notice to the Company in advance within reasonable time to amend his/her choice of the mean to receive the aforesaid communication and language version(s) according to the appropriate procedures.

Even the preceding text clear provides requirements to provides and/or distributed written form of company communications to shareholders, However, in relation to the way the Company to provides and/or distributes company communications to the shareholders in accordance with the Hong Kong Exchange Listing Rules requirements, provided that either written or implied agreement has been received from shareholders in accordance with the related laws and regulations and the requirements of the Hong Kong Exchange Listing Rules as amended from time to time, the Company is entitled to use electronic way or the website of the Company to publish the communications information of the Company to the shareholders of the Company. Corporate communications include, but are not limited to: circulars, annual reports, interim report, quarterly results, notice of general meeting, as well as other corporate information as listed in the Hong Kong Listing Rules.

**Article 170** Any notice of the Company given by announcement shall be deemed to be received by all relevant persons once the announcement is published. Unless the context otherwise requires, in relation to the announcements made to the holders of A Shares or the announcements made within the territory of PRC as required by the relevant provisions 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; for the announcements made to the holders of H Shares, the announcements shall be published on the website of the Company, the website of the Hong Kong Stock Exchange and such other websites as may be required from time to time under the Hong Kong Listing Rules in accordance with the relevant provisions of the Hong Kong Listing Rules (collectively, the “**Information Disclosure Media**”).

**Article 171** The notice of convening a shareholders’ meeting of the Company shall be given by way of announcements.

**Article 172** The notice of convening a meeting of the Board of Directors of the Company shall be delivered by personal delivery, mail, fax, email, telephone, text message or other effective means.

**Article 173** If the notice is sent by hand, the recipient shall sign (or chop) on the receipt of delivery, and the date of delivery is the date of acknowledgement of receipt by the recipient. If the notice is sent by mail, the date of delivery is 3 working days from the date of delivery to the post office. If the notice is sent by fax, the date of delivery is the date when the counterparty receives the fax. If the notice is sent by email, the date of delivery is the date when the email is sent to the counterparty’s server. If the notice is made by public announcement, the date of delivery is the date of the first public announcement.

**Article 174** A meeting and the resolutions adopted thereat shall not be invalidated as a result of accidental omission to give notice of the meeting to, or the failure of receiving such notice by, a person entitled to receive such notice.

## **Section 2 Announcement**

**Article 175** The Company publishes its announcements and other information requiring disclosure in the Information Disclosure Media designated by the regulatory authorities and stock exchanges of the place where the Company’s Shares are listed.

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

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

**Article 176** Merger of the Company may take the form of merger by absorption and merger by new establishment.

A company absorbing another company is called amalgamation. The absorbed company will be wound up. When two or more companies merge and establish a new company, this is called a newly established merger. The merged companies will be wound up respectively.

**Article 177** If the price paid for the merger of the Company does not exceed 10% of the net assets of the Company, it may not be subject to a resolution of the shareholders' meeting, unless otherwise provided in these Articles of Association.

Where the merger of the Company pursuant to the preceding paragraph is not subject to a resolution of the shareholders' meeting, it shall be subject to a resolution of the Board of Directors.

**Article 178** In the event of a merger, the parties to the merger shall execute a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten days, and publish an announcement on the media designated by the regulatory authorities and stock exchanges of the place where the Company's Shares are listed, or on the National Enterprise Credit Information Publicity System within thirty days from the date of the Company's merger resolution.

A creditor may, within thirty days of receiving such notice from the Company or, in the case of a creditor who does not receive the notice, within forty-five days of the date of the announcement, demand that the Company repay its debts or provide a corresponding guarantee for such debt.

**Article 179** Upon the merger of the Company, claims and debts of each of the merged parties shall be assumed by the company which survives the merger or the newly established company.

**Article 180** When the Company is divided, its assets shall be split up accordingly.

In the event of a division, the Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days from the date of the Company's resolution to divide and shall publish an announcement on the media designated by the regulatory authorities and stock exchanges of the place where the Company's Shares are listed, or on the National Enterprise Credit Information Publicity System or by other means within thirty days from the date the Company made a resolution to divide.

**Article 181** Debts of the Company prior to division shall be jointly assumed by the companies which exist after the division, except provided otherwise in the written agreement between the Company and the creditors relating to the settlement of debt before the division.

**Article 182** Where the Company reduces its registered capital, it will prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within ten days from the date of the resolution made by the shareholders' meeting for reduction of registered capital and shall publish an announcement on the media designated by the regulatory authorities and stock exchanges of the place where the Company's Shares are listed, or on the National Enterprise Credit Information Publicity System or

by other means within thirty days from the date of such resolution. A creditor has the rights, within thirty days after receipt of the notice or, in the case of a creditor who does not receive such notice, within forty-five days from the date of the announcement, to demand the Company to repay its debts or to provide a guarantee for such debt.

Where the Company reduces its registered capital, the amount of capital contribution or Shares shall be reduced correspondingly in proportion to the Shares held by Shareholders, unless otherwise provided by law or these Articles of Association.

**Article 183** Where the Company still incurs losses after making up its losses in accordance with Paragraph 2 of Article 155 of these Articles of Association, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for losses, the Company shall neither distribute to its Shareholders nor exempt them from the obligation to make capital contribution or stock payments.

The provisions of the Paragraph 2 of Article 182 of these Articles of Association shall not apply to the reduction in the registered capital in accordance with the preceding paragraph. The Company shall publish an announcement on the National Enterprise Credit Information Publicity System within 30 days from the date of the resolution on the reduction of its registered capital at the shareholders' meeting.

After reducing its registered capital in accordance with the provisions of the preceding two paragraphs, the Company shall not distribute profits until the cumulated amount of the statutory minimum reserve fund and discretionary common reserve fund reaches 50% of its registered capital.

**Article 184** If the reduction of the registered capital is in violation of the Company Law and other relevant provisions, Shareholders shall return the funds they have received and the reduced capital contribution of the Shareholders shall be restored to its original amount; in case of losses caused to the Company, the Shareholders and the liable Directors and senior management shall be liable for compensation.

**Article 185** Where an increase in registered capital of the Company is made by means of issue of new shares, the Shareholders do not have any pre-emptive right unless otherwise provided in these Articles of Association or the shareholders' meeting resolves that the Shareholders shall have pre-emptive right.

**Article 186** Where the merger or division of the Company involves a change in registered particulars, such change shall be registered with the company registration authority according to the law. Where the Company is dissolved, it shall cancel its registration according to the law. Where a new company is established, its establishment shall be registered according to the law.

When increasing or reducing the registered capital, the Company shall register the changes with the company registration authority in accordance with the laws.

## **Section 2 Dissolution and Liquidation**

**Article 187** The Company shall be dissolved upon the occurrence of the following events:

- (I) The term of its operations set out in these Articles of Association has expired or other events of dissolution specified in these Articles of Association have occurred;
- (II) The shareholders' meeting resolves to dissolve;
- (III) The Company needs to be dissolved due to merger or division;
- (IV) Revocation of business license, being ordered to close down, or being dissolved in accordance with the laws;
- (V) Where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to the interests of Shareholders, and no solution can be found through any other channel, Shareholders representing more than 10% of the voting rights of the Company may request the people's court to dissolve the Company.

Upon the occurrence of events of dissolution specified in the preceding paragraph, the Company shall publicize the events of dissolution through the National Enterprise Credit Information Publicity System within ten days.

**Article 188** Upon the occurrence of the situation described in item (I) and (II) of Article 187 of these Articles of Association and the Company has not distributed any property to its Shareholders, the Company may continue to exist by amending these Articles of Association or by resolution of the shareholders' meeting.

Amendments to these Articles of Association pursuant to the preceding paragraph or by resolution of the shareholders' meeting shall be subject to the approval of more than two-thirds of the voting rights held by the Shareholders present at the shareholders' meeting.

**Article 189** Where the Company is dissolved due to Item (I), Item (II), Item (IV) and Item (V) of Article 187 of these Articles of Association, it shall be liquidated. The directors are the liquidation obligors of the Company and shall establish a liquidation committee and commence liquidation within fifteen days from occurrence of the cause of dissolution.

The liquidation committee shall consist of directors, unless otherwise provided in these Articles of Association or other persons are elected by resolution at the shareholders' meeting.

If the liquidation obligor fails to perform its liquidation obligations in a timely manner and causes losses to the Company or its creditors, it shall be liable for compensation.

**Article 190** The liquidation team shall exercise the following functions and powers during the period of liquidation:

- (I) Liquidating the properties of the Company, and preparing the balance sheets and inventory of assets separately;
- (II) Informing creditors by a notice or public announcement;
- (III) Disposing of and liquidating the unfinished businesses of the Company;
- (IV) Clearing off the outstanding taxes and the taxes incurred from the process of liquidation;
- (V) Clearing off credits and debts;
- (VI) Distributing the residual properties after settling such debt;
- (VII) Participating in the civil litigation on behalf of the Company.

**Article 191** The liquidation team shall, within ten days of its formation, notify the creditors, and shall, within sixty days, make a public announcement on the media designated by the regulatory authorities and stock exchanges of the place where the Company's Shares are listed, or on the National Enterprise Credit Information Publicity System. Creditors shall, within thirty days of the receipt of the notice or within forty-five days of the release of the public announcement in the case of failure to receive said notice, file their creditors' rights with the liquidation team.

Where creditors file their creditors' rights, they shall explain about the matters related to creditors' rights, and shall provide the evidentiary materials. The liquidation team shall register the creditors' rights.

The liquidation team may not clear off any of the debts of any creditors during the period of filing creditors' rights.

**Article 192** After the liquidation team has liquidated the assets of the Company and has prepared the balance sheets and inventory of assets, it shall formulate a plan of liquidation, and report it to the shareholders' meeting or the people's court for confirmation.

The remaining assets after paying off the liquidation expenses, wages of employees, social insurance premiums and statutory compensation, the outstanding taxes and the debts of the Company may be distributed in proportion to shareholding of the Shareholders.

During the period of liquidation, the Company continues to exist but shall not carry out any business operation that is not related to liquidation.

Before the settlement of repayments as provided in the preceding article has been made, the Company's properties shall not be distributed to Shareholders.

**Article 193** Should the liquidation team find that the properties of the Company are insufficient for clearing off the debts after liquidating the properties of the Company and preparing the balance sheets and inventory of assets, it shall apply to the people's court for bankruptcy liquidation.

Once the people's court accepts the bankruptcy application, the liquidation team shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

**Article 194** Following the completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report, submit the same to the shareholders' meeting or the people's court for confirmation, and submit the same to the company registration authority to apply for deregistration of the Company.

**Article 195** The members of the liquidation team perform the liquidation duties and have obligations of loyalty and diligence.

Where the members of the liquidation team neglect to perform the liquidation duties and cause any loss to the Company, he/she shall be liable to make compensation; where any members of the liquidation team cause any loss to the Company or any creditor with intention or due to gross negligence, he/she shall be liable to make compensation.

**Article 196** Where the Company is declared bankruptcy in accordance with laws, it shall implement bankruptcy liquidation in accordance with relevant laws relating to bankruptcy of enterprise.

## CHAPTER 10 AMENDMENT TO THESE ARTICLES OF ASSOCIATION

**Article 197** Under any one of the following circumstances, the Company will amend its Articles of Association:

- (I) After amendment has been made to the Company Law or relevant laws, administrative regulations or the securities regulatory rules of the place where the Company's shares are listed, the contents of the Articles of Association shall conflict with the amended laws, administrative regulations or the securities regulatory rules of the place where the Company's shares are listed;
- (II) The changes that the Company has undergone are inconsistent with the records made in the Articles of Association;
- (III) The shareholders' meeting decides that the Articles of Association should be amended.

**Article 198** Should the amendment to the Articles of Association passed by resolutions at the shareholders' meeting is subject to the approval by the competent authorities, it shall be reported to the competent authorities for approval; and if any company registration information is involved, the alteration to such registration information shall be handled according to laws.

**Article 199** The Board of Directors shall amend these Articles of Association according to the resolutions of the shareholders' meeting and the approval opinions from relevant competent authorities.

**Article 200** Any amendment to the Articles of Association that involves information to be disclosed as required by the laws and regulations, shall be publicly announced as required.

## CHAPTER 11 SUPPLEMENTARY ARTICLES

**Article 201** Definitions

- (I) The controlling shareholder means a shareholder who holds more than 50% of the total share capital of a joint stock limited company, or a shareholder holds not more than 50% shares but has the voting rights on his/her shares sufficient to exert a significant impact on the resolutions of the shareholders' meeting, or the controlling shareholder as defined by the securities regulatory rules of the place where the Company's Shares are listed.
- (II) An actual controller means the natural person, legal person or other organization that, through investment relationships, agreements, or other arrangements, may actually control the activities of the Company.

- (III) Associated relationship means the relationship between the Company's Controlling Shareholder, actual controller, Directors, or senior management and enterprises directly or indirectly controlled by them, other relationships that may lead to the transfer of the Company's interests, as well as connected relationship involved under the Hong Kong Listing Rules. However, state-controlled enterprises shall not be deemed to have an associated relationship solely due to being under common state control.
- (IV) An associated person means the Company's associated legal persons (or other organizations) and associated natural persons, as well as "connected persons" as defined in the Hong Kong Listing Rules. The identification of associated legal persons and associated natural persons shall be based on the relevant provisions of laws, administrative regulations, departmental rules, and the related rules of the Shenzhen Stock Exchange.
- (V) The affiliated associates are affiliated legal persons (or other organizations) in which the Company has a shareholding that is an affiliate of the Company.
- (VI) In these Articles of Association, the term "connected transaction" includes "connected transactions" as defined in the Hong Kong Listing Rules.
- (VII) In these Articles of Association, the term "accounting firm" shall have the same meaning as "auditor" under the Hong Kong Listing Rules, and the term "independent Director" shall have the same meaning as "independent non-executive Director" under the Hong Kong Listing Rules.

**Article 202** The Board of Directors may set out by-laws in accordance with the provisions of the Articles of Association, provided that such by-laws shall not be in violation of the Articles of Association.

**Article 203** These Articles of Association are written in Chinese. In case of any inconsistency between the articles of association in any other language or of different version and these Articles of Association, the latest Chinese version of these Articles of Association approved by and registered with the Shenzhen Municipal Market Supervision Administration of Guangdong Province shall prevail.

**Article 204** The term "above", "within", as stated in these Articles of Association shall all include the given figure; the term "over", "except", "lower", "more" shall all exclude the given figure.

**Article 205** The Board of Directors shall be responsible for the interpretation of these Articles of Association.

**Article 206** Appendixes to these Articles of Association include Rules of Procedure for Shareholders' Meetings and Rules of Procedure for Meetings of Board of Directors.

**Article 207** These Articles of Association shall take effect upon the date of the Company's offering of H-share and listing on the Hong Kong Stock Exchange, subject to prior approval by the Company's shareholders' meeting.

**MeiG Smart Technology Co., Ltd.**  
February 2026