

**深圳市優必選科技股份有限公司**

**UBTECH ROBOTICS CORP LTD**

**Articles of Association**

(As considered approved and became effective at the  
2024 fifth extraordinary general meeting held on September 12, 2024)

## Contents

Chapter 1	General Provisions . . . . .	3
Chapter 2	Purpose and Scope of Business . . . . .	5
Chapter 3	Shares . . . . .	6
Chapter 4	Shareholders and General Meeting . . . . .	16
Chapter 5	Board of Directors. . . . .	41
Chapter 6	General Manager and Other Senior Management Members . . . . .	50
Chapter 7	Board of Supervisors. . . . .	53
Chapter 8	Qualifications and Obligations of Directors, Supervisors and Senior Management Members. . . . .	56
Chapter 9	Financial and Accounting Systems, and Distribution of Profits and Internal Audit . . . . .	57
Chapter 10	Merger, Division, Capital Increase and Reduction, Dissolution and Liquidation of the Company . . . . .	63
Chapter 11	Amendment of the Articles of Association . . . . .	66
Chapter 12	Notice and Announcement . . . . .	67
Chapter 13	Supplementary Provisions. . . . .	69

# UBTECH ROBOTICS CORP LTD

## Articles of Association

### Chapter 1 General Provisions

**Article 1** To protect the legal rights and interests of UBTECH ROBOTICS CORP LTD (“the Company”), its shareholders and creditors and regulate the organization and actions of the Company, the Articles of Association are hereby formulated in accordance with the existing and effective Company Law of the People’s Republic of China (the Company Law), Securities Law of the People’s Republic of China (the Securities Law), the Guidelines on the Articles of Association of Listed Companies (2022 Revision), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the Hong Kong Listing Rules) and other laws, administrative regulations, departmental rules and regulatory documents (collectively, the “Laws and Regulations”).

**Article 2** The Company is a joint stock limited company established in accordance with the Company Law, the Guidelines on the Articles of Association of Listed Companies (2022 Revision) and other laws and regulations of the People’s Republic of China (the “PRC”).

The Company was established as a joint stock limited liability company by way of conversion from the original UBTECH ROBOTICS CORP LTD (hereinafter referred to as “UBTECH Limited”) with all shareholders as promoters and underwent an overall change by converting the book value of audited net assets of UBTECH Limited as of February 28, 2019 into shares at the ratio of 5.3904:1. The Company was registered with the Market Supervision Administration of Shenzhen Municipality on March 29, 2019 and obtained a business license. The unified social credit code of the Company is 91440300593047655L.

**Article 3** The Company was approved by The Stock Exchange of Hong Kong Limited on December 28, 2023 to make an initial public offering of 11,282,000 overseas listed foreign shares (H Shares) and over-allotted 292,150 H Shares, the aforesaid overseas listed foreign shares (H Shares) was listed on the Main Board of the Stock Exchange of Hong Kong Limited on December 29, 2023 and January 23, 2024, respectively.

**Article 4** Registered name of the Company

The Company Chinese name: 深圳市優必選科技股份有限公司

The Company English name: UBTECH ROBOTICS CORP LTD

**Article 5** The address of the Company: 2201, Building C1, Nanshan Smart Park, No. 1001 Xueyuan Avenue, Changyuan Community, Taoyuan Street, Nanshan District, Shenzhen, PRC.

Postal code: 518071

**Article 6** The registered capital of the Company is RMB419,562,824.

**Article 7** The chairman of the Board is the legal representative of the Company.

**Article 8** The Company is a joint stock limited company with perpetual existence and is an independent legal entity.

**Article 9** All assets of the Company are divided into shares of equal value. Shareholders shall be liable to the Company to the extent of the shares they subscribe for, and the Company shall be liable for the debts of the Company with all its assets.

**Article 10** The Articles of Association is the code of conduct of the Company, which shall become effective and be implemented upon the approval of the Company's overseas listed foreign shares by the relevant state departments and relevant regulatory authorities and the listing and trading of such shares on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") at the general meeting of the Company, and replace the Articles of Association of the Company originally filed with the Market Supervision and Administration Bureau of Shenzhen Municipality.

From the date on which the Articles of Association come into effect, the Articles of Association shall constitute a legally binding document regulating the Company's organisation and activities, and the rights and obligations between the Company and each shareholder and among the shareholders, and shall be binding on the Company, its shareholders, directors, supervisors and senior management.

Pursuant to the Articles of Association, Shareholders may sue shareholders, directors, supervisors, managers and other senior management of the Company, Shareholders may sue the Company, and the Company may sue shareholders, directors, supervisors, managers and other senior management.

**Article 11** Other senior management stated in this Articles of Association refers to the Company's deputy general manager, secretary of the Board of Directors and chief financial officer and other senior management appointed by the Board of Directors.

**Article 12** In accordance with the provisions of the Constitution of the Communist Party of China, the Company has set up a Communist Party organisation and carried out Party activities. The Company provides necessary conditions for the activities of the Party organisation.

## **Chapter 2 Purpose and Scope of Business**

**Article 13** The purpose of the Company's operation is to bring intelligent robots to every home, making the lifestyle of mankind more intelligent, convenient, and humanized.

**Article 14** Upon registration in accordance with the law, the business scope of the Company is as follows: general business items: engaging in technology research and development and technology consultation in the fields of intelligent robots, artificial intelligence algorithms, software, communication equipment, toys and related fields; sales, wholesale, import and export of intelligent robots, artificial intelligence algorithms, software, communication equipment, toys and related supporting businesses; house leasing (excluding state-run trade management commodities, commodities involving quota, license management and other special regulations shall be handled in accordance with relevant national regulations). Development of robotics and artificial intelligence teaching materials and courses, robotics and artificial intelligence education and training, and undertaking approved academic exchanges on robotics and artificial intelligence and robotics competitions; Technology development, technology consultation, technology exchange, technology transfer and technology promotion of medical devices; Import and export of goods and technology. (The above items do not involve special administrative measures for access of foreign investment). Licensed business items: production of intelligent robots, communication equipment and toys; Design, manufacture and sale of medical robots and medical devices; wholesale and retail of robotics and artificial intelligence-related publications (including audio and video products); design, manufacture and sale of Class I medical devices, Class II medical devices and related products; R&D, production and sales of ultraviolet disinfection equipment and instruments; R&D, production and sales of non-medical disinfection equipment and instruments; R&D, production and sales of medical disinfection equipment and instruments; Special equipment assembly; Sales of disinfectants (excluding hazardous chemicals); Design, manufacture and sale of disinfection products, smart home and electronic products.

The Company may adjust its business scope according to the changes in domestic and overseas markets, business development and its own capabilities, subject to the approval of the shareholders' general meeting and relevant government departments (if necessary), and go through relevant procedures for change of industrial and commercial registration as required.

## **Chapter 3 Shares**

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

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

Where the share capital of the Company includes shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares. Where the share capital includes shares with different voting rights, the words “restricted voting” or “limited voting” shall appear in the designation of each class of shares other than the class of shares with the most favorable voting rights.

**Article 16** The Company shall issue shares under the principles of openness, fairness and equality and shares of the same class shall carry the equal rights.

Shares of the same class issued at the same time shall be issued under the same condition and at the same price. Shares subscribed by any entity or individual shall be paid for at the same consideration.

**Article 17** The shares issued by the Company shall be denominated in RMB.

**Article 18** Among the shares issued by the Company, domestic unlisted shares shall be centrally deposited at the China Securities Depository and Clearing Corporation Limited, and the registration and settlement arrangements for overseas listed shares shall be subject to the applicable regulations of the place of overseas listing.

**Article 19** The overseas shares issued by the Company and listed on the Hong Kong Stock Exchange are briefly referred to as H shares, which shall be the shares listed on Hong Kong Stock Exchange, denominated in RMB and subscribed for and traded in a HK dollar.

**Article 20** Upon the conversion into a joint stock limited company as a whole, the number of shares and the proportion of shareholding held by each promoter in the company were as follows:

No.	Name of promoter	Number of Shares Hold (Shares)	Shareholding ratio (%)	Method of capital contribution	Time of capital contribution
1	Zhou Jian	103,586,040	28.7739	Conversion of net assets into shares	February 28, 2019
2	Xia Zuoquan	22,888,800	6.3580	Conversion of net assets into shares	February 28, 2019
3	QM25 Limited	23,681,160	6.5781	Conversion of net assets into shares	February 28, 2019
4	Shenzhen Sanciyan Enterprise Management Consulting (Limited Partnership)	14,538,600	4.0385	Conversion of net assets into shares	February 28, 2019
5	Wang Lin	9,023,400	2.5065	Conversion of net assets into shares	February 28, 2019
6	Shanghai Ding Hui Jia Ling Investment Center (Limited Partnership)	7,040,160	1.9556	Conversion of net assets into shares	February 28, 2019
7	Zhao Guoqun	7,486,920	2.0797	Conversion of net assets into shares	February 28, 2019
8	Xia Yongjun	10,217,880	2.8383	Conversion of net assets into shares	February 28, 2019
9	Qingdao Ningmi Enterprise Management Center (Limited Partnership)	4,593,600	1.2760	Conversion of net assets into shares	February 28, 2019

No.	Name of promoter	Number of Shares Hold (Shares)	Shareholding ratio (%)	Method of capital contribution	Time of capital contribution
10	Shenzhen Leaguer Huarui Investment Enterprise (Limited Partnership)	1,119,240	0.3109	Conversion of net assets into shares	February 28, 2019
11	Suzhou Haikunyuji Investment Centre (Limited Partnership)	3,443,760	0.9566	Conversion of net assets into shares	February 28, 2019
12	Huzhou Tianlangxing Huihuang Equity Investment Partnership (Limited Partnership)	2,516,760	0.6991	Conversion of net assets into shares	February 28, 2019
13	Zhuhai Technology Venture Capital Co., Ltd.	1,077,840	0.2994	Conversion of net assets into shares	February 28, 2019
14	Zhuhai Huaying Preferred Investment Partnership Limited Partnership	1,077,840	0.2994	Conversion of net assets into shares	February 28, 2019
15	Chia Tai Investment Management Limited	2,132,640	0.5924	Conversion of net assets into shares	February 28, 2019
16	Shenzhen Evolution Investment (Limited Partnership)	39,599,280	10.9998	Conversion of net assets into shares	February 28, 2019
17	IMAGE FRAME INVESTMENT (HK) LIMITED	22,128,840	6.1469	Conversion of net assets into shares	February 28, 2019
18	Xiong Youjun	9,933,480	2.7593	Conversion of net assets into shares	February 28, 2019
19	ICBC (Shenzhen) Equity Investment Fund (Limited Partnership)	6,861,960	1.9061	Conversion of net assets into shares	February 28, 2019
20	Shenzhen Huizhi Tongtai Investment (Limited Partnership)	5,139,000	1.4275	Conversion of net assets into shares	February 28, 2019



No.	Name of promoter	Number of Shares Hold (Shares)	Shareholding ratio (%)	Method of capital contribution	Time of capital contribution
21	Shenzhen Intelligent Choice Investment Limited Partner (Limited Partnership)	3,220,200	0.8945	Conversion of net assets into shares	February 28, 2019
22	Beijing Juran Zhijia Investment Management Center Limited Partnership	3,502,440	0.9729	Conversion of net assets into shares	February 28, 2019
23	Tencent Technology (Shenzhen) Co., Ltd.	3,532,320	0.9812	Conversion of net assets into shares	February 28, 2019
24	Shenzhen Unicorn Investment (Limited Partnership)	5,086,440	1.4129	Conversion of net assets into shares	February 28, 2019
25	Beijing Juran Zhijia Investment Holding Group Company Limited	2,299,680	0.6388	Conversion of net assets into shares	February 28, 2019
26	Yiwu Hong Yuan Investment Management Limited Partnership	1,748,160	0.4856	Conversion of net assets into shares	February 28, 2019
27	Beijing Tianlangxingsu Investment Management Centre Limited Partnership	1,514,880	0.4208	Conversion of net assets into shares	February 28, 2019
28	Shenzhen Huizhi TongYing Investment Partnership Limited Partnership	1,284,840	0.3569	Conversion of net assets into shares	February 28, 2019
29	Qingdao Jinshi Haohui Investment Co., Ltd.	1,222,920	0.3397	Conversion of net assets into shares	February 28, 2019
30	iFlytek Stock Co., Ltd.	889,560	0.2471	Conversion of net assets into shares	February 28, 2019

<b>No.</b>	<b>Name of promoter</b>	<b>Number of Shares Hold (Shares)</b>	<b>Shareholding ratio (%)</b>	<b>Method of capital contribution</b>	<b>Time of capital contribution</b>
31	Shenzhen Songhe Growth Equity Investment Partnership (Limited Partnership)	874,080	0.2428	Conversion of net assets into shares	February 28, 2019
32	Telstra Ventures Fund II, L.P.	174,960	0.0486	Conversion of net assets into shares	February 28, 2019
33	Shanghai Zhong Hui Jin Jiu Shiyi Equity Investment Fund Management Partnership (Limited Partnership)	874,080	0.2428	Conversion of net assets into shares	February 28, 2019
34	Shouguang City Lidejin Investment Centre Limited Partnership	652,320	0.1812	Conversion of net assets into shares	February 28, 2019
35	Beijing Longma Yongan Investment Management Co., Ltd.	1,748,160	0.4856	Conversion of net assets into shares	February 28, 2019
36	Ningbo Bonded Area Jiuyou Zhixuan Investment Partnership Limited Partnership	2,423,880	0.6733	Conversion of net assets into shares	February 28, 2019
37	Hangzhou Haikun Xinhong Investment Partnership Limited Partnership	3,517,200	0.9770	Conversion of net assets into shares	February 28, 2019
38	Chengdu Hongzhijia Enterprise Management Center (Limited Partnership)	2,708,640	0.7524	Conversion of net assets into shares	February 28, 2019
39	YBX COMPANY LIMITED	1,748,160	0.4856	Conversion of net assets into shares	February 28, 2019

No.	Name of promoter	Number of Shares Hold (Shares)	Shareholding ratio (%)	Method of capital contribution	Time of capital contribution
40	Zhuhai Hengqin Golden Axe Pangu No. 29 Equity Investment Center (Limited Partnership)	2,447,640	0.6799	Conversion of net assets into shares	February 28, 2019
41	Ningbo Meishan Bonded Port Hanhong Equity Investment Partnership (Limited Partnership)	651,960	0.1811	Conversion of net assets into shares	February 28, 2019
42	Ningbo Xiangshi Xiren Investment Management Partnership (Limited Partnership)	757,440	0.2104	Conversion of net assets into shares	February 28, 2019
43	Ningbo Xiangshi Xiyi Investment Management Partnership (Limited Partnership)	990,720	0.2752	Conversion of net assets into shares	February 28, 2019
44	Shenzhen Smart Choice Investment Partnership (Limited Partnership)	5,379,840	1.4944	Conversion of net assets into shares	February 28, 2019
45	Chengdu Zhongrui Zhixuan Equity Investment Fund Partnership (Limited Partnership)	1,699,920	0.4722	Conversion of net assets into shares	February 28, 2019
46	Chongqing Liangjiang New Area Chengwei Equity Investment Fund Partnership (Limited Partnership)	3,847,320	1.0687	Conversion of net assets into shares	February 28, 2019
47	Suzhou Lifu Tianda Intelligent Robot Partnership (Limited Partnership)	1,281,600	0.3560	Conversion of net assets into shares	February 28, 2019

No.	Name of promoter	Number of Shares Hold (Shares)	Shareholding ratio (%)	Method of capital contribution	Time of capital contribution
48	Beijing Fuzhong Kangding Management Consulting Partnership (Limited Partnership)	4,667,400	1.2965	Conversion of net assets into shares	February 28, 2019
49	Shenzhen Quanmintong Holding Group Co., Ltd.	604,440	0.1679	Conversion of net assets into shares	February 28, 2019
50	Taian Taiying Caijian Equity Investment Fund Partnership Limited Partnership	561,600	0.1560	Conversion of net assets into shares	February 28, 2019
<b>Total</b>		360,000,000	100.00	–	–

**Article 21** The Company has a total of 419,562,824 shares, all of which are ordinary shares.

**Article 22** The Company or its subsidiaries (including affiliates of the Company) shall not provide any financial assistance in the form of gifts, advances, guarantees, compensation or loans to purchasers or prospective purchasers of the Company’s shares.

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

**Article 23** In accordance with the laws and regulations and the relevant rules of the Articles of Association, the Company may, based on its operating and development needs and the resolution of the Shareholders’ general meeting, increase its capital by the following methods:

- (I) the public offering of shares;
- (II) the non-public offering of shares;
- (III) distribution of bonus shares to existing shareholders;
- (IV) converting provident fund into share capital;
- (V) laws and regulations and other methods approved by China Securities Regulatory Commission (“CSRC”).

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

**Article 25** The Company shall not repurchase its shares in accordance with the laws and regulations, the Articles of Association and the relevant provisions of the securities regulatory authorities of the place where the Company's shares are listed, except in the following circumstances:

- (I) to reduce its capital;
- (II) to merge with another company that holds the shares;
- (III) to utilize shares in the employee share ownership scheme or for share incentive;
- (IV) to use the shares in the conversion of the convertible corporate bonds issued by the Company;
- (V) necessary for the Company to protect its value and the shareholders' equity;
- (VI) to acquire the shares upon request by shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company;
- (VII) other circumstances permitted by laws, regulations and regulatory rules of the place where the Company's shares are listed.

The Company may repurchase its shares through trading in a public and centralized manner or other methods permitted by laws, administrative regulations and the CSRC. Where the Company acquires its own shares under the circumstances set out in items (III), (IV) and (V) of the preceding paragraph, it shall be conducted through trading in a public and centralized manner.

Where the Company repurchases its shares under the circumstances set out in items (I) and (II) of the preceding paragraph, it shall be subject to the resolution of the general meeting; where the Company repurchases its shares under the circumstances set out in items (III), (IV) and (V) of the preceding paragraph, it shall be subject to the resolution of the Board meeting attended by more than two-thirds (2/3) of the directors in accordance with the provisions of the Articles of Association or the authorization of the general meeting.

The shares repurchased by the Company in accordance with the paragraph 1 of this Article of this Articles of Association shall be processed in the following ways: for the circumstance in item (I), such shares shall be canceled in ten (10) days after the date of repurchase; for the circumstance in item (II) or (VI), such shares shall be transferred or canceled in six (6) months; for the circumstance in item (III), (IV) or (V), the total number of shares held by the Company shall not exceed ten percent (10%) of the total issued shares of the Company, and such shares shall be transferred or canceled in three (3) years. Where the relevant laws and regulations, regulatory documents and relevant provisions of the securities regulatory authorities of the places where the Company's shares are listed have any other provisions in respect of the matters relating to the aforesaid share repurchases, such provisions shall prevail.

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

**Article 26** Shares of the Company can be transferred in accordance with laws.

**Article 27** The Company shall not accept the share certificates of the Company as the subject of pledge rights.

**Article 28** The promoters' shares of the Company shall not be transferred within one (1) year from the date of the establishment of the Company. Shares issued by the Company prior to its public offering shall not be transferred within one (1) year as of the date on which the shares are listed and traded in a stock exchange.

The Directors, supervisors, general managers and other senior management of the Company shall regularly declare the number of shares held by them and the relevant changes. The number of shares transferred each year during their term of office shall not exceed twenty-five percent (25%) of the total number of shares of the Company held by them. The shares of the Company held by them shall not be transferred within one (1) year as of the listing date of the shares of the Company. The shares of the Company held by them shall not be transferred within six months after their resignation. Where the rules of the stock exchange where the Company's shares are listed have other provisions on the transfer of shares, such provisions shall also be complied with.

**Article 29** If any shareholder, director, supervisor or senior management of the Company holding more than five percent (5%) of the shares of the Company sells his/her shares or other securities of equity nature within six (6) months after purchasing such shares, or buys such shares within six (6) months after selling such shares, the gains arising therefrom shall belong to the Company and the Board of the Company shall forfeit such gains. However, if a securities company holds more than five percent (5%) of the shares due to the purchase of the remaining shares after underwriting, and other circumstances as stipulated by the CSRC shall be excluded.

The shares or other securities of equity nature held by directors, supervisors, senior management and natural person shareholders referred to in the preceding paragraph include the shares or other securities of equity nature held by their spouses, parents and children and held through others' accounts.

If the Board of the Company fails to comply with the first paragraph of this Article, the shareholders shall have the right to request the Board to do so within thirty (30) days. If the Board fails to do so within the aforesaid period, the shareholders shall have the right to initiate proceedings in the people's court directly in their own names for the benefit of the Company.

If the Board of the Company does not comply with the provisions of the first paragraph of this Article, the responsible directors shall bear joint and several liabilities in accordance with the law.

**Article 30** All the fully paid-up H-Shares are freely transferable pursuant to the Articles of Association. However, the Board of Directors may refuse to recognize any instrument of transfer without giving any reason thereof, unless:

- (I) the fees prescribed by the Hong Kong Stock Exchange in the Hong Kong Listing Rules have been paid to the Company, which shall not exceed the maximum fees prescribed by the Hong Kong Listing Rules from time to time, and the share transfer documents and other documents relating to or affecting the ownership of shares have been registered;
- (II) the transfer instrument involves only the H Shares;
- (III) the stamp duty payable under the laws of Hong Kong on the instrument of transfer has been paid;
- (IV) the relevant share certificates and evidence reasonably required by the Board of Directors showing that the transferor has the right to transfer such shares shall be provided;
- (V) if the Shares are proposed to be transferred to joint holders, the number of such joint Shareholders shall not be more than four;
- (VI) the relevant shares are free of any lien in favor of the Company.

If the Board of Directors refuses to register the transfer of shares, the Company shall give the transferor and transferee a notice of refusal to register the transfer of shares within two (2) months from the date of the formal application for transfer.

**Article 31** All transfers of H Shares shall be effected by instruments of transfer in writing in an ordinary or usual form or in any other form acceptable to the Board of Directors (including the standard transfer format or ownership transfer form as prescribed by the Hong Kong Stock Exchange from time to time).

The written transfer document may be signed by hand or affixed with a valid seal of the Company (if the transferor or transferee is a company). If the transferor or the transferee is a recognized clearing house (“Recognized Clearing House”) or proxy thereof as defined by relevant provisions of the Hong Kong laws in force from time to time, the written instrument of transfer may be signed by hand or in a machine-printed form.

**Article 32** All the document of transfer shall be kept at the legal address of the Company or such address as the Board of Directors may specify from time to time. The shares of the Company may be transferred, given as a gift, inherited and pledged in accordance with relevant laws and regulations, and the Articles of Association. The instrument of transfer and other documents relating to the title of shares must be registered with the share registrar entrusted by the Company.

## **Chapter 4 Shareholders and General Meeting**

### **Section 1 Shareholders**

**Article 33** The overseas listed shares issued by the Company may take the form of overseas depository receipts or other derivative means of shares in accordance with the laws and the practice of securities registration and depository of the place where the shares are listed.

Any shareholder who is registered in, or any person who requests to have his name entered in, the register of shareholders may, if his share certificates (“Original Certificates”) are lost, apply to the Company for a replacement share certificate in respect to such shares (“Relevant Shares”). Application for a replacement share certificate lost by shareholders of domestic unlisted shares shall be addressed pursuant to the relevant provisions of the Company Law. Application for a replacement share certificate lost by holders of overseas listed foreign shares shall be addressed pursuant to the laws, rules of the stock exchange or other relevant regulations of the place where the original register of holders of overseas listed foreign shares is kept.

**Article 34** The affixing of the Company’s seal on the share certificates shall be authorized by the Board of Directors. Under conditions of the paperless issuance and trading of the Company’s shares, the provisions of the securities regulatory body and the stock exchange(s) where the Company’s shares are listed shall apply.



**Article 35** The Company shall establish a register of shareholders with the vouchers provided by the securities registration authority, or register the shareholders in accordance with the laws and regulations and the Hong Kong Listing Rules. The register of shareholders shall be sufficient evidence of the holding of the shares of the Company by the shareholders. A shareholder shall enjoy the rights and assume the obligations attached to the class of shares held. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations. Transfer of shares shall be recorded in the register of shareholders. The Company may keep overseas the register of holders of overseas listed foreign shares and entrust the administration thereof to an overseas agent in accordance with the understanding and agreement reached between the Securities Regulatory Authorities of the State Council and the overseas Securities Regulatory Authorities. The original register of holders of overseas listed foreign shares listed in Hong Kong shall be kept in Hong Kong. Where the original and copies of the register of holders of overseas listed shares are inconsistent, the original shall prevail.

The Company shall keep a complete register of shareholders. The register of shareholders shall include the following parts: (I) the register(s) of shareholders kept at the Company's domicile other than those specified in items (II) and (III) of this Article; (II) the register(s) of holders of overseas listed foreign shares of the Company kept in the place(s) where the overseas stock exchange on which the foreign shares are listed is located; (III) the register(s) of shareholders kept in other places as the Board may deem necessary for the purpose of listing of the Company's shares.

**Article 36** When the Company convenes a general meeting, distributes dividends, conducts liquidation or carries out other activities which require the identification of shareholders, the Board of Directors or the convener of the general meeting shall determine the Record Date. Shareholders whose names appear on the register of shareholders at the end of the Record Date shall be shareholders entitled to the relevant rights and interests.

**Article 37** The register of shareholders may, subject to the provisions of the relevant stock exchange or regulatory authority of the place where the shares of the Company are listed or other applicable laws and regulations, be closed at such times and for such periods as the Board of Directors may from time to time determine, all shares, provided that the register shall not be closed for more than thirty (30) days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond thirty (30) days).

**Article 38** Shareholders of the Company shall enjoy the following rights:

- (I) to receive dividends and other forms of distribution of interest in proportion to their respective shareholdings;
- (II) to request, convene, hold, participate or authorize proxies to attend shareholders' general meeting, and to exercise the corresponding voting rights according to the proportion of shares they hold in accordance with the law;
- (III) to supervise the business operations of the Company and to make suggestions or inquiries;
- (IV) to transfer, give or pledge the shares they hold according to the laws and regulations, Hong Kong Listing Rules and the Articles of Association;
- (V) to review the Articles of Association, the register of shareholders, counterfoils of corporate bonds, minutes of shareholders' general meetings, resolutions of the Board meetings, resolutions of the Supervisory Committee meetings and financial and accounting reports;
- (VI) to obtain relevant information in accordance with the laws and regulations and the Articles of Association, which shall include:
  - 1. to obtain the copies of Articles of Association after paying the production cost;
  - 2. to inspect and obtain photocopies of the following information upon payment of a reasonable charge:
    - (1) all of the register of Shareholders;
    - (2) personal information of the directors, supervisors, general manager and other senior management of the Company, including:
      - (a) Current and previous names and alias;
      - (b) Main address (domicile);
      - (c) Nationality;

- (d) Full-time and all other part-time jobs and titles;
  - (e) Identity documents and numbers.
- (3) Status of the share capital of the Company;
  - (4) Special resolutions of the Company;
  - (5) reports on the aggregate par value, number of shares, and maximum and minimum prices paid in respect of each class of shares bought back by the Company since the last fiscal year as well as all the expenses paid by the Company thereon;
  - (6) counterfoils of corporate bonds, resolutions of the Board meetings, resolutions of the Supervisory Committee meetings, financial and accounting reports and minutes of general meetings (for inspection by shareholders only);
  - (7) The latest audited financial statements, reports of the Board of Directors, and Board of Supervisors and auditors;
  - (8) The latest annual report/annual return filed with the PRC administration for industry and commerce or other competent authorities;
  - (9) The minutes of the general meeting.

The Company shall keep the above documents other than item (II) at the Company's address in Hong Kong in accordance with the requirements of the Hong Kong Listing Rules. Shareholders demanding inspection of the relevant information or copies of the materials mentioned above shall provide the Company with written documents evidencing the class and number of shares they hold in the Company. Upon verification of the shareholder's identity, the Company shall provide such information at the shareholder's request. Unless the register of shareholders of the Company is closed in accordance with Article 37 of the Articles of Association, during such period of closure, the Company is not required to provide the documents referred to in item (I) above for shareholders' inspection.

- (VII) To participate in the distribution of the remaining property of the Company according to the proportion of shares they hold when the Company is terminated or liquidated;

- (VIII) To request the Company to repurchase his/her shares subject to fulfillment of the required procedures for share repurchase by the Company in accordance with the Articles of Association and the relevant laws and regulations if a shareholder dissents from the merger or division of the Company at a general meeting;
- (IX) The Shareholders holding more than three percent (3%) of the shares of the Company separately or jointly have the right to raise a temporary proposal and submit it in writing to the Board of Directors ten (10) days before the Shareholders' general meeting is held;
- (X) Other rights set out in laws and regulations and the Articles of Association.

**Article 39** A shareholder requesting for inspection of information or access to materials referred to in Article 38 shall produce to the Company written documents evidencing the class and number of shares that the shareholder holds. The Company shall provide such information and materials as requested by the shareholder after confirming the identity of the shareholder.

**Article 40** Shareholders are entitled to request the People's Court to invalidate the resolutions of a general meeting or a Board meeting which violates the laws and regulations.

Shareholders are entitled to request the People's Court to cancel the relevant resolution within sixty (60) days after the resolution is adopted if the convening procedure and voting method of the general meeting or Board meeting violates the laws and regulations or these Articles of Association, or the resolution content breaches these Articles of Association.

**Article 41** Where a director or senior management violates laws and regulations or the Articles of Association in the course of performing his/her duties and causes losses to the Company, the shareholders individually or jointly holding more than one percent (1%) of the Company's shares for more than one hundred and eighty (180) consecutive days shall have the right to request the Board of Supervisors in writing to initiate legal proceedings in the People's Court; where the Board of Supervisors violates laws and regulations or the Articles of Association in the course of performing its duties and causes losses to the Company, the aforesaid shareholders shall have the right to request the Board of Directors in writing to initiate legal proceedings in the People's Court.

Upon receipt of the written request made by the shareholders as stipulated in the preceding paragraph, in case the Board of Supervisors and the Board of Directors refuses to file a lawsuit or fails to file a lawsuit within thirty (30) days from receipt of such request, or under urgent circumstances that failure in filing a lawsuit immediately will cause irreparable damage to the interests of the Company, the aforesaid shareholders shall have the right to file a lawsuit to the People's Court directly in their own names for protection of the Company's interests.

In the event that any person infringes the legal interests of the Company and causes losses thereto, the shareholders specified in the first paragraph may file a lawsuit to the People's Court in accordance with the provisions of the preceding two paragraphs.

Where laws, regulations and the Articles of Association provide otherwise, such provisions shall prevail.

**Article 42** If a Director, general manager or other senior management violates laws, regulations or the Articles of Association, thereby damaging the interests of shareholders, the shareholders may initiate legal proceedings in the People's Court.

**Article 43** Shareholders of the Company shall assume the following obligations:

- (I) to abide by the laws and regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association;
- (II) to make a capital contribution according to the shares they subscribe for and the capital participation method;
- (III) not to withdraw capital contribution or withdraw shares unless otherwise provided by laws and regulations;
- (IV) not to abuse the shareholder's rights to cause losses to the Company or other shareholders, and not to abuse the independent legal person status of the Company and the limited liability of Shareholders to damage the interests of the creditors of the Company;
- (V) Other obligations to be assumed by the Shareholders according to the laws and regulations and the Articles of Association.

If a shareholder abuses his/her shareholder rights, thereby causing the Company or shareholders to sustain a loss, he/she shall be held liable for damages in accordance with the laws. Shareholders of the Company who abuse the independent status of the Company as a legal person and the limited liability of shareholders to evade debts and seriously damage the interests of the creditors of the Company shall bear joint and several liabilities for the debts of the Company.

**Article 44** The controlling shareholders, actual controllers, directors, supervisors, general manager and other senior management of the Company shall not use their connected relations to damage the interests of the Company. Otherwise, they shall be liable for compensation for the loss suffered by the Company.

The controlling shareholders and actual controllers of the Company shall bear the fiduciary duty to the Company and public shareholders of the Company. The controlling shareholder shall exercise the rights of the investor in strict accordance with the law. The controlling shareholder shall not damage the legitimate rights and interests of the Company and public shareholders of the Company by means of connected transactions, profit distribution, asset restructuring, outbound investment, capital occupation, loan guarantee, etc., and shall not damage the interests of the Company and public shareholders of the Company by means of its controlling position.

**Article 45** If shareholders holding more than five percent (5%) of the voting shares of the Company pledge their shares, they shall report to the Company in writing on the date of the occurrence of such pledge.

## **Section 2 General Provisions of the General Meeting**

**Article 46** The general meeting acts as the supreme authority of the Company which, according to laws, exercises the following functions and power:

- (I) To decide on the business operating guidelines and investment plans of the Company;
- (II) To elect and replace directors and supervisors who are not representatives of the employees and to decide matters relating to the remuneration of directors and supervisors;
- (III) To consider and approve reports of the Board of Directors;
- (IV) To consider and approve reports of the Supervisory Committee;
- (V) To consider and approve annual financial budgets plans and final accounts plans of the Company;
- (VI) To consider and approve profit distribution plans and loss recovery plans of the Company;
- (VII) To make resolutions on the increase or reduction of the Company's registered capital or share capital;
- (VIII) To make resolutions on matters such as the merger, division, dissolution, liquidation or change in the organizational form of the Company;

- (IX) To make resolutions on the issue of debentures, shares of any kind, warrants and other securities of the Company and their listing;
- (X) To make resolutions on the appointment and dismissal of engagement of accounting firms by the Company;
- (XI) To amend the Articles of Association;
- (XII) To consider any purchase, sale of material assets, external investment by the Company in excess of thirty percent (30%) of the Company's latest audited total assets within one (1) year;
- (XIII) to consider and approve the guarantees as stipulated in Article 47 of the Articles of Association;
- (XIV) to consider and approve the change in use of proceeds;
- (XV) to consider the formulation, modification and implementation of the share incentive scheme and the employee share ownership scheme;
- (XVI) to consider other matters to be resolved by the general meeting as required by the laws, administrative regulations, departmental rules, the listing rules of the place where the shares of the Company are listed and the Articles of Association.

The powers of the above general meetings shall not be exercised by the Board or other institutions or individuals by way of authorization.

**Article 47** Except as otherwise provided in the Articles of Association, all matters relating to the Company's external guarantees must be considered and approved by the Board of Directors. The following external guarantees provided by the Company, shall be subject to the consideration and approval by the shareholders' general meeting:

- (I) any guarantee provided after the total amount of external guarantees provided by the Company and its controlled subsidiaries exceeds fifty percent of the latest audited net assets;
- (II) any guarantee provided after the total amount of external guarantees provided by the Company exceeds thirty percent of the latest audited total assets;
- (III) a guarantee provided by the Company within one year with an amount exceeding thirty percent of the latest audited total assets of the Company;

- (IV) a guarantee provided to a guaranteed party whose asset-liability ratio exceeds seventy percent;
- (V) a single guarantee with an amount exceeding ten percent of the latest audited net assets;
- (VI) a guarantee provided to shareholders, actual controllers and their related parties; and
- (VII) a guarantee required by the Hong Kong Listing Rules to be considered and approved at the general meeting.

When the proposal for providing guarantees stipulated in paragraph (6) of the preceding subsection is reviewed by the general meeting, such Shareholder or the Shareholders controlled by the actual controllers shall not participate in the voting, and this proposal shall be adopted by the more than half of votes of other Shareholders present at the meeting.

Where a Director, General Manager and other senior management violates laws, regulations or the provisions of the Articles of Association on the limits of authority for examination and approval and the procedures for examination and approval of external guarantees, thus causing losses to the Company, they shall be liable for compensation, and the Company may file a lawsuit against them according to law.

If there are special provisions in the listing rules of the place where the Company's shares are listed, such provisions shall prevail.

**Article 48** General meetings shall be classified into the annual general meeting and the extraordinary general meeting. The annual general meeting shall be held once a year and shall be held not more than six (6) months after the end of the preceding fiscal year.

The Company shall convene an extraordinary general meeting within two (2) months from the date of the occurrence of any of the following circumstances:

- (I) When the number of Directors is less than the number prescribed by the Company Law or less than two-thirds (2/3) of the amount required by the Articles of Association;
- (II) When the Company's uncovered losses amount to one-third (1/3) of the total paid-up share capital;
- (III) When a request is made by a shareholder or shareholders holding separately or in aggregate more than ten percent (10%) of the shares of the Company;



- (IV) When the Board of Directors deems it necessary;
- (V) When the Board of Supervisors proposes to convene it;
- (VI) Other circumstances as stipulated by laws, regulations, the listing rules of the place where the Company's shares are listed or the Articles of Association.

**Article 49** The Company shall convene a shareholders' general meeting at the domicile of the Company or the place of the meeting as specified in the notice of the meeting. The general meeting shall be held in a venue and in the form of an on-site meeting. The Company will also provide online voting for the convenience of shareholders attending the general meeting. Shareholders attending the general meeting in the above manner shall be deemed as present.

After the notice of the general meeting is issued, the venue of the meeting shall not be changed without proper reasons. If changes are necessary, the convener shall make an announcement and explain the reasons at least two working days before the date of the on-site meeting.

**Article 50** When convening a general meeting, the Company will engage lawyers to issue legal opinions on the following issues and make announcements:

- (I) whether the procedures for convening and holding the meeting comply with laws, regulations and the Articles of Association;
- (II) whether the qualifications of the attendees and convener are legal and valid;
- (III) whether the voting procedures and results of the meeting are lawful and valid;
- (IV) legal opinions on other relevant issues as requested by the Company.

Unless otherwise required by the Hong Kong Listing Rules and the securities regulatory authorities of the place where the Company's shares are listed or no mandatory provisions have been made.

### **Section 3 Convening of General Meetings**

**Article 51** The independent non-executive Directors shall have the right to propose to the Board of Directors the convening of an extraordinary general meeting. In response to a proposal by an independent non-executive Director to convene an extraordinary general meeting, the Board of Directors shall, in accordance with the laws and regulations, the Hong Kong Listing Rules and the Articles of Association, provide written feedback within ten (10) days after receiving the proposal to agree or disagree with the convening of the extraordinary general meeting. If the Board of Directors agrees to convene an extraordinary general meeting, it will issue a notice of the convening of the general meeting within five (5) days after making a resolution of the Board of Directors.

If the Board of Directors does not agree to convene an extraordinary general meeting, it will state the reasons and make an announcement.

**Article 52** The Board of Supervisors have the right to propose to the Board of Directors to convene an EGM, and shall make such proposal in writing. The Board of Directors shall, in accordance with the laws and regulations, the Hong Kong Listing Rules and the Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of an extraordinary general meeting within ten (10) days after receiving the proposal.

If the Board of Directors agrees to convene an extraordinary general meeting, it will issue a notice of the convening of the general meeting within five (5) days after making a resolution of the Board of Directors, and any changes to the original proposal in the notice shall be subject to the consent of the Board of Supervisors.

If the Board of Directors does not agree to convene an extraordinary general meeting, or if no feedback is given within ten (10) days after receiving the proposal, the Board of Directors shall be deemed to be unable to perform or not perform its duty to convene a meeting of the general meeting, and the Board of Supervisors may convene and preside over the meeting on their own.

**Article 53** Shareholders who individually or collectively hold more than ten percent (10%) of the shares of the Company have the right to request the Board of Directors to hold an extraordinary general meeting, and shall put forward such request to the Board of Directors in writing and include proposals in the agenda of the meeting. The Board of Directors shall, in accordance with the laws and regulations, the Hong Kong Listing Rules and the Articles of Association, provide written feedback within ten (10) days after receiving the request, whether it agrees or does not agree to convene an extraordinary general meeting.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall, within five (5) days after making a resolution of the Board of Directors, issue a notice to convene the general meeting, and any changes to the original request in the notice shall be subject to the consent of the shareholders concerned.

If the Board of Directors does not agree to convene an extraordinary general meeting, or does not provide feedback within ten (10) days after receiving the request, shareholders, individually or collectively, holding more than ten percent (10%) of the shares of the Company shall have the right to propose to the Board of Supervisors the convening of an extraordinary general meeting, and shall submit their request in writing to the Board of Supervisors.

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

If the Board of Supervisors fails to issue a notice of a general meeting within the prescribed period, it shall be deemed not to convene and preside over the general meeting. Shareholders who individually or collectively hold more than ten percent (10%) of the shares of the Company for more than ninety (90) consecutive days may convene and preside over the general meeting on their own. The shareholding of the convening shareholder shall not be less than ten percent (10%) before the announcement of the resolution of the general meeting.

**Article 54** If the Board of Supervisors or shareholders decide to convene a general meeting on their own, they shall notify the Board of Directors in writing and file with the relevant competent authorities and the stock exchange on which the Company's shares are listed and traded (if necessary) in accordance with applicable laws and regulations.

The Supervisory Committee or the convening shareholders shall submit relevant evidentiary materials (if necessary) to the relevant competent authorities and the stock exchange in accordance with applicable laws and regulations when issuing the notice of the general meeting and announcing the resolutions of the general meeting.

**Article 55** The Board of Directors and the board secretary shall align with the general meeting convened by the Board of Supervisors or the shareholders on their own. The Board of Directors shall provide a register of shareholders on the record date.

**Article 56** If the Board of Supervisors or shareholders convene a general meeting on their own, the expenses necessary for the meeting shall be borne by the Company.

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

**Article 57** The convener shall notify all shareholders of the time, place and matters to be considered at the meeting at least twenty-one (21) days prior to the annual general meeting, and shall notify all shareholders of the time, place and matters to be considered at the meeting at least fifteen (15) days prior to the extraordinary general meeting. Where laws and regulations and securities regulatory authorities where the Company's shares are listed have other provisions, such provisions shall prevail. The Company shall not include the date of the meeting in calculating the starting period.

**Article 58** The contents of the proposals of the general meeting shall fall within the scope of authority of the general meeting, have clear topics and specific matters for resolution, and comply with the relevant provisions of laws and regulations, the Hong Kong Listing Rules and the Articles of Association.

**Article 59** When the Company convenes a general meeting, the Board of Directors, the Board of Supervisors and shareholders individually or jointly holding more than three percent (3%) of the total voting shares of the Company shall have the right to submit proposals to the Company.

Shareholders individually or jointly holding more than three percent (3%) of the total voting shares of the Company may make a provisional proposal and submit it in writing to the convener ten (10) days before the convening of the general meeting. The convener shall issue a supplementary notice of the general meeting within two (2) days upon receipt of the proposal and announce the contents of the provisional proposal.

Except as provided in the preceding paragraph, the convener shall not amend the proposals set out in the notice of the general meeting or add any new proposals after issuing the announcement of the notice of the general meeting.

The general meeting shall not vote or pass resolutions on proposals not listed in the notice of the general meeting or proposals not in conformity with Article 60 of the Articles of Association.

**Article 60** The notice of the general meeting shall include the following:

- (I) the time, venue and duration of the meeting;
- (II) the matters and proposals submitted for consideration at the meeting;

- (III) a statement explicitly stating that all shareholders of ordinary shares are entitled to attend the General Meeting of Shareholders and may appoint a proxy in writing to attend and vote at the meeting, and that such proxies need not be a shareholder of the Company;
- (IV) the record date for shareholders entitled to attend the shareholders' general meeting;
- (V) the name and telephone number of the contact person of the meeting;
- (VI) voting times and procedures for voting on the Internet or by other means;
- (VII) other requirements as stipulated by laws and regulations, the regulatory rules of the place where the shares of the Company are listed and the articles of association.

If the general meeting of the Company adopts the online or other forms, the voting time and voting procedures for the online meeting or other forms of meeting shall be specified in the notice of the general meeting. Voting online or by other means at the general meeting shall commence no earlier than 3:00 p.m. on the day before the on-site general meeting and no later than 9:30 a.m. on the day of the on-site general meeting, and shall end no earlier than 3:00 p.m. on the day of the on-site general meeting.

The notice and supplementary notice of the general meeting shall contain the contents required by the Hong Kong Listing Rules and the Articles of Association, and shall fully and completely disclose all specific contents of all proposals. If the opinions of the independent non-executive Directors are required for the matters to be discussed, the opinions and reasons of the independent non-executive Directors shall be disclosed at the same time when the notice or supplementary notice of the general meeting is issued.

The interval between the equity registration date and the date of the meeting shall not be more than seven working days. The record date shall not be changed once it is confirmed.

**Article 61** When the general meeting intends to discuss the election of directors and supervisors, the notice of the general meeting shall fully disclose the details of the candidates for directors and supervisors, including, as a minimum, the following contents:

- (I) personal particulars such as educational background, work experience and part-time jobs;
- (II) whether there is any connected relationship with the Company or the controlling shareholders and actual controllers thereof;

- (III) disclosure of number of shares of the Company held;
- (IV) whether or not they have been penalised by the CSRC and other relevant departments and punished by stock exchanges;
- (V) whether there is any circumstance under which a person is prohibited from acting as a Director, Supervisor or senior management member of a Company under the Company Law;
- (VI) the information required to be disclosed under the Hong Kong Listing Rules in relation to the new appointment, re-election or re-designation of Directors or Supervisors.

Except for the election of Directors and Supervisors by a cumulative voting system, each candidate for Director or Supervisor to be proposed in a separate proposal.

**Article 62** Subject to the laws and regulations and the relevant requirements of the securities regulatory authorities of the place where the Company's shares are listed, for holders of H shares, the Company may also issue a notice of general meeting by publishing it on the Company's website and the website designated by the Hong Kong Stock Exchange, instead of sending it by hand or by prepaid mail. Once published on the Company's website and the website designated by the Hong Kong Stock Exchange, all holders of the Company's overseas listed shares shall be deemed to have received the notice of the shareholders' meeting.

**Article 63** After the notice of the General Meeting is given, without cogent reason, the general meeting shall not be postponed or canceled, and the proposals set out in the notice shall not be canceled. Once the general meeting is adjourned or canceled, the convener shall make public announcement and explain the reasons at least two (2) working days before the original holding date.

## **Section 5 Convening of General Meetings**

**Article 64** The Board of Directors of the Company and other conveners shall take necessary measures to ensure the proper order of the general meeting. They shall take measures to stop the conducts that interfere with the general meeting, provoke trouble and infringe on the legal rights and interests of the shareholders and report timely to relevant authorities for investigation.

**Article 65** All ordinary shareholders (including preference shareholders with restored voting rights) whose names appear on the register of shareholders of the Company on the record date or their proxies are entitled to attend the general meeting, and shall exercise its voting rights in accordance with relevant laws and regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association.

Shareholders may attend the general meeting in person or appoint a proxy to attend and vote on their behalf. Any shareholder entitled to attend the general meeting and vote thereat is entitled to appoint one or more proxies, but such proxy need not be a shareholder of the issuer; if a shareholder is a corporation, it may appoint one or more proxies to attend and vote at any general meeting of the issuer, and if such corporation is so represented, it shall be deemed to be present in person at any such meeting. A form of proxy may be signed by a duly authorised officer of the Company.

If the shareholder is a recognised clearing house (or its proxy) as defined in the relevant ordinance enacted from time to time in Hong Kong, the shareholder may authorise one or more persons as it thinks fit to act as its representative(s) at any general meeting or any meeting of creditors. However, if more than one person is so authorised, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorised. The person so authorised may exercise on behalf of the recognised clearing house (or its proxy) such legal rights as other shareholders are entitled (without being required to present share certificate, notarized power of attorney and/or further evidence to prove that he/she/it is duly authorised), including the right to speak and vote, as if he/she/it was an individual shareholder of the Company.

**Article 66** An individual shareholder who attends the meeting in person shall produce his/her own identity card or other valid documents or certificates identifying his/her identity and stock account cards. An individual shareholder who appoint a proxy to attend the meeting on his/her behalf, such proxy shall produce his/her own valid identity documents and the power of attorney from the shareholder.

An institutional shareholder shall be represented at the meeting by its legal representative or executive partner and/or its appointed representative, or by proxy. Where a legal representative or executive partner and/or his/her proxy attends the meeting, he/she shall produce his/her own identity card and valid proof of his/her capacity as a legal representative or executive partner and/or his/her proxy; where a proxy is appointed to attend the meeting, the proxy shall produce his/her own identity card and a written power of attorney duly issued by the legal representative or executive partner of the institutional shareholder unit, except if the shareholder is a recognized clearing house (or its nominee) determined by relevant regulations formulated from time to time in Hong Kong.

**Article 67** The power of attorney issued by a shareholder to appoint a proxy to attend a general meeting shall contain the following information:

- (I) name of the proxy;
- (II) whether the proxy has the voting right;
- (III) separate instructions as to vote for, against or abstain from voting on each matter to be considered at the general meeting;
- (IV) the issuing date and validity period of the power of attorney;
- (V) signature (or seal) of the principal. If the principal is a legal person shareholder, it shall be affixed with the seal of the legal person unit or signed by its Director or a duly authorised agent or officer.

**Article 68** The power of attorney shall state whether the proxy may vote at his/her discretion in the absence of specific instructions from the shareholder.

**Article 69** The instrument authorizing the proxy to vote shall be placed at the domicile of the Company or at such other places as specified in the notice of convening the meeting 24 hours prior to convening of the meeting at which the proxy is authorized to vote or 24 hours prior to the designated time of voting. Where the instrument authorizing the proxy to vote is signed by another person authorized by the principal, the authorization to sign a power of attorney or other authorization documents should be notarized. The notarized power of attorney or other authorization documents shall, together with the instrument appointing the voting proxy, be deposited at the Company's domicile or at such other place as specified in the notice convening the meeting.

If the principal is a legal person, its legal representative or the person authorized by the Board of Directors or other decision-making authorities shall attend the general meeting of the Company on its behalf.

**Article 70** The register of the persons attending the meeting shall be prepared by the Company. The register shall set out the names of the persons attending the meeting (or names of the entity they are from), their ID card numbers, residential addresses, numbers of shares held or representing voting rights and names of the proxied (or names of the entity they are from).



**Article 71** The convener and the lawyer engaged by the Company shall jointly verify the qualification of the shareholders according to the register of shareholders provided by the securities depository and clearing institution, and register the name of each shareholder and the number of shares with voting rights he/she holds. The meeting registration shall be terminated by the time the meeting presider announces the number of shareholders and proxies present in person at the meeting as well as the total number of shares with voting rights they hold.

**Article 72** Unless under special circumstances, all Directors, Supervisors and the board secretary of the Company shall attend the general meeting and senior management members shall be present at the meeting.

**Article 73** The general meeting shall be presided over by the chairman of the Board. Where the chairman of the Board is incapable of performing or not performing his duties, a Director nominated by more than half of the Directors shall preside over the meeting.

A general meeting convened by the Board of Supervisors shall be presided over by the chairman of the Board of Supervisors. If the chairman of the Board of Supervisors is unable or fails to perform his/her duty, a Supervisor jointly elected by more than half of the Supervisors shall preside over the meeting.

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

During the course of a general meeting, if the meeting presider violates the Articles of Association or the rules of procedure for the general meeting of the Company such that the general meeting cannot be continued, the shareholders in the general meeting may elect one person to act as the meeting presider to continue the meeting so long as the proposed meeting presider has the consent of more than half of the shareholders with voting rights who are present at the meeting.

**Article 74** The Company shall formulate rules of procedure for the general meeting, and specify in detail the convening and voting procedures of the general meeting, including notice, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of resolutions of the meeting, minutes of the meeting and signing and announcement thereof, as well as the principle of authorization of the general meeting to the Board of Directors. The content of authorization shall be clear and specific. The rules of procedure for the general meeting shall be annexed to the Articles of Association and shall be prepared by the Board and approved by the general meeting.

**Article 75** At the annual general meeting, the Board of Directors and the Board of Supervisors shall report on their work over the past one (1) year to the general meeting. Each independent non-executive Director shall also make a work report.

**Article 76** Except for trade secrets of the Company which cannot be disclosed at the general meeting, the Directors, Supervisors, general manager and other senior management members shall provide explanations and clarifications in response to the inquiries and suggestions made by shareholders at the general meeting.

**Article 77** 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 78** Minutes of General Meeting shall be kept and the board secretary shall be responsible therefor. The meeting minute shall contain the following contents:

- (I) time, venue, agenda of the meeting and name of the convener;
- (II) names of the meeting presider and the Directors, Supervisors, general manager and other senior management members present at or attending the meeting;
- (III) the number of shareholders and proxies present at the meeting, total number of voting shares held and their respective proportions in the total number of the Company's shares;
- (IV) the consideration process, key points of speech and voting results of each proposal;
- (V) queries and recommendations of shareholders and corresponding answers or explanations;
- (VI) names of lawyers, vote counters and scrutineers;
- (VII) other contents that shall be included in the meeting minutes according to the Articles of Association.

**Article 79** The convener shall guarantee the authenticity, accuracy and integrity of the content of the meeting minutes. The directors, supervisors, the board secretary, convener or their representative who attend the meeting, and the meeting presider shall sign the meeting minutes. The meeting minutes shall be kept together with the signature book of the attending shareholders, the power of attorney of the proxies and the valid information of the voting by Internet and other means for a period of not less than ten (10) years.

**Article 80** The convener shall guarantee the General Meeting of Shareholders continues until the final resolution has been adopted. If the general meeting is suspended or the resolution cannot be made due to force majeure or other special causes, necessary measures shall be taken to resume the general meeting or directly terminate the general meeting, and public announcement shall be made in time. Meanwhile, the convener shall report to the local office of the CSRC where the Company is located and the stock exchange where the Company's shares are listed.

## **Section 6 Voting and Resolutions of the General Meetings**

**Article 81** The resolutions of a general meeting are classified into ordinary resolutions and special resolutions.

Ordinary resolutions of the general meeting shall be adopted by more than half (1/2) of the voting rights held by the shareholders (including shareholders' proxies) present at the general meeting.

Special resolutions of the general meeting shall be adopted by more than two-thirds (2/3) of the voting rights held by the shareholders (including shareholders' proxies) present at the general meeting.

**Article 82** The following matters shall be adopted by way of ordinary resolution of the general meeting:

- (I) the work reports of the Board of Directors and the Board of Supervisors;
- (II) profit distribution plans and loss recovery plans formulated by the Board;
- (III) appointment and removal of members of the board of directors and the board of supervisors, their remuneration and method of payment of their remuneration;
- (IV) the Company's annual budget plans and final accounts plans;
- (V) the annual report of the Company;
- (VI) Other matters other than those required by laws and regulations, the listing rules of the place where the Company's shares are listed or the Articles of Association to be adopted by special resolution.

**Article 83** The following matters shall be resolved by way of special resolution of the general meeting:

- (I) increase or reduction of registered capital or share capital of the Company;
- (II) the division, separation, merger, dissolution and liquidation of the Company;
- (III) to amend the Articles of Association;
- (IV) formulation, modification and implementation of the share incentive scheme;
- (V) to consider and approve the purchase or disposal of major assets, external investments or guarantees within one (1) year with an amount exceeding thirty percent (30%) of the latest audited total assets of the Company;
- (VI) other matters as required by laws and regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association and approved by an ordinary resolution at a general meeting that are deemed to have a material impact on the Company and should be approved by a special resolution.

**Article 84** Shareholders (including shareholders' proxies) may exercise voting rights in the amount of the voting shares they represent and each share shall have one vote. When a poll is taken at a meeting, a shareholder (including his/her proxy) entitled to two or more votes need not cast all his/her votes in the same way.

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

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

If a shareholder purchases the Company's voting shares in violation of the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law, such shares in excess of the prescribed proportion shall not exercise the voting rights within thirty-six months after purchase, and shall not be counted in the total number of voting shares present at the shareholders' general meeting.

The Board of Directors, independent non-executive Directors, shareholders holding more than one percent (1%) of the voting shares of the Company or investor protection institutions established in accordance with the laws and regulations or the provisions of the CSRC may publicly solicit voting rights from shareholders. When soliciting voting rights from shareholders, the specific voting intention and other information shall be fully disclosed to the solicitation targets. Solicitation of shareholders' voting rights in a paid or disguised paid way shall be prohibited. Except for statutory conditions, the Company shall not impose restrictions on the minimum shareholding proportion against the solicitation of voting rights.

All shareholders are entitled to (i) speak and (ii) vote at general meetings (except where a shareholder is required by the Hong Kong Listing Rules to abstain from voting on a particular matter). Where any shareholder is, under the laws and regulations and the Hong Kong Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for (or only against) any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

**Article 85** When a connected transaction is considered at a general meeting, the connected shareholders shall abstain from voting, and the number of voting shares represented by them shall not be counted in the total number of valid votes. The announcement of the resolutions of the general meeting shall fully disclose the voting of non-connected shareholders.

**Article 86** Unless the Company is in a crisis or other special circumstances, the Company shall not enter into any contract with any person other than the Directors, managers and other senior management members whereby the management of the whole or any substantial part of the business of the Company is to be handed over to such person without the approval of a special resolution at a general meeting.

**Article 87** The list of candidates for Directors and Supervisors shall be submitted to the general meeting for voting by way of proposal.

When the general meeting votes on the election of directors and supervisors, the accumulative voting system shall be adopted in accordance with the provisions of the Articles of Association or the resolutions of the general meeting.

The accumulative voting system referred to in the preceding paragraph refers to that, when the shareholders' general meeting elects directors or supervisors, each share shall have the same number of voting rights as the number of directors or supervisors to be elected, and shareholders may consolidate their voting rights. The Board shall announce to the shareholders the biographies and basic information of the candidates for directors and supervisors.

Under the accumulative voting system, independent non-executive directors shall be elected separately from other members of the Board. In the election of independent non-executive directors, each shareholder is entitled to receive the number of votes equal to the number of shares held by him/her multiplied by the number of independent non-executive directors to be elected, which can only be voted on the candidates for independent non-executive directors of the Company; in the election of directors other than independent non-executive directors, each shareholder is entitled to receive the number of votes equal to the number of shares held by him/her multiplied by the number of non-independent directors to be elected, which can only be voted on the candidates other than independent non-executive directors of the Company.

When the general meeting adopts the accumulative voting system to elect directors and supervisors, the following provisions shall apply:

- (I) each voting share shall have the same number of voting rights as the number of directors and supervisors to be elected, and shareholders may freely allocate their voting rights among the candidates for directors and supervisors, either to allocate to multiple persons or to concentrate on one person;
- (II) the total number of votes cast by shareholders on the candidates for directors and supervisors shall not exceed the total number of votes they have for the election of the candidates for directors and supervisors, otherwise their votes shall be invalid;
- (III) based on the number of votes received by the candidates for directors and supervisors, the number of directors and supervisors to be elected shall be elected by the candidates with more votes, and the number of votes received by each candidate for directors and supervisors shall exceed half of the total number of voting shares held by the shareholders (including their proxies) attending the shareholders' general meeting;
- (IV) where two or more candidates for directors or supervisors have the same number of votes and their votes are at least among the candidates for directors or supervisors, the shareholders' general meeting shall re-elect the candidates for directors or supervisors with the same number of votes if all of them are elected and the number of directors or supervisors to be elected exceeds the number of directors or supervisors to be elected at the shareholders' general meeting; if the candidates for directors or supervisors cannot be determined after re-election, the Company shall submit the candidates for directors or supervisors to the next shareholders' general meeting for election;

- (V) If the number of directors and supervisors elected is less than the number of directors and supervisors to be elected at the general meeting, the Company shall, in accordance with the provisions of the Articles, elect the vacant directors and supervisors at the subsequent general meetings.

Where laws and regulations, regulatory rules of the place where the shares of the Company are listed have other provisions on the nomination of candidates for directors and supervisors who are not employee representatives, such provisions shall prevail.

**Article 88** In addition to the cumulative voting system, the general meeting shall resolve all the proposals separately. If there are different proposals for the same matter, they shall vote in the order of time when the proposals are submitted. Unless the general 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 general meeting.

**Article 89** When considering a proposal, the general meeting shall not revise it; otherwise such amendments shall be deemed as a new proposal and may not be voted at the current meeting.

**Article 90** The same voting right shall only be exercised on site, via the Internet or by other means. Where the same vote is cast for two or more times, the first cast shall hold.

**Article 91** The voting at the General Meeting will be taken by way of registered poll.

**Article 92** Before a proposal is voted on at the general meeting, two (2) shareholder representatives shall be elected to participate in vote counting and scrutinising. Any shareholder who is interested in the matter under consideration and his/her proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.

When the general meeting votes on proposals, lawyers, shareholder representatives and supervisor representatives shall be jointly responsible for vote counting and scrutinising, and the voting results shall be announced on the spot. The voting results of the resolutions shall be recorded in the meeting minutes.

Shareholders of the Company or their proxies shall have right to check the results of their votes through the voting system if they vote via the Internet or other means.

**Article 93** The on-site general meeting shall not end earlier than that held online or by other means. The presider of the meeting shall announce the voting status and results of each proposal and announce whether the proposal is passed according to the voting results.

Before the official announcement of the voting results, the company, vote counters, scrutineers, substantial shareholders, network service providers and other relevant parties involved in the on-site general meeting, online and other voting methods shall have the obligation to keep the voting results confidential.

**Article 94** The shareholders attending the general meeting shall express one of the following opinions on the proposal to be voted on: for, against, or abstain. The securities registration and clearing organization shall be the nominal holder of shares under the Mainland China and Hong Kong Stock Connect scheme, except where declaration is made in accordance with the actual holder's intent.

An unfilled, wrongly filled, or illegible vote, or an uncast vote shall be deemed to be a waiver of the voting right of the voter, and the voting result for the number of shares he/she holds shall be accounted as "abstain".

**Article 95** If the presider of the meeting has any doubt as to the result of a resolution put to the vote, he/she may have the votes counted. If the presider of the meeting fails to have the votes counted, a shareholder or shareholder's proxy attending the meeting who objects to the result announced by the presider of the meeting has the right to, immediately after the announcement of the voting results, demand that the votes be counted and the presider of the meeting shall have the votes counted immediately.

**Article 96** The resolutions of the general meeting shall be announced in a timely manner in accordance with the laws and regulations, regulatory rules of the place where the shares of the Company are listed or the Articles of Association. The announcement shall specify the number of shareholders and proxies present at the meeting, the total number of voting shares held by them and the proportion of such shares to the total number of voting shares of the Company, the voting method, the voting results of each proposal and the details of each resolution passed.

**Article 97** Where the proposals fail to be adopted or if the general meeting changes the resolutions of the previous one, a special notice shall be included in the announcement of the resolutions of the general meeting.

**Article 98** Where a proposal on the election of Directors or Supervisors is approved at the general meeting, the term of office of the new Director or Supervisor shall commence on the date of adoption of the resolution of the general meeting at which such director or supervisor are elected.

**Article 99** If the general meeting approves the proposal on cash distribution, bonus issue or conversion of capital reserve into share capital, the Company will implement the specific proposal within two (2) months after the conclusion of the general meeting.



## Chapter 5 Board of Directors

### Section I Directors

**Article 100** Where a director of the Company is a natural person and shall not serve as a director of the Company in any of the following circumstances:

- (I) a person without civil capacity or with restricted civil capacity;
- (II) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the socialist market economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation;
- (III) persons who are directors, factory managers or managers of a company or enterprise which has become bankrupt and been liquidated and who are personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- (IV) persons who were legal representatives of a company or enterprise which had its business license revoked and was ordered to close down due to violation of the law and who were personally liable, where less than three years have elapsed since the date of the revocation of the business license of such company or enterprise;
- (V) a person who has a relatively large number of debts due and outstanding;
- (VI) persons who have been banned from access to the securities market by the CSRC for a period of time;
- (VII) other contents required by laws and regulations and the listing rules of the place where the Company's shares are listed.

Any election or appointment of directors in violation of this Article shall be invalid. The Company shall remove a director from his/her position in the event of this Article during his/her term of office.

**Article 101** Directors shall be elected or replaced at the general meeting and may be removed by the shareholders' general meeting before the expiry of their terms of office. The term of a director shall be three (3) years. Directors may be re-elected upon the expiration of the term.

The term of office of the Directors shall commence from the date of their appointment until the expiry of the term of the current session of the Board of Directors. If the term of office of a Director expires but re-election is not made responsively or if any Director resigns during his term of office so that the membership of the Board of Directors falls short of the quorum, the original Director shall continue fulfilling the duties as Director pursuant to the laws, regulations and the Articles of Association until the re-elected Director assumes office.

If there are no other provisions in the relevant laws and regulations and the listing rules of the place where the Company's shares are listed, the general meeting may, subject to compliance with the relevant laws and regulations, remove any Director whose term of office has not expired by an ordinary resolution (but without prejudice to any claim for damages under any contract).

The general manager or other senior management members may concurrently serve as Directors, provided that the total number of Directors who concurrently serve as general manager or other senior management members and Directors who are employee representatives shall not exceed half (1/2) of the total number of Directors of the Company.

The Company does not have employee representative Directors.

The Board of Directors has the power to appoint any person as a Director to fill a casual vacancy on the Board of Directors. Such Director shall hold office until the first annual general meeting after his appointment and shall then be eligible for re-election.

**Article 102** The functions and powers of independent non-executive Directors and relevant matters shall be carried out in accordance with relevant laws and regulations and relevant provisions of the securities regulatory authorities and stock exchanges where the Company's shares are listed.

**Article 103** Directors shall comply with laws, regulations and the Articles of Association and shall faithfully perform their following obligations to the Company:

- (I) not to take advantage of his/her functions and powers to accept bribes or other illegal income, and not to misappropriate the property of the Company;
- (II) not to misappropriate the funds of the Company;

- (III) not to deposit the Company's assets or funds in an account opened in his/her own name or in the name of any other individual;
- (IV) not to lend the Company's funds to others or use the Company's assets as security for others in violation of the Articles of Association and without the prior approval of the general meeting or the Board of Directors;
- (V) not to enter into contract or transaction with the Company in violation of the Articles of Association or without the prior approval of the general meeting;
- (VI) not to take advantage of his/her position to seek business opportunities that shall belong to the Company for himself/herself or others, or engage in business similar to that of the Company for himself/herself or others, without the prior approval of the general meeting;
- (VII) not to accept and keep privately commissions on transactions with the Company;
- (VIII) not to disclose the secrets of the Company without authorization;
- (IX) not to damage the interests of the Company by taking advantage of his/her affiliation;
- (X) other fiduciary duties stipulated by laws, regulations and the Articles of Association.

The income derived by the directors in violation of the Article shall be returned to the Company. If losses are caused to the Company, they shall be liable for compensation.

**Article 104** The Directors shall comply with the laws, regulations and the Articles of Association, and bear the following obligations of diligence to the Company:

- (I) to exercise the rights conferred by the Company in a prudent, serious and diligent manner to ensure that the Company's business activities are in compliance with laws and regulations and the requirements of various economic policies of the state, and the business activities not to exceed the business scope specified in the business license;
- (II) to be fair to all shareholders;
- (III) to timely understand the business operations and management of the Company;

- (IV) to sign written confirmation opinions on the securities issuance documents and regular reports of the Company. To ensure that the Company discloses information in a timely and fair manner, and the information disclosed is true, accurate and complete;
- (V) to truthfully provide relevant information and data to the Board of Supervisors, and shall not prevent the exercise of functions and powers of the Board of Supervisors or the Supervisors;
- (VI) other obligations of diligence stipulated by laws, regulations and the Articles of Association.

**Article 105** No Director may act in his/her name on behalf of the Company or the Board of Directors without the lawful authorization under the provisions of the Articles of Association or by the Board of Directors. In the event that a Director is acting on his/her behalf, which may be reasonably deemed to be acting on the behalf of the Company or the Board of Directors by a third party, such Director shall state his/her stance and identity in advance.

**Article 106** If the Director fails to attend the Board meeting in person or entrust any other Directors to attend the meeting on his/her behalf for two consecutive times, it shall be deemed that he/she cannot perform his/her duties, and the Board of Directors shall advise the general meeting to remove such Director.

**Article 107** A Director may resign before the expiry of his/her tenure. The resignation of a Director shall be submitted to the Board of Directors in a written resignation report. The Board of Directors shall disclose information regarding such resignation within two (2) days.

If the number of members of the Board of Directors falls below the quorum as a result of the resignation of a Director, or the number of independent non-executive Directors falls below one-third (1/3) of the Board of Directors as a result of the resignation of an independent non-executive Director, or there is no accounting professional among the independent non-executive Directors, the original Director shall continue to perform his duties as a Director in accordance with the laws, regulations and the Articles of Association until the re-elected Director takes office.

Except as provided in the preceding paragraph, the resignation of directors shall come into force upon the delivery of the resignation report to the Board of Directors.

**Article 108** When a Director's resignation takes effect or his/her term of office expires, the Director shall complete all handover procedures with the Board of Directors, and his/her fiduciary duties to the Company and shareholders shall not be discharged after the termination of office and shall remain valid for three years after the resignation takes effect or the expiry of his/her term of office. His/her confidentiality obligation towards the Company's trade secrets shall survive the termination of their tenure until such secrets become public information.

**Article 109** If a Director violates laws and regulations, the relevant rules of the stock exchange where the Company's shares are listed or provisions of the Articles of Association when performing his/her duties, and causes losses to the Company, he/she shall be liable for compensation.

**Article 110** Independent non-executive directors shall perform their duties in accordance with the laws, administrative regulations, relevant requirements of the CSRC and the stock exchange.

## **Section II Board of Directors**

**Article 111** The Company shall have a board of directors which shall be accountable to the general meeting.

**Article 112** The board of directors shall consist of eleven (11) directors, including one (1) chairman, who shall be elected by more than half of all the directors.

The Directors of the Company are divided into executive Directors, non-executive Directors and independent non-executive Directors. The number of independent non-executive Directors shall represent at least one third (1/3) of the members of the Board and shall not be less than three (3). At least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise.

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

- (I) to convene general meetings and report on its work to the general meetings;
- (II) to implement the resolutions of the general meeting;
- (III) to determine the business operation plans and investment plans of the Company;
- (IV) to formulate the annual financial budgetary plans and final accounting plans of the Company;

- (V) to formulate the profit distribution plans and loss recovery plans of the Company;
- (VI) to formulate plans of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;
- (VII) to formulate plans for material acquisitions, purchase of shares of the Company or merger, division, dissolution, liquidation or change of corporate form of the Company;
- (VIII) to decide on matters such as external investment, acquisition and disposal of assets, pledge of assets, external guarantees, entrusted wealth management, connected transactions and external donations of the Company within the scope of authorization of the general meeting or in accordance with the listing rules of the place where the Company's shares are listed;
- (IX) to determinate the setup of the Company's internal management organizations;
- (X) to decide on the appointment or dismissal of the Company's general manager, secretary to the Board and other senior management, and decide on their remuneration, rewards and punishments; to decide on the appointment or dismissal of the Company's deputy general manager, chief financial officer and other senior management based on the nomination of the general manager, and decide on their remuneration, rewards and punishments;
- (XI) to formulate the basic management system of the Company;
- (XII) to formulate the amendment to the Articles of Association;
- (XIII) to formulate plans for the repurchase of the Company's shares by the Company;
- (XIV) to manage the information disclosure of the Company;
- (XV) to request the general meeting to engage or replace the accounting firm that provides audits for the Company;
- (XVI) to listen to the work report of the manager of the Company and inspect the work of the manager;
- (XVII) other functions and powers conferred by laws and regulations, the listing rules of the place where the Company's shares are listed, the Articles of Association or the general meetings.

**Article 114** There are four (4) special committees under the Board of Directors, namely the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee and the Strategy Committee. The composition and rules of procedure of the special committees shall be separately formulated by the Board of Directors. The Board of Directors may set up other special committees as needed. The special committees of the Board of Directors are the special working body under the Board of Directors, providing advice and consulting opinions on major decisions of the Board of Directors. The special committees shall be accountable to the Board of Directors, perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors, and shall not make any resolution in the name of the Board of Directors, but may exercise decision-making power in respect of the authorised matters in accordance with the special authorization of the Board of Directors.

All members of the special committees shall be Directors, who shall be nominated, appointed and dismissed by the Board of Directors. Independent non-executive Directors shall account for more than half (1/2) of the members of the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee. The convener of the Audit Committee shall be an independent non-executive Director who is an accounting professional; the convener of the Remuneration and Appraisal Committee shall be an independent non-executive Director; the convener of the Nomination Committee shall be the chairman of the Board or an independent non-executive Director. All members of the Audit Committee shall be non-executive Directors or independent non-executive Directors, at least one of whom shall be an independent non-executive Director with appropriate professional qualifications or accounting or relevant financial management expertise as required by the Hong Kong Listing Rules. The person-in-charge of each special committee shall be appointed and removed by the Board of Directors.

**Article 115** The Board of Directors shall determine the authority of external investment, acquisition and disposal of assets, assets pledge, external guarantee matters, entrusted wealth management, connected transactions, external donations and other transactions, and establish strict examination and decision-making procedures; major investment projects shall be assessed by relevant experts and professionals and submitted to the general meeting for approval.

**Article 116** The Board of Directors shall provide explanations to the general meeting on the non-standard audit opinions issued by the certified public accountants on the Company's financial reports.

**Article 117** The Board of Directors shall formulate the rules of procedures for the Board of Directors, so as to ensure that the Board of Directors implements the resolutions of the general meeting, and works more efficiently to make reasonable decisions.

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

- (I) to preside over general 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 119** Where the chairman of the Board is incapable of performing or not performing his duties, a Director nominated by more than half of the Directors shall perform his duties.

**Article 120** Board meetings are divided into regular meetings and extraordinary meetings. Board meetings shall be held at least four (4) times a year and at least one regular meeting in each quarter. The chairman of the Board shall convene and preside over the meeting.

An extraordinary meeting of the Board may be proposed by shareholders representing more than one-tenth (1/10) of the voting rights, more than one-third (1/3) of the Directors and the Supervisory Committee. The chairman of the Board shall convene and preside over an extraordinary meeting of the Board within ten (10) days upon receipt of the proposal.

The general manager and Supervisors may attend Board meetings.

**Article 121** The notice of a regular Board meeting shall be sent to all Directors, Supervisors, the general manager and the board secretary at least fourteen (14) days before the date of the meeting.

The notice of an extraordinary Board meeting shall be sent to all Directors, Supervisors and the general manager at least five (5) days before the date of the meeting.

In case of emergency where an extraordinary Board meeting needs to be convened as soon as possible, upon the proposal of the chairman of the Board and with the consent of all Directors, the notice of meeting may be sent by telephone or other verbal means at any time. The notice period may not be subject to the time limit for signing. However, explanations shall be made at the meeting or in the meeting materials.



**Article 122** The notice of a regular Board meeting and an extraordinary Board meeting shall set out the reasonable details of the agenda of such meeting, and shall at least include 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.

The oral meeting notice shall include at least the contents in items (I) and (II) above, together with a statement that an extraordinary meeting shall be convened as soon as possible to the urgency of the situation.

**Article 123** Unless otherwise provided in the Articles of Association, Board meetings shall be held only if more than half (1/2) of the Directors are present.

Board meetings may be convened by way of on-site meetings, communication meetings (including fax, letter, e-mail, etc.) or other means approved by all Directors. In the case of on-site meetings, access via telephone, video, etc. shall be deemed as on-site meeting if the communication effect is ensured.

The extraordinary Board meeting can be conducted and make a resolution by way of fax or circulation of written resolutions under the premise of ensuring that the Directors fully express their opinions. The resolution shall be signed by the participating Directors.

**Article 124** Voting at Board meetings is conducted by open ballot. Resolutions of the Board of Directors shall be passed by more than half of all Directors. One person one vote for resolutions of the Board. Where laws, regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association require the consent of more Directors to form a resolution, such provisions shall prevail.

**Article 125** Where a Director is affiliated with the enterprise involved in resolutions of the Board meeting, he/she shall not exercise the right to vote on the resolutions, nor shall he/she exercise the right to vote on behalf of another Director. Such Board meeting may be held when more than half of the non-connected Directors attend the meeting. Resolutions of the Board meeting shall be passed by more than half of the non-connected Directors. If the number of non-connected Directors attending the Board meeting is less than three (3), the matter shall be submitted to the general meeting for consideration.

**Article 126** Directors shall attend Board meetings in person. Where a Director is unable to attend a meeting for any reason, he/she may appoint in writing another Director to attend and vote on his behalf at the meeting. The power of attorney shall specify the name of the proxy, the matters to be authorized, the scope of authorization and the validity period, and shall be signed or sealed by the principal.

The proxy shall exercise the rights of a director within the scope of the authorization. If a Director fails to attend a Board meeting and does not appoint a proxy to attend on his/her behalf, he/she shall be deemed to have waived his/her voting rights at such meeting.

**Article 127** The Board of Directors shall keep minutes of the decisions on the matters discussed at the meeting, which shall be signed by the attending Directors and the recorder. The minutes of Board meetings shall be kept by the Company as files for a period of not less than ten (10) years.

**Article 128** The minutes of the Board meeting shall include the following:

- (I) the date and venue of the meeting and the name of the convener;
- (II) the names of the Directors present at the meeting and the names of the Directors (proxies) appointed by others to attend the meeting;
- (III) agenda of the meeting;
- (IV) main points made by the Directors;
- (V) the voting method and result of each resolution (the voting result shall specify the number of votes for, against or abstention).

## **Chapter 6 General Manager and Other Senior Management Members**

**Article 129** The Company shall have one (1) general manager, who shall be appointed or dismissed by the Board of Directors.

The Company shall have several deputy general managers who shall be appointed or dismissed by the Board, and one (1) chief financial officer, who shall be appointed or dismissed by the Board of Directors upon nomination by the general manager. The term of office of the general manager shall be three (3) years, renewable upon re-appointment.

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

**Article 130** The circumstances under which a person is prohibited from acting as a Director in Article 100 of the Articles of Association shall also apply to senior management.

Article 103 of the Articles of Association concerning the fiduciary duties of Directors and Article 104 (IV), (V) and (VI) of the Articles of Association concerning the diligent duties shall also apply to senior management members.

**Article 131** Persons who hold administrative posts other than directors and supervisors in the Controlling Shareholder units of the Company shall not serve as senior officers of the Company. The Company's senior management shall be only paid by the Company, not by the Controlling Shareholder.

**Article 132** The general manager shall be directly accountable to the Board of Directors and exercise the following functions and powers:

- (I) to be in charge of the production, operation and management of the Company, to organize and implement the resolutions of the Board of Directors, and to report on his/her work to the Board of Directors;
- (II) to organize and implement the Company's annual business plan and investment plan;
- (III) to formulate the plan for establishment of the Company's internal management organization;
- (IV) to formulate the Company's basic management system;
- (V) to formulate the detailed rules and regulations of the Company;
- (VI) to request the Board of Directors to engage or dismiss deputy general manager and chief financial officer of the Company;
- (VII) to decide the appointment or dismissal management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (VIII) other functions and powers conferred by the Articles of Association and the Board of Directors.

The general manager shall be present at the Board meetings.

**Article 133** The general manager shall formulate working rules for the general manager, which shall be submitted to the Board of Directors for approval before implementation. The working rules of the general manager include the following:

- (I) the conditions, procedures and participants of the general manager meeting;
- (II) the specific duties and division of work of the general manager and other senior management members;
- (III) the use of the Company's funds and assets, the authority to enter into material contracts, and the reporting system to the Board of Directors and the Board of Supervisors;
- (IV) other matters that the Board of Directors deems necessary.

**Article 134** The general manager may resign before the expiration of his/her term of office. The specific procedures and methods for the resignation of the general manager shall be specified in the labour contract between the general manager and the Company.

**Article 135** The deputy general manager exercises the relevant functions and powers in accordance with the instructions of the general manager.

**Article 136** The Company shall have one (1) board secretary to be responsible for the preparation of general meetings and Board meetings of the Company, keeping of documents and management of shareholders' information of the Company and handling information disclosure matters.

The board secretary shall comply with the relevant provisions of laws, regulations and the Articles of Association.

**Article 137** If a senior management member violates laws, regulations or provisions of the Articles of Association while performing his/her duties and causes losses to the Company, he/she shall be liable for compensation.

**Article 138** The senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If the senior management members of the Company fail to faithfully perform their duties or violate their fiduciary duties, causing damage to the interests of the Company and shareholders of public shares, they shall be liable for compensation in accordance with the law.

## **Chapter 7 Board of Supervisors**

### **Section I Supervisors**

**Article 139** Each term of office of a supervisor is three (3) years and he/she may serve consecutive terms if re-elected.

**Article 140** The circumstances under which a person is prohibited from acting as a Director in Article 100 of the Articles of Association shall also apply to a Supervisor.

Directors, general manager, chief financial officer and other senior management of the Company shall not act concurrently as supervisors.

**Article 141** Supervisors shall comply with the provisions of laws, regulations and the Articles of Association, and shall faithfully and diligently perform their duties to the Company, and shall not exploit their positions to accept bribes or other illegal income or expropriate the Company's property.

**Article 142** A supervisor shall continue to perform his duties in accordance with the laws, regulations and the Articles of Association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisors during his/her term of office results in the number of supervisors being less than the quorum.

**Article 143** Supervisors shall ensure that the information disclosed by the Company is true, accurate and complete, and sign written confirmation opinions on periodic reports.

**Article 144** Supervisors may attend the Board meetings and make enquiries or suggestions regarding the resolutions of the Board meetings.

**Article 145** Supervisors shall not use their connected relations to damage the interests of the Company, and shall be liable for compensation if any loss is caused to the Company.

**Article 146** If a supervisor violates laws, regulations or the Articles of Association in the course of performing his/her duties and causes losses to the Company, he/she shall be liable for compensation.

## **Section II Supervisory Committee**

**Article 147** The Company shall have a supervisory committee. The Supervisory Committee shall consist of three (3) supervisors, and the Supervisory Committee shall have one (1) chairman. The chairman of the Supervisory Committee shall convene and preside over the meetings of the Supervisory Committee; where the chairman of the Supervisory Committee is unable or fails to perform his/her duties, a supervisor jointly elected by more than half of the supervisors shall convene and preside over the meetings of the Supervisory Committee.

The Supervisory Committee shall comprise shareholder representatives and an appropriate proportion of the company's employee representatives, of which the proportion of staff representatives shall not be less than one-third. The employee representatives of the Supervisory Committee shall be democratically elected by the Company's employees at the employee representative assembly, employee meeting or otherwise.

The election or removal of the chairman of the Supervisory Committee shall be approved by more than two thirds (2/3) of the members of the Supervisory Committee.

**Article 148** The Board of Supervisors shall hold at least one meeting every six (6) months. The supervisors may propose an extraordinary meeting of the Board of Supervisors.

**Article 149** A notice of regular meeting of the supervisory committee shall be issued to all supervisors ten (10) days prior to the date of holding the meeting.

A notice of extraordinary meeting of the supervisory committee shall be issued to all supervisors three (3) days prior to the date of holding the meeting.

The notices of regular and extraordinary meetings of the supervisory committee shall specify the reasonable details of the agenda of the meetings and shall at least include the following contents:

- (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 150** A meeting of the supervisory committee may be held only when more than two-thirds (2/3) of the supervisors are present.

Supervisors may participate in meetings of the Board of Supervisors by means of multi-party telephone conference or video conference, and participation in meetings of the Board of Supervisors in such manner shall constitute the attendance stipulated in this Article.

The voting at meetings of the Supervisory Committee shall be conducted in the form of open ballot. Each Supervisor shall have one vote.

The resolutions of Supervisory Committee shall be passed by the votes of more than two-thirds (2/3) of the members of the Supervisory Committee.

**Article 151** The Board of Supervisors exercise the following functions and powers:

- (I) To review the regular reports of the Company prepared by the Board of Directors and to submit written review opinions thereon;
- (II) To check the finance of the Company;
- (III) To supervise the Directors, the general managers and senior management members in the performance of their duties and to propose the dismissal of aforementioned people who violate laws, regulations, the Articles of Association or resolutions of the general meeting;
- (IV) To require the Director, general manager or other senior management members to correct his/her act that is detrimental to the Company's interests;
- (V) To propose the holding of EGMs and, in the event that the Board of Directors fails to perform its duty of convening and presiding over a general meeting, to convene and preside over such a meeting in accordance with the Company Law and the Articles of Association;
- (VI) To submit proposals to the general meeting;
- (VII) To file legal proceedings against directors and senior management under the Company Law;
- (VIII) To investigate any irregularities in the operation of the Company; If necessary, professional institutions such as accounting firms and law firms may be engaged to assist in their work at the expense of the Company;

(IX) other functions and powers imposed by the laws, regulations and the Articles of Association.

**Article 152** Supervisors shall attend the meeting of the Supervisory Committee in person. The supervisor unable to attend for a certain reason may appoint another supervisor in a written form to attend and vote at the meeting, and the power of attorney shall clearly state the proxy's name, the proxy matter, and the scope and validity of authorization, and shall be signed and sealed by the principal.

The proxy shall exercise the rights of a supervisor within the scope of the authorization. A Supervisor failing to attend the meeting of the Supervisory Committee in person or by proxy shall be deemed as having waived his/her voting rights at such meeting.

**Article 153** The Board of Supervisors shall formulate a set of rules for the Board of Supervisors to specify the rules of procedures and voting procedures of the Board of Supervisors in order to ensure the efficiency and scientific method in making decision.

**Article 154** Meeting minutes shall be prepared to record the decision made by the Board of the Supervisory Committee for the matters discussed. The Supervisors and the recorder attending the meeting shall sign the meeting minutes.

Supervisors have the right to have their speeches at the meeting descriptively recorded on the meeting minutes. The minutes of the Supervisory Committee shall be kept by the Company as files for a period of no less than ten (10) years.

## **Chapter 8 Qualifications and Obligations of Directors, Supervisors and Senior Management Members**

**Article 155** Other than under the exceptional circumstances allowed by the Hong Kong Stock Exchange, a Director shall not vote on any resolutions of the Board of Directors with contract, transaction, arrangement or any other suggestion where he/she or his/her close associates (as defined in the applicable Hong Kong Listing Rules in effect from time to time) own a material interest; the said Director shall not be included into the quorum of the meeting. Where the contract, transaction, arrangement or proposal involves a connected transaction specified in the Hong Kong Listing Rules, the "close associate" mentioned in this paragraph shall be changed to "associate" (as defined in the applicable Hong Kong Listing Rules in effect from time to time).



## **Chapter 9 Financial and Accounting Systems, and Distribution of Profits and Internal Audit**

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

**Article 156** The Company shall formulate its own financial and accounting systems in accordance with the laws, regulations and the provisions of relevant state departments.

**Article 157** The Company shall submit and disclose the annual report to the CSRC and the stock exchange where the Company's shares are listed within four (4) months from the end of each fiscal year, the interim report to the local office of the CSRC and the stock exchange where the Company's shares are listed within two (2) months from the end of the first half of each fiscal year, and may submit and disclose the quarterly report in accordance with the relevant regulations of the stock exchange of the place where the Company's shares are listed.

The aforesaid regular reports were prepared in accordance with the relevant laws and regulations, the requirements of the CSRC and the securities regulatory authority and stock exchange of the place where the Company's shares are listed. The financial reports of the Company shall be prepared in accordance with the China Accounting Standards for Business Enterprises and the relevant PRC regulations.

**Article 158** The Company will not set up any other accounting books except for the legal accounting books. The assets of the Company shall not be deposited into an account established in the name of any individual.

**Article 159** When the Company distributes the after-tax profits of the current year, it shall allocate ten percent (10%) of the profits into the statutory common reserve. If the accumulated amount of the statutory common reserve reaches fifty percent (50%) of the registered capital, the Company is released from the obligation of withholding statutory reserve fund.

Where the statutory common reserve of the Company is not sufficient to recover its losses in the previous years, the profits of the current year shall be used to make up the loss before the withdrawing of the statutory common reserve in accordance with the above provisions.

After the Company withdraws the statutory common reserve from the after-tax profits, the discretionary common reserve may be withdrawn from the after-tax profits with the approval of the general meeting.

After the Company has made up its losses and made allocations to its common reserve, the remaining after-tax profits of the Company shall be distributed in proportion to the shareholdings of its shareholders, unless these Articles of Association provide that distributions are to be made otherwise than proportionally.

If the general meeting violates the preceding paragraph and distributes profits to shareholders before the Company recovers losses and withdraws statutory common reserve fund, the shareholders shall return the profits distributed in violation of the provisions to the Company.

**Article 160** The Company's shares held by the Company shall not be subject to profit distribution. The common reserve of the Company shall be used to cover the Company's losses, expand its production and operation, or increase its capital. However, the capital reserve will not be used to make up the Company's losses.

When the statutory common reserve is converted into capital, the remaining statutory common reserve shall be no less than twenty-five percent (25%) of the registered capital of the Company before the capital conversion.

**Article 161** When a resolution is made by the general meeting on the profit distribution scheme, the Board of Directors shall complete the dividend (or Share) distribution in 2 months after the general meeting.

**Article 162** Profit distribution decision-making procedures of the Company:

- (I) The Company shall fully understand the information of independent Directors and minority shareholders on the profit distribution plan through various channels (including but not limited to opening hotlines and investor relations mailbox). The management of the Company shall make reasonable profit distribution proposals based on the Company's share scale, profitability, investment arrangements, cash flow and shareholders' return plan and other factors. The Board of Directors shall formulate a scientific and reasonable annual profit distribution plan or interim profit distribution plan after carefully studying and verifying the timing, conditions and minimum proportion of the Company's cash dividends, conditions for adjustment and the requirements of its decision-making procedures.

Independent non-executive Directors shall express clear independent opinions. Independent non-executive Directors can collect views from minority shareholders to put forward the profit distribution proposal and directly propose to the Board of Directors for consideration. In addition to listening to the opinions of shareholders at the general meeting of the Company, the Company shall also communicate

and exchange ideas with shareholders, especially minority shareholders, through investor hotlines and the Internet, and timely respond to the concerns of minority shareholders.

- (II) The profit distribution plan of the Company shall be formulated by the Board and approved at the general meeting in advance.
- (III) Adjustment to the profit distribution policy: the Company shall strictly implement the cash dividend policy stipulated in the Articles of Association and the specific cash plan considered and approved at the general meeting.

In the event that the Company's external operating environment or its own operating conditions change significantly and the profit distribution policy needs to be adjusted, the Board shall make a detailed discussion, fully consider the opinions of minority shareholders, attach importance to the protection of investors' interests, and seek the opinions of independent non-executive Directors. Upon consideration by the Board of the Company and approval by a special resolution at the general meeting, the independent non-executive Directors shall express their independent opinions on the amendments to the profit distribution policy.

The adjusted cash distribution policy shall not violate the relevant provisions of the securities regulatory authority of the State Council and the place where the Company's shares are listed.

- (IV) The Supervisory Committee shall supervise the implementation of the Company's profit distribution policy and shareholders' reporting rules by the Board and the management and the decision-making procedures.

**Article 163** Profit distribution policy of the Company:

- (I) Principle of profit distribution: the Company implements a continuous and stable profit distribution policy. The profit distribution of the Company attaches importance to the reporting of investment and reasonable investment and takes into account the sustainable development of the Company.
- (II) Form of profit distribution: the Company may distribute profits in the form of cash, shares or a combination of cash and shares. If the conditions for cash dividends are satisfied, priority shall be given to cash dividends for profit distribution.
- (III) Specific conditions for cash dividend distribution: in the event that the Company records profit for the year and the accumulated undistributed profit is positive, in principle, the annual cash dividend of the Company shall not be less than 10% of

the distributable profit realized for the year if the Company does not have major investment plans or major capital expenditures. The specific distribution plan will be determined by the general meeting based on the actual operation of the Company in the year.

The Board of Directors shall propose differentiated cash dividend policies based on the following situations after comprehensively considering such factors as the industry characteristics, the Company's development stage, operation mode, profitability and whether it has any significant capital expenditure arrangement:

1. If the Company is in mature development stage and has no significant capital expenditure arrangement, when profit distribution is made, the cash dividend shall at least account for eighty percent (80%) of the profit distribution;
2. If the Company is at the mature stage of development and has significant capital expenditure arrangements, when profit distribution is made, the cash dividends shall at least account for forty percent (40%) of the profit distribution;
3. If the Company is at the growth stage of development and has significant capital expenditure arrangements, when profit distribution is made, the cash dividends shall at least account for twenty percent (20%) of the profit distribution;

If it is difficult to distinguish the development stage of the Company and there are major capital expenditure arrangements, the profit distribution may be dealt with pursuant to the preceding provisions.

- (IV) Specific conditions for distribution of share dividends: The Company mainly adopts the profit distribution policy of cash dividends. If the Company's revenue increases rapidly, and the Board of Directors considers that the Company's share price does not match the size of the Company's share capital and the distribution of share dividends is beneficial to the interests of all shareholders of the Company as a whole, the Company may propose and implement a share dividend distribution plan under the above conditions for distribution of cash dividends.

**Article 164** The Company may exercise power to cease sending dividend warrants by post to a holder of overseas listed foreign shares if such warrants have been left uncashed on two (2) consecutive occasions. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.

The company shall have the power to issue warrants to bearer. No new warrants shall be issued to replace the lost ones unless there is reasonable assurance that the original warrants have been destroyed.

The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a holder of overseas listed shares who is untraceable, but is subject to the following conditions:

- (I) The Company has distributed dividends on such shares for at least three (3) times in a period of twelve (12) years and the dividends are not claimed by anyone during that period;
- (II) After the expiration of the twelve (12) year period, the Company shall publish an announcement in one or more newspapers in the place where the Company's shares are listed, stating its intention to sell the shares, and notify the Hong Kong Stock Exchange of such intention.

Subject to compliance with the relevant laws and regulations of the PRC and the relevant requirements of the securities regulatory authorities of the place where the Company's shares are listed, the Company may exercise its right to forfeit unclaimed dividends, but such right shall not be exercised until the applicable limitation period expires.

**Article 165** Cash dividends and other payments paid by the Company to holders of domestic shares shall be paid in RMB. Cash dividends and other payments paid by the Company to holders of overseas listed foreign shares shall be denominated and declared in Renminbi and paid in Hong Kong dollars. The foreign currency required for the Company to pay cash dividends and other payments to the holders of overseas listed foreign shares shall be handled in accordance with the relevant foreign exchange control regulations of the State.

**Article 166** Unless otherwise provided by the relevant laws and administrative regulations, if cash dividends and other payments are to be paid in Hong Kong dollars, the exchange rate shall be the average selling price of the relevant foreign exchange announced by the People's Bank of China for the calendar week prior to the date of declaration of such dividends and other payments.

## **Section II Internal Audit**

**Article 167** The Company shall implement the internal audit system and appoint full-time auditors to supervise its financial revenues and expenditures and economic activities through internal audit.

**Article 168** The Company's internal audit system and the duties of the auditors shall be implemented upon the approval of the Board of Directors. The chief auditor shall be accountable and report to the Board of Directors.

## **Section III Appointment of Accounting Firms**

**Article 169** The Company shall employ an accounting firm that complies with the regulations of Securities Act to audit financial statements, verify the net assets, and offer other relevant consulting services. The term of employment of an accounting firm shall be one year, which is renewable.

**Article 170** Unless otherwise provided by the laws, regulations, or the Articles of Association, the appointment an accounting firm for the Company shall be subject to the approval of the general meeting, prior to which the Board shall not appoint any accounting firm.

**Article 171** The Company guarantees to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the employed accounting firm, and shall not refuse, conceal or make false reports.

**Article 172** The audit fees of an accounting firm shall be decided by an ordinary resolution passed at the general meeting.

**Article 173** The appointment, dismissal or non-reappointment of an accounting firm shall be decided by way of an ordinary resolution passed at the general meeting.

**Article 174** When the Company dismisses or does not renew the employment of an accounting firm, it shall give a 30-day prior notice to the accounting firm, and the accounting firm shall be allowed to state its opinions at the general meeting where a voting process concerning the dismissal of such accounting firm is carried out.

Where an accounting firm tenders its resignation, it shall state to the general meeting whether the Company has committed any misconduct.

## **Chapter 10 Merger, Division, Capital Increase and Reduction, Dissolution and Liquidation of the Company**

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

**Article 175** Merger of the Company may take the form of merger by absorption and merger by new establishment.

A company absorbing other companies is a merger by adsorption, and the absorbed company is dissolved. The merger of two (2) or more companies to create a new company is a merger by new establishment, and the merging parties are dissolved.

**Article 176** In the case of a merger, parties to the merger shall execute a merger agreement, and shall prepare the balance sheets and a schedule of assets. The Company shall notify its creditors within a period of ten (10) days since the date on which the resolution to proceed with the merger is passed, and make announcements in newspapers within thirty (30) days. The creditors shall, within thirty (30) days since the date of receiving a written notice or within forty five (45) days since the date of the first public announcement for those who have not received a written notice, be entitled to require the Company to pay off its debts in full or to provide a corresponding guarantee.

**Article 177** During the merger, the rights and the obligations of the merging parties shall be assumed by the company in existence or the newly established company after the merger.

**Article 178** If the Company is to be divided, its property shall be divided accordingly.

In the case of a division, the Company shall prepare the balance sheets and a schedule of assets. The Company shall notify its creditors within a period of ten (10) days since the date on which the resolution to proceed with the division is passed, and make announcements in newspapers within thirty (30) days.

**Article 179** In case of reduction of registered capital of the Company, a balance sheet and assets list shall be formulated.

The Company shall inform its creditors of the reduction in capital within ten (10) days and make announcements in newspapers within thirty (30) days after the resolution approving the reduction has been adopted. The creditors shall, within thirty (30) days since the date of receiving a written notice or within forty five (45) days since the date of the first public announcement for those who have not received a written notice, be entitled to require the Company to pay off its debts in full or to provide a corresponding guarantee.

The registered capital of the Company following the reduction of capital shall not fall below the minimum statutory requirement.

**Article 180** Debts owed by the Company prior to the division shall be assumed by the companies in existence after the division jointly and severally, except as otherwise stated in the written agreement entered into between creditors and the Company for debt service prior to the division.

**Article 181** Where the merger or division of the Company results in a change in its registered particulars, such change shall be registered with the company registry according to law. Where the Company is dissolved, it shall cancel its registration according to law. Where a new company is established, its establishment shall be registered according to law.

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

## **Section II Any dissolution and liquidation of the Company**

**Article 182** The Company shall be dissolved in any of the following circumstances:

- (I) the general meeting resolves to dissolve the Company;
- (II) dissolution is required due to merger or division of the Company;
- (III) the Company is revoked of its business license, ordered to close down or annulled according to law due to violation of laws and regulations;
- (IV) there is a severe difficulty in the operation and management of the Company, and the continued existence of the Company will have material prejudice to the interests of its shareholders and there is no other way to resolve, shareholders who hold an aggregate of over ten percent (10%) of the whole voting rights can make a petition to the People's Court to dissolve the Company.

**Article 183** If the Company is dissolved under items (I), (III), and (IV) of Article 182 of the Articles of Association, a liquidation committee shall be set up, which shall start liquidation within fifteen (15) days from the date of occurrence of the cause for dissolution. The members of such liquidation committee shall be determined by the Directors or the general meeting.

If the liquidation committee is not established within the prescribed period, creditors can submit an application to the people's court to appoint relevant officers to establish such committee to carry out the liquidation.



**Article 184** The liquidation committee shall notify its creditors within a period of ten (10) days since the date it is established, and make announcements in newspapers within sixty (60) days. Creditors shall, within thirty (30) days since the date of receiving the notice, or for creditors who do not receive the notice, within forty five (45) days since the date of the public announcement, report their creditors' rights to the liquidation committee.

When reporting his/her rights, the creditor shall provide an explanation of matters relevant to his/her rights and provide the supporting evidence. The liquidation committee shall register the creditors' rights.

In the course of reporting the creditors' rights, the liquidation committee shall not repay the creditors.

**Article 185** The liquidation committee shall exercise the following functions and power during liquidation:

- (I) thoroughly examining the assets of the Company and preparing a balance sheet and a schedule of assets respectively;
- (II) notifying the creditors by a notice or public announcement;
- (III) handling the outstanding business of the Company in connection with liquidation;
- (IV) repaying all outstanding tax payment and the tax payment arising from the liquidation;
- (V) clearing up claims and debts;
- (VI) dealing with the remaining assets after full payment of the Company's debts;
- (VII) participating in civil litigation on behalf of the Company.

**Article 186** After the liquidation committee has thoroughly examined the Company's assets and prepared a balance sheet and schedule of assets, it shall formulate a liquidation plan and submit such plan to the general meeting or the People's Court for confirmation.

The remaining assets of the Company after the payment of liquidation expenses, payment of wages, social insurance expenses and statutory compensation, payment of outstanding taxes and debts of the Company shall be distributed to the shareholders of the Company according to the proportion of shares held by them.

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

**Article 187** If the liquidation committee, having thoroughly examined the Company's property and prepared a balance sheet and schedule of assets, discovers that the Company's property is insufficient to pay its debts in full, it shall apply to the People's Court in accordance with the law for a declaration of bankruptcy.

After the People's Court has ruled for the Company to declare itself bankrupt, the Company's liquidation committee shall refer the liquidation matters to the People's Court.

**Article 188** Following the completion of liquidation, the liquidation committee shall formulate a liquidation report, submit the same to the general meeting or the People's Court for confirmation, and deliver the same to the company registry, apply for cancellation of the Company's registration and announce the Company's termination.

**Article 189** Members of the liquidation committee shall faithfully perform their duties and perform their liquidation obligations in accordance with the law. Members of the liquidation committee are prohibited from abusing their powers to accept bribes or other illegal income and from misappropriating the Company's properties. Members of the liquidation committee shall be liable to indemnify the Company or its creditors for any loss arising from their willful or material default.

**Article 190** Where the Company is declared bankrupt according to the law, bankruptcy liquidation shall be conducted in accordance with the law on bankruptcy of enterprises.

## **Chapter 11 Amendment of the Articles of Association**

**Article 191** The Company shall amend the Articles of Association under any of the following circumstances:

- (I) after the Company Law or relevant laws and regulations are amended, the provisions of the Articles of Association are in conflict with the provisions of the amended ones;
- (II) there has been a change to the Company, resulting in inconsistency with the contents in the Articles of Association;
- (III) the general meeting decides to amend the Articles of Association.

**Article 192** The amendment to the Articles of Association approved by way of resolution at the general meeting shall be submitted to the relevant competent authorities for examination and approval. If there is any change relating to the registered particulars of the Company, application shall be made for registration of the changes in accordance with the law.

**Article 193** The Board of Directors shall amend the Articles of Association in accordance with the resolutions of the general meeting and the approval opinions of relevant competent authorities.

**Article 194** If the amendments to the Articles of Association are information required to be disclosed by laws and regulations, they shall be announced in accordance with the regulations.

## **Chapter 12 Notice and Announcement**

**Article 195** The notices of the Company may be sent out in the following manner:

- (I) by personal delivery;
- (II) by prepaid mail, fax or email;
- (III) by announcement;
- (IV) by publishing on the websites or newspapers designated by the Company and the Hong Kong Stock Exchange, under compliance with laws and regulations, requirements of the relevant regulatory authorities and the Articles of Association;
- (V) by other means agreed by the Company or the recipient in advance or approved by the recipient after receiving the notice;
- (VI) other means approved by laws and regulations, the securities regulatory authorities of the place where the Company's shares are listed or stipulated in the Articles of Association.

Unless the context otherwise requires, "announcement" referred to in the Articles of Association shall mean, as to the announcements published to the holders of domestic shares and unlisted foreign shares or the announcements required to be published in the PRC in accordance with the relevant regulations and the Articles of Association, an announcement published on any newspaper in the PRC as prescribed by the laws and regulations of the PRC or as designated, agreed or permitted by the securities regulatory authority of the State Council; as to the announcements published to the holders of H shares of the Company or

the announcements required to be published in Hong Kong in accordance with the relevant regulations and the Articles of Association, such announcements must be published in newspapers and/or other designated media (including websites) in accordance with the requirements of the Hong Kong Listing Rules.

Unless otherwise provided in the Articles of Association, if the notice issued by the Company to the holders of H Shares is issued by way of announcement, the Company shall on the same day submit an electronic version to the Hong Kong Stock Exchange through the electronic publication system of the Hong Kong Stock Exchange for publication on the website of the Hong Kong Stock Exchange or publish an announcement in newspapers (including publishing an advertisement in newspapers) in accordance with the requirements of the Hong Kong Listing Rules. The announcement shall also be published on the Company's website at the same time. In addition, unless otherwise provided in the Articles of Association, the notice shall be delivered by hand or by prepaid mail to the address of each holder of overseas listed shares registered in the register of shareholders, so that the shareholders have sufficient notice and time to exercise their rights or act in accordance with the terms of the notice.

Holders of the Company's overseas listed shares may choose in writing to receive corporate communications that the Company is required to send to shareholders either by electronic means or by post, and may choose to receive either the Chinese or English version only, or both. It may also change the way it receives the aforesaid information and the language version by giving the Company a written notice in advance within a reasonable period of time with appropriate procedures.

In order to prove that the notices, documents, information or written statements have been served on the Company, the shareholders or Directors shall provide evidence that the relevant notices, documents, data or written statements have been served on the Company by ordinary means or by prepaid mail to the correct address within the specified time.

**Article 196** Although the Company is required to provide written corporate communication to shareholders as specified in the preceding paragraph, for the purpose of the means by which the Company provides and/or distributes corporate communication to shareholders in accordance with the Hong Kong Listing Rules, if the Company has obtained the shareholders' prior written consent or implied consent in accordance with the relevant laws and regulations and the Hong Kong Listing Rules as amended from time to time, the Company may send or provide corporate communication to the shareholders of the Company by electronic means or by publishing information on the Company's website. Corporate communications include but are not limited to circulars, annual reports, interim reports, notices of general meetings and other corporate communications listed in the Hong Kong Listing Rules. If the notice of the Company is delivered by hand, the addressee or its agent shall sign (or stamp) on the receipt of service, and the date of signature of the addressee or

its agent shall be the date of service; if a notice of the Company is sent by post, the date of service shall be the fifth (5) working day from the date of delivery to the post office; if the notice of the Company is sent by fax or email, the date of service shall be the sending date; if a notice of the Company is sent by announcement, the date of publication of the first announcement shall be the date of service. Where an announcement is published in a newspaper that meets the relevant requirements, all relevant persons shall be deemed to have received the notice upon the publication of such announcement.

Unless otherwise provided by the securities regulatory authorities of the place where the Company's shares are listed.

**Article 197** The meeting and the resolution of the meeting shall not be null and void if the notice of the meeting fails to be delivered to or received by any person entitled to the notice due to accidental omission.

**Article 198** The Company shall issue announcements and disclose information to holders of domestic shares and unlisted foreign shares through newspapers and websites for information disclosure specified by laws and regulations or relevant domestic regulatory authorities. If an announcement is required to be made to holders of H Shares pursuant to the Articles of Association, such announcement shall also be published in such manner as required by the Hong Kong Listing Rules. All notices or other documents required to be sent by the Company to the Hong Kong Stock Exchange under Chapter 13 of the Hong Kong Listing Rules shall be written in English or accompanied by a certified English translation.

### **Chapter 13 Supplementary Provisions**

#### **Article 199 Definitions**

The term "or more", "within", "below", as stated in the Articles of Association shall all include the given figure; the term "not exceeding", "except", "less than", "more than" shall all exclude the given figure.

The term "acting in concert" referred to in the Articles of Association represents an act that any two (2) or more persons obtain the voting rights of the Company by way of their agreement thereon (whether in oral or written form), so as to control or consolidate their control over the Company.

The term "PRC laws" referred to in the Articles of Association represents all laws, rules, regulations and orders of the legislative, judicial, and governmental bodies of the People's Republic of China, including statutes, written laws or other legislative measures, rules, regulations, treaties, orders and governmental decrees.

The terms “connected relationship”, “connected shareholder”, “connected shareholder and its associates” referred to in the Articles of Association shall have the meaning as defined in the Hong Kong Listing Rules.

The term “working day” referred to in the Articles of Association represents any day other than Saturday, Sunday and a day on which commercial banks in the People’s Republic of China, Hong Kong, Singapore or the State of New York, U.S. are required or authorized by laws or governmental decrees not to be open for business.

The term “month” referred to in the Articles of Association represents a calendar month.

The term “RMB” referred to in the Articles of Association represents Renminbi, the lawful currency of the People’s Republic of China.

The term “subsidiary” referred to in the Articles of Association represents any other person (other than a natural person) whose accounting statements may be consolidated under the Accounting Standards of the People’s Republic of China.

The term “directly or indirectly” referred to in the Articles of Association represents directly or indirectly through one or more intermediaries or through contract or other lawful arrangements.

**Article 200** The term “include” referred to in the Articles of Association and similar expressions are not restrictive expressions and shall be interpreted as if “not limited to” is added immediately after the term “include”. The Board may formulate by-laws in accordance with the provisions of the Articles of Association. The by-laws shall not contravene the provisions of the Articles of Association.

**Article 201** The Articles of Association are written in Chinese. In case of any discrepancy between the Articles of Association in any other language and the Chinese version, the Chinese version shall prevail.

**Article 202** Matters not covered in the Articles of Association shall be handled in accordance with the laws and regulations and the relevant provisions of the securities regulatory authorities of the place where the Company’s shares are listed and the actual situation of the Company. In case of any conflict between the Articles of Association and the laws and regulations promulgated from time to time or the listing rules of the place where the Company’s shares are listed, the laws and regulations or the listing rules of the place where the Company’s shares are listed shall prevail.

**Article 203** The Board shall be responsible for the interpretation of the Articles of Association.

**Article 204** The appendices to the Articles include the Rules of Procedure of the General Meeting, the Rules of Procedure of the Board of Directors and the Rules of Procedure of the Supervisory Committee. If there is any inconsistency among the terms of the Rules of Procedure of the Shareholders' General Meeting, the Rules of Procedure of the Board of Directors and the Rules of Procedure of the Supervisory Committee and the Articles of Association, the Articles shall prevail. Matters not covered in the Articles shall be executed in accordance with the provisions of relevant laws and regulations of the State. In case of any conflict between the Articles and the mandatory provisions of laws, regulations, departmental rules and regulatory documents to be promulgated in the future, such laws, regulations, departmental rules and regulatory documents shall prevail.

UBTECH ROBOTICS CORP LTD

September 12, 2024