

**Articles of Association of Auntea Jenny (Shanghai) Industrial  
Co., Ltd.**

**December 2025**

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# Articles of Association of Auntea Jenny (Shanghai) Industrial Co., Ltd.

## Chapter 1 General Provisions

**Article 1** To safeguard the legitimate rights and interests of the Company, its shareholders, employees and creditors, and to regulate the organisation and conduct of the Company, these Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), the Accounting Law of the People's Republic of China, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Guidelines on Articles of Association of Listed Companies, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules") and other relevant regulations.

**Article 2** Auntea Jenny (Shanghai) Industrial Co., Ltd. (hereinafter referred to as the "Company") is a joint stock limited company established in accordance with the Company Law and other relevant regulations by the overall conversion of Shanghai Zhenjing Industrial Co., Ltd. Shanghai Zhenjing Industrial Co., Ltd. was established on November 2013 by way of promotion, and it is registered with Shanghai Municipal Administration for Market Regulation, and obtained a business licence with the unified social credit identifier of 91310109082057149Y.

**Article 3** The Company completed the filing procedures with the China Securities Regulatory Commission ("CSRC") on 10 January 2025, and was listed on the Main Board of The Stock Exchange of Hong Kong Limited (hereinafter referred to as "SEHK") on 8 May 2025, with 2,411,340 overseas listed foreign shares (hereinafter referred to as the "H Shares") to be issued in Hong Kong (before the full exercise of the over-allotment option).

Shareholders holding unlisted domestic shares of the Company applying for conversion of their unlisted domestic shares into overseas listed shares for listing and circulation on SEHK shall comply with the relevant requirements of the CSRC and appoint the Company to file with CSRC. The application by shareholders for the conversion of domestic unlisted shares into overseas listed shares and listing and circulation of such shares on SEHK is not subject to the approval of a shareholders' meeting.

Domestic unlisted shares as referred to in the preceding paragraph shall refer to shares that have been issued by domestic enterprises but not listed or quoted for trading on a domestic venue of exchange.

- Article 4** The registered name of the Company:  
Chinese name: 滬上阿姨(上海)實業股份有限公司  
English name: Auntea Jenny (Shanghai) Industrial Co., Ltd.
- Article 5** The domicile of the Company is Room 124, 1/F, 28 Shen Pu Jing Road, Zhujing Town, Jinshan District, Shanghai Municipality, with postal code 201599.
- Article 6** The registered capital of the Company is RMB105,203,020.
- Article 7** The Company is a joint stock limited company in perpetual existence and has independent legal personality.
- Article 8** The chairman of the board of directors shall be the director responsible for implementing the affairs of the Company and shall serve as the legal representative of the Company. If the chairman of the board of directors resigns, he/she shall be deemed to have resigned as the legal representative at the same time. If the legal representative resigns, the Company shall appoint a new legal representative within 30 days from the date of resignation of the legal representative.
- Article 9** The legal consequences of civil activities performed by the legal representative in the name of the Company shall be borne by the Company.  
  
No restriction on the authority of the legal representative set forth in the Articles of Association or by a shareholders' meeting may be asserted against a bona fide third party.  
  
Where the legal representative causes damage to any other person in the performance of his/her duties, the Company shall assume civil liability for such damage. The Company may, after assuming such civil liability, claim reimbursement from the legal representative at fault in accordance with the laws or the Articles of Association.
- Article 10** All assets of the Company are divided into shares of equal value, the shareholders shall be liable to the Company to the extent of the shares they have subscribed for, and the Company shall be liable for the debts of the Company to the extent of all its assets.
- Article 11** These Articles of Association shall, from the date on which it becomes effective, become a legally binding document regulating the organisation and conduct of the Company, the rights and obligations between the Company and its shareholders, and the rights and obligations between the shareholders inter se, and a legally binding document over the Company, its shareholders, directors and senior management personnel.

Pursuant to the Articles of Association, shareholders may sue shareholders, shareholders may sue directors and senior management personnel of the Company, shareholders may sue the Company, and the Company may sue its shareholders, directors and senior management personnel.

**Article 12** Senior management under the Articles of Association shall refer to the general manager, deputy general manager, secretary to the board of directors, financial controller and other senior management personnel as determined by the board of directors.

**Article 13** The Company establishes an organization of the Communist Party and carries out activities thereof in accordance with the provisions of the Constitution of the Communist Party of China. The Company provides necessary conditions for the activities of the Party organisation.

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

**Article 14** The purpose of the Company is: The Company always adheres to the values of “consumer-centered, integrity, altruism, win-win cooperation, ownership, openness, growth, and social responsibility”. By continually improving the level of operation and management as well as core competitiveness of the Company and continuing to create value for the society, shareholders and employees, we strive to become the world’s most trusted freshly made beverage company.

**Article 15** As registered according to the laws, the scope of business of the Company covers: Licensed items: catering services; liquor business; sales of food. (Any business subject to approval according to law may only be operated with the approval of the competent authorities, and the specific business activities are subject to the approval documents or licenses issued by the competent authorities); general items: Technical services, technology development, technology consultation, technology exchange, technology transfer, technology promotion; research and development of machinery and equipment; software development; import and export of goods; import and export of technology; sale of personal hygiene products; sale of household goods; retail sales of kitchenware, sanitary ware and sundries; wholesale of kitchenware, sanitary ware and sundries; retail sale of cosmetics; wholesale of cosmetics; retail sale of edible produce; wholesale of edible produce; retail sale of clothing and apparel; wholesale of clothing and apparel; retail of footwear and hats; wholesale of footwear and hats; sales of daily necessities; retail of stationery; wholesale of stationery; sales of office supplies; sales of packaging materials and products; retail of hardware; wholesale of hardware; sales of machinery and equipment; sales of electronic products; sales of paper products; internet sales (except for sale of commodities that require licensing); enterprise management consultancy; information consultancy services (excluding licensing information consultancy services); corporate image planning; conference and exhibition services; etiquette

services; marketing planning; catering management; enterprise management; housekeeping services; professional cleaning, washing and disinfection services; leasing of machinery and equipment; office equipment leasing services; general equipment repair; sales of daily-use masks (non-medical); sales of bags and luggage; wholesale of pet food and supplies; sales of toys, comics and amusement products; sales of gifts and flowers; sales of daily necessities; sales of daily-use chemical products; sales of food (sales of prepackaged food only). (Except for those items which are subject to approval in accordance with the law, business activities are to be carried out independently in accordance with the law on the basis of the business licence).

### **Chapter 3 Shares**

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

**Article 16** The stock of the Company shall take the form of registered share certificates.

Where the share capital of the Company includes shares with no voting rights, the words “non-voting” shall be added to the name of such shares. If the share capital includes shares with different voting rights, the words “with restricted voting rights” or “with limited voting rights” shall be added to the name of each class of shares (other than those with the most preferential voting rights).

**Article 17** The issuance of shares shall comply with the principle of openness, fairness and impartiality, and each share of the same category has equal rights.

Shares of the same class issued at the same time are issued on the same terms and at the same price per share; a same price is paid for each share subscribed by the subscriber.

**Article 18** The par value shares issued by the Company shall be denominated in RMB with a par value of RMB1 per share.

**Article 19** Domestic unlisted shares issued by the Company are centrally deposited with China Securities Depository and Clearing Company Limited. H Shares issued by the Company may be held in trust by a trustee escrow company in accordance with the laws of the place where the Company’s shares are listed, securities regulatory rules and the securities registration and depository requirements.

**Article 20**

The Company was established by way of promotion by 13 promoters. All promoters converted the net assets of Shanghai Zhenjing Industrial Co., Ltd. they held to shares for injection into the Company. The shares issued to the promoters upon incorporation of the Company and the manner of capital contribution and proportion of shareholding of the promoters are set out as follows:

No.	Name of the promoter	Number of shares held (shares)	Shareholding percentage (%)	Method of capital contribution
1	Shanghai Puhai Enterprise Management Co., Ltd.	47,090,996	47.0910	Shares converted from net assets
2	Shanghai Senrui Enterprise Management Partnership (Limited Partnership)	18,293,400	18.2934	Shares converted from net assets
3	Shanghai Yuchao Enterprise Management Partnership (Limited Partnership)	17,210,725	17.2107	Shares converted from net assets
4	Suzhou Yizhong Venture Capital Partnership (Limited Partnership)	7,949,909	7.9499	Shares converted from net assets
5	Zhuhai Jinyiming Equity Investment Fund Partnership (Limited Partnership)	2,850,001	2.8500	Shares converted from net assets
6	Shanghai Yuhong Enterprise Management Partnership (Limited Partnership)	1,449,978	1.4500	Shares converted from net assets
7	Shanghai Yuyun Enterprise Management Partnership (Limited Partnership)	1,449,978	1.4500	Shares converted from net assets
8	Suzhou Xiangzhong Venture Capital Partnership (Limited Partnership)	1,140,004	1.1400	Shares converted from net assets
9	Zhuhai Hengqin Zhiyiqianrui Investment Partnership (Limited Partnership)	855,003	0.8550	Shares converted from net assets
10	Beijing Desai Innovation Equity Investment Center (Limited Partnership)	855,003	0.8550	Shares converted from net assets
11	Shanghai Shibe Hi-tech Venture Capital Partnership (Limited Partnership)	527,251	0.5272	Shares converted from net assets
12	Nanjing Xiangzhong Venture Capital Partnership (Limited Partnership)	285,001	0.2850	Shares converted from net assets
13	Shanghai Yiyu Investment Consulting Co., Ltd.	42,751	0.0428	Shares converted from net assets
	<b>Total</b>	<b>100,000,000</b>	<b>100.0000</b>	<b>-</b>

**Article 21** The Company completed the filing procedures with the CSRC on 10 January 2025, and was approved by SEHK on 7 May 2025, and initially issued 2,411,340 overseas listed foreign shares to investors (before the full exercise of the over-allotment option). After the completion of initial public offering of H shares and the full exercise of the over-allotment option, the Company's capital structure will be: The total number of shares of the Company would be 105,203,020, all of which are ordinary shares, including 45,776,294 unlisted shares and 59,426,726 H Shares.

**Article 22** The Company or any subsidiary of the Company (including the affiliates of the Company) shall not provide grants, advances, loans, guarantees and other financial assistance for others to acquire shares/shareholdings in the Company or its parent company, except in the case of the Company's implementation of the employee shareholding scheme.

The Company or its subsidiaries (including the affiliates of the Company) may, for the benefit of the Company, provide financial assistance for others to acquire shares/shareholding of the Company or its parent company upon a resolution of the shareholders' meeting or a resolution of the board of directors in accordance with the Articles of Association or the authorisation of the shareholders' meeting, provided that the aggregate amount of financial assistance shall not exceed 10 percent of the total issued share capital. Resolutions of the board of directors shall be passed by more than two-thirds of all the directors.

In case of a violation of the preceding two paragraphs that results in losses to the Company, any directors and senior management members responsible for the violation shall be liable for compensation.

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

### **Article 23**

The Company may, in accordance with the needs of its business operation and development and in accordance with the laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, increase its capital by resolutions of the shareholders' meeting in the following manner:

- (1) issuance of shares to unspecified parties after approval by, registration with or filing with the relevant authorities in accordance with the law;
- (2) offering of shares to specified parties;
- (3) bonus issue to existing shareholders;
- (4) capitalizing its capital common reserve;
- (5) other means as stipulated by laws and administrative regulations and as stipulated by relevant regulatory authorities such as the securities regulatory authority of the State Council and the regulatory authority of the place where the Company's shares are listed.

The Articles of Association authorize the board of directors to decide on the issuance of up to 50% of the issued shares within a period of three years. However, capital contributions in the form of non-monetary property shall be resolved by the shareholders' meeting.

If the decision of the board of directors to issue shares pursuant to the provisions of the preceding paragraph results in a change in the registered capital of the Company or the number of issued shares, amendments to such matters recorded in the Articles of Association are not required to be voted on by the shareholders at a shareholders' meeting.

Where the board of directors decides on the issuance of new shares in accordance with the authorization of the Articles of Association, the resolution of the board of directors shall be passed by more than two-thirds of all directors.

### **Article 24**

The Company may reduce its registered capital. If the Company reduces its registered capital, such reduction shall be made in accordance with the requirements of the Company Law and other related regulations and the procedures stipulated in the Articles of Association.

**Article 25** The Company shall not buy back its own shares, except in any one of the following circumstances and subject to laws and regulations, the provisions of the securities regulatory authority of the place where the Company's shares are listed and the provisions of the Hong Kong Listing Rules and these Articles of Association:

- (1) for the reduction of the Company's registered capital;
- (2) mergers with other companies holding the Company's shares;
- (3) use of shares in the employee shareholding scheme or equity incentive;
- (4) to acquire shares held by shareholders, who disagree with the resolutions on the merger and division of the Company proposed at the shareholders' meeting, upon their request;
- (5) use of shares for conversion of corporate bonds issued by the Company that could be converted into its share certificates;
- (6) when it is necessary for the Company to preserve its value and the interest of its shareholders;
- (7) other circumstances as permitted by laws, administrative regulations and regulatory rules in the place where the Company's shares are listed.

**Article 26** The Company may acquire its own shares by means of public centralised trading or other means that are approved by laws, administrative regulations, the CSRC and the stock exchange of the place where the Company's shares are listed.

If the Company acquires its own shares in the circumstances specified in items (3), (5) and (6) of paragraph 1 of Article 25 of these Articles of Association, it shall do so through public centralised trading.

**Article 27** If the Company acquires its own shares under the circumstances set out in items (1) and (2) of the first paragraph of Article 25 of these Articles of Association, the acquisition shall be resolved by a shareholders' meeting; if the Company acquires its own shares under the circumstances set out in items (3), (5) and (6) of the first paragraph of Article 25 of these Articles of Association, the acquisition may, in accordance with the provisions of these Articles of Association or the authorization of the shareholders' meeting, be resolved at a meeting of the Board of Directors at which more than two-thirds of the Directors are present.

As regards the domestic unlisted shares, after the Company acquires its own shares in accordance with the provisions of the first paragraph of Article 25 of these Articles of Association, in case of item (1), such shares shall be cancelled within 10 days from the date of acquisition; in case of items (2) and (4), such shares shall be transferred or cancelled within 6 months; in case of items (3), (5) and (6), the number of its own shares held by the Company in aggregate shall not exceed 10% of the total number of issued Company's shares, and such shares shall be transferred or cancelled within 3 years.

Where the laws, administrative regulations, departmental rules, prescriptive documents, the relevant provisions of the securities regulatory authority of the place where the Company's shares are listed and the Hong Kong Listing Rules have any other requirements in respect of the matters related to the aforementioned share repurchase, such requirements shall prevail.

**Article 28** Subsidiaries controlled by the Company shall not acquire shares of the Company. In case any subsidiary controlled by the Company holds shares of the Company as a result of a corporate merger or the exercise of pledge rights, it shall not exercise the voting rights corresponding to the shares held and shall dispose of such shares of the Company in a timely manner.

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

**Article 29** The Company's shares shall be transferred in accordance with the law. The overseas listed shares of the Company are listed and traded on SEHK.

All transfers of H Shares shall be effected by way of written instrument of transfer in general or ordinary format or any such other format as acceptable to the Board of Directors (including the standard format of transfer or form of transfer as prescribed by SEHK from time to time). Such instrument of transfer shall only be signed by hand or, if the transferor or the transferee is a company, affixed with a valid seal of such company. If the transferor or transferee is a recognised clearing house as defined under the relevant ordinances of the laws of Hong Kong in force from time to time or a proxy thereof, the written instrument of transfer may be signed by hand or in machine-printed form. All instruments of transfer shall be kept at the legal address of the Company or other addresses as may be designated by the Board of Directors from time to time.

**Article 30** The Company shall not accept its own shares as the subject matter of a pledge.

**Article 31**

Shares issued by the Company prior to the public issuance of shares shall not be transferred within 1 year from the date of listing and trading of the Company's shares on a stock exchange.

Directors and senior management personnel of the Company shall declare to the Company the shares held by them in the Company and the changes therein, and the shares transferred by them in a particular year during their term of office as determined at the time of taking office shall not transfer more than 25% of the total number of a same class of shares held by them in the Company; their shareholding in the Company shall not be transferred within 1 year from the date of listing and trading of the Company's shares. The Company's shares held by the above-mentioned personnel shall not be transferred within half a year after their departure from office.

If the shares are pledged within the period of transfer restriction prescribed by laws and administrative regulations, the pledgee shall not exercise the pledge right within the period of transfer restriction.

Where the relevant regulations of the securities regulatory authority of the place where the Company's shares are listed provide otherwise for restrictions on the transfer of shares listed overseas, such regulations shall apply.

**Article 32**

If any of the Company's shareholders holding 5% or more of the shares, directors, senior management personnel sell shares or other securities of an equity nature within 6 months after buying the same or buy shares or securities within 6 months after selling the same, the earnings thereof shall belong to the Company and the board of directors of the Company shall recover such earnings, except for any sale of shares by a securities company holding five per cent or more Company's shares as a result of its purchase and underwriting of the untaken shares after offering and other circumstances stipulated by the regulatory rules of the place where the Company's shares are listed or CSRC.

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

If the board of directors of the Company does not act in accordance with the first paragraph of this article, shareholders shall have the right to request the board of directors to do so within 30 days. If the board of directors of the Company fails to act within the above-mentioned period, the shareholders shall have the right to bring a lawsuit directly to a People's Court in their own name in the interest of the Company.

If the board of directors of the company does not act in accordance with the first paragraph of this article, the directors responsible shall bear joint and several liability in accordance with the law.

## **Chapter 4 Shareholders and Shareholders' Meeting**

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

#### **Article 33**

The Company shall establish a register of shareholders in accordance with the certificates issued by the share registrar and clearing house. The register of members shall be sufficient evidence of the holding of shares in the Company by the shareholders. The Company may, in accordance with the understanding and agreement reached between the securities regulatory authority under the State Council and the overseas securities regulatory authorities, maintain the register of members of overseas-listed foreign shares at an overseas territory and entrust overseas agencies for management.

The register of members shall consist of the following parts:

- (1) a register of members, other than those specified in subparagraphs (2) and (3) of this paragraph, which is kept at the domicile of the Company;
- (2) a register of members of the Company's H Shares kept at the place where the Company's shares are listed, provided that the Company may close the register of members on terms equivalent to those of section 632 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong);
- (3) such register of members as the board of directors may determine to be kept elsewhere for the purpose of listing of Company's shares. Shareholders shall enjoy rights and assume obligations in accordance with the category of shares they hold; shareholders holding the same category of shares shall enjoy equal rights and assume equal obligations.

Any shareholder whose name registered on the register of members or any person who requests his/her name to be registered on the register of members may apply to the Company for the issuance of new certificate in respect of such shares if his/her share certificate is lost. If a holder of domestic shares loses their share certificates and applies for a replacement, such replacement shall be dealt with in accordance with the relevant provisions of the Company Law. If shareholders of overseas-listed foreign shares lost their share certificates and applies for replacement, such replacement may be dealt with in accordance with the laws, rules of the venue for trading of securities and other relevant regulations of the place where the original copy of the register of holders of overseas-listed foreign shares is maintained.

**Article 34** When the Company convenes a shareholders' meeting, distributes dividends, carries out liquidation or other matters requiring the identification of shareholders, the board of directors or the convener of the shareholders' meeting shall determine the shareholding record date, and the shareholders registered on the register of members following the close of trading on the shareholding record date shall be entitled to the relevant rights and interests. Where there are provisions regarding the interim for closure of register of members in laws, administrative regulations, departmental rules, prescriptive documents and the relevant stock exchanges or regulatory authorities of the place where the Company's shares are listed, such provisions shall prevail.

**Article 35** Shareholders of the Company shall enjoy the following rights:

- (1) to receive dividends and other forms of profit distributions in accordance with the proportion of the shares they hold;
- (2) to request to hold, summon, preside over, attend or appoint a proxy to attend shareholders' meetings in accordance with the law, and exercising the corresponding rights to vote;
- (3) to monitor the Company's business operations and make recommendations or queries;
- (4) to transfer, grant or pledge the shares they hold in accordance with the provisions of the law, administrative regulations and these Articles of Association;
- (5) to inspect and copy these Articles of Association, the register of members, minutes of shareholders' meetings, resolutions of meetings of board of directors and financial accounting reports. Qualified shareholders may inspect the Company's accounting books and vouchers;
- (6) to participate in the distribution of the remaining properties of the Company in the event of its termination or liquidation in accordance with the proportion of the shares they hold;
- (7) to require the Company to acquire their shareholdings in the event of their disagreement to resolutions of the shareholders' meetings concerning merger or division of the Company;
- (8) other rights conferred by laws, administrative regulations, departmental rules, regulatory rules in the place where the Company's shares are listed or the Articles of Association.

If the contents to be inspected or photocopied involve trade secrets and inside information of the Company and personal privacy of the relevant personnel, the Company may refuse to provide such contents.

**Article 36**

A shareholder who holds individually or in aggregate more than 3% of the shares of the Company for more than 180 consecutive days may request to inspect the accounting books and vouchers of the Company, and if he or she requests to inspect the accounting books and vouchers of the Company, he or she shall submit a written request to the Company stating the purpose thereof. If the Company has reasonable grounds to believe that a shareholder's access to the Company's accounting books and accounting certificates has an improper purpose and may jeopardize the Company's lawful interests, it may refuse to provide such access and shall reply to the shareholder in writing within 15 days from the date of the shareholder's written request, stating the reasons therefor. If the Company refuses to provide access, the shareholder may file a lawsuit with the People's Court.

Shareholders who wish to inspect the information mentioned in the preceding article may entrust intermediary agencies such as accounting firms, law firms, etc.

Shareholders and the accounting firms, law firms and other intermediary agencies entrusted by them to inspect and copy relevant materials shall comply with the relevant laws and administrative regulations on the protection of state secrets, trade secrets, personal privacy, and personal information.

Where a shareholder requests to inspect or copy materials related to wholly-owned subsidiaries of the Company, the provision (V) of Article 35 and the first three provisions of this article of the Articles of Association shall apply.

**Article 37**

Shareholders demanding inspection of the relevant information referred to in Article 35 and Article 36 of the Articles of Association or requesting for the materials shall provide to the Company the written documents certifying the class and number of shares of the Company they hold. Upon verification of the shareholder's identity, the Company shall provide such information according to the Articles of Association and at the shareholder's request.

**Article 38**

If the content of a resolution of the shareholders' meeting or the board of directors of the Company violates laws or administrative regulations, shareholders shall have the right to request a People's Court to hold it invalid.

If the summoning procedure or voting method of a shareholders' meeting or meeting of the board of directors violates laws, administrative regulations or these Articles of Association, or the content of a resolution violates these Articles of Association, the shareholders shall have the right to request the People's Court to revoke the relevant resolution within 60 days from the date on which the resolution was made, unless there is only a slight defect in the procedure for convening or the method of voting at the shareholders' meetings or Board meetings, which has no substantive impact on the resolution.

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

Where the People's Court makes a judgement or ruling on a relevant matter, the Company shall fulfil its obligation to disclose the information in accordance with the laws, administrative regulations, the requirements of the CSRC and the stock exchange where the Company's shares are listed, fully explain the impact, and actively co-operate with the enforcement of the judgement or ruling after it has come into effect. Where corrections to prior events are involved, they will be handled in a timely manner and the corresponding information disclosure obligations will be fulfilled.

A shareholder who has not been notified to attend the shareholders' meetings may petition to the People's Court to request for revocation of such resolution within sixty days from the date on which he/she knows or should know that the resolution was made at the shareholders' meetings; if the right of revocation is not exercised within one year from the date of the adoption of such resolution, the right of revocation shall be extinguished.

### **Article 39**

Resolutions of a shareholders' meeting or a board meeting of the Company shall be invalid in any of the following circumstances:

- (1) the resolution was not made by a shareholders' meeting or a board meeting;
- (2) the resolution was not voted on at a shareholders' meeting or a board meeting;
- (3) the number of attendees of the meeting or their voting rights do not meet the quorum or the number of voting rights as required by the Company Law or the Articles of Association;
- (4) the number of attendees voting in favour of the resolution or their voting rights do not meet the quorum or the number of voting rights as required by the Company Law or the Articles of Association.

**Article 40**

If a director or senior management personnel other than a member of the audit committee violates the provisions of laws, administrative regulations or these Articles of Association in performing duties and caused damage to the Company, shareholders who hold 1% or more of the shares in the Company, either individually or collectively, for 180 or more consecutive days may request the audit committee in writing to institute a legal action in a People's Court; if the audit committee violates any law or administrative regulation or breaches the Articles of Association in performing duties and caused damage to the Company, the aforesaid shareholders may request the board of directors in writing to institute a legal action in the People's Court.

If the audit committee or the board of directors refuses to institute legal actions after receiving a written request from the shareholder as provided for in the preceding paragraph, or if no legal actions are instituted within 30 days from the date of receipt of the request, or if the situation is urgent and failure to institute proceedings immediately would cause irreparable damage to the interests of the Company, the shareholder as provided for in the preceding paragraph shall have the right to institute proceedings directly in the People's Court in his own name and for the interests of the Company.

In the event that a third party infringes upon the lawful rights and interests of the Company and causes damage to the Company, the shareholders specified in the first paragraph of this Article may institute a legal action in the People's Court pursuant to the first two paragraphs of this Article.

If any director, supervisor or senior management member of a wholly-owned subsidiary of the Company performs his/her duties in violation of the provisions of laws, administrative regulations or these Articles of Association and hereby causes losses to the Company, or if others infringe upon the lawful rights and interests of a wholly-owned subsidiary of the Company and cause losses, the shareholders who have held, individually or in aggregate, more than one percent of the shares of the Company for more than 180 consecutive days, may, in accordance with the provisions of the first three paragraphs of this Article, request in writing that the supervisory board or the board of directors of the wholly-owned subsidiary bring a lawsuit to the People's Court, or in its own name to bring a lawsuit directly to the People's Court.

**Article 41**

If director or senior management personnel violates the provisions of laws, administrative regulations or these Articles of Association to the detriment of the interests of shareholders, the shareholders may institute a legal action in the People's Court.

**Article 42** The shareholders of the Company shall assume the following obligations:

- (1) abide by laws, administrative regulations and these Articles of Association;
- (2) to pay capital contribution as per the shares subscribed for and the method of subscription;
- (3) not to withdraw its share capital except under circumstances prescribed by laws and regulations;
- (4) not to abuse the rights of shareholders to the detriment of the Company or other shareholders; not to abuse the independent status of the Company as a legal person and the limited liability of shareholders to the detriment of the Company's creditors;
- (5) other obligations as stipulated in laws, administrative regulations, departmental rules, prescriptive documents, the listing rules of the stock exchange where the Company's shares are listed and these Articles of Association.

The shareholders of the Company who abuse their shareholders' rights and thereby cause damage to the Company or other shareholders shall be liable for compensation in accordance with the laws. Where the shareholders of the Company abuse the Company's independent status a legal person and the limited liabilities of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

If a shareholder conducts any action stipulated in the preceding paragraph by using two or more companies controlled by him/her, each of the company shall assume joint and several liability for any one of the company's debts.

**Article 43** Where any shareholder who holds more than 5% shares with voting rights of the Company has pledged such shares, the relevant shareholder shall report to the Company in writing on the date of occurrence of such fact.

## **Section 2 Controlling Shareholders and De Facto Controllers**

**Article 44** Controlling shareholders and de facto controllers of the Company shall exercise their rights and perform their obligations in accordance with laws, administrative regulations, the provisions of the CSRC, and the rules of the stock exchange where the Company's shares are listed, and shall safeguard the interests of the listed company.

**Article 45**

The controlling shareholders and de facto controllers of the Company shall comply with the following provisions, unless otherwise stipulated in the Hong Kong Listing Rules or by the securities regulatory authority of the jurisdiction where the Company's shares are listed, or where no mandatory requirements exist:

- (1) to exercise shareholder rights lawfully, and shall not abuse controlling rights or utilize related party (connected) relationships to harm the legitimate interests of the Company or other shareholders;
- (2) to strictly fulfil all public statements and commitments, and shall not arbitrarily modify or seek exemption therefrom;
- (3) to fulfil information disclosure obligations in strict accordance with the relevant regulations, actively cooperate with the Company in information disclosure, and promptly notify the Company of any material events that have occurred or are expected to occur;
- (4) not to misappropriate the Company's funds in any form;
- (5) not to compel, instruct, or demand the Company or its personnel to provide illegal or non-compliant guarantees;
- (6) not to exploit undisclosed material information of the Company for personal gain, disclose any undisclosed material information relating to the Company, or engage in illegal activities such as insider trading, short-swing trading, or market manipulation;
- (7) not to harm the legitimate interests of the Company and other shareholders through non-arm's length related party (connected) transactions, profit distributions, asset reorganizations, external investments, or any other means;
- (8) to ensure the Company's asset integrity, personnel independence, financial independence, organizational independence, and business independence, and shall not in any way compromise the Company's independence;
- (9) to comply with other requirements under laws, administrative regulations, CSRC rules, the business rules of the stock exchange where the Company's shares are listed, and the Articles of Association.

Where a controlling shareholder or de facto controller does not serve as a director but de facto manages the Company's affairs, the provisions of the Articles of Association regarding directors' fiduciary duties of loyalty and diligence shall apply.

If a controlling shareholder or de facto controller instructs a director or senior management to act in a manner detrimental to the Company or shareholders' interests, such shareholder/controller shall bear joint and several liability with such director or senior management.

Where the Hong Kong Listing Rules and other applicable laws and regulations provide for the protection of small and medium-sized investors, the Company shall act in accordance with such requirements.

**Article 46** Where a controlling shareholder or de facto controller pledges the shares of the Company that he/she holds or actually controls, he/she shall maintain the stability of the Company's control and production operations.

**Article 47** Where a controlling shareholder or de facto controller transfers the shares of the Company held by him/her, he/she shall comply with the restrictive provisions on the transfer of shares set out in the laws, administrative regulations, the regulations of the CSRC and the stock exchange where the Company's shares are listed, as well as his/her undertakings in respect of the restriction on the transfer of shares.

### **Section 3 General Provisions for the Shareholders' Meeting**

**Article 48** The shareholders' meeting of the Company shall comprise all shareholders. The shareholders' meeting is the authority of power of the Company and shall exercise the following functions and powers in accordance with the law:

- (1) to elect and replace the directors held by non-employee representatives and to decide on matters relating to the remuneration of directors;
- (2) to consider and approve the report of the board of directors;
- (3) to consider and approve the Company's profit distribution and loss recovery plan;
- (4) to resolve on the increase or reduction of the registered capital of the Company;
- (5) to resolve on the issuance of corporate bonds or other securities as well as listing;
- (6) to resolve on the merger, division, dissolution, liquidation or change of corporate form of the Company;
- (7) to amend these Articles of Association;

- (8) to resolve on the engagement and dismissal of the Company's accounting firm engaged in the audit work of the Company and to determine its remuneration;
- (9) to consider and approve the guarantees as provided in Article 49;
- (10) to consider the purchase or sale of material assets of the Company (including controlling subsidiaries) exceeding 30% of the Company's latest audited total assets within one year;
- (11) to consider and approve the change of use of proceeds;
- (12) to consider share incentive schemes and employee share ownership schemes;
- (13) to consider other matters and transactions that shall be decided by the shareholders' meeting as stipulated in the laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's shares are listed or these Articles of Association.

The board of directors may be authorised by the shareholders' meeting to adopt resolutions on the issuance of corporate bonds.

The above-mentioned functions and powers of the Shareholders' meeting shall not be exercised by the board of directors or other bodies and individuals on its behalf by way of delegation.

The shareholders' meeting may authorise or delegate to the board of directors such matters as it may authorise or delegate, including, without limitation, at an annual meeting:

- (1) Subject to applicable laws, regulations and listing rules, to grant a general mandate to the board of directors to issue, allot and deal with additional ordinary shares not exceeding 20% of the ordinary shares in issue (or such other proportion as may be required under applicable laws, regulations and listing rules) and to authorise the board of directors to make such consequential amendments to these Articles of Association as it may deem fit to reflect the new capital structure following the allotment or issuance of shares;

- (2) To authorise the board of directors to decide, within the scope of the amount of bonds that may be issued as authorised by the shareholders' meeting, the specific terms of the issuance of domestic short-term financing bonds, medium-term notes, corporate bonds, offshore U.S. dollar-denominated bonds and other debt financing instruments, as well as related matters in accordance with the needs of production and operation, capital expenditure and market conditions, including (without limitation) determining, within the scope of the aforesaid requirements, the amount of bonds to be issued, the interest rate, the maturity period, the counterparties to the issue, as well as the production, execution and disclosure of all necessary documents.

**Article 49**

The following external guarantees of the Company (including controlling subsidiaries) shall be subject to the approval of the shareholders' meeting upon consideration and approval by the board of directors:

- (1) any guarantee provided by the Company after the total amount of external guarantees reaches or exceeds 50% of the latest audited net assets;
- (2) any guarantee provided by the Company after the total amount of external guarantees reaches or exceeds 30% of the latest audited total assets;
- (3) any external guarantee provided to a third party that will result in the aggregate amount of external guarantees provided by the Company within one year reaching or exceeding 30% of the latest total audited assets of the Company;
- (4) guarantees provided to the subjects with a gearing ratio of over 70%;
- (5) guarantees where the amount of an individual guarantee exceeds 10% of the latest audited net assets;
- (6) guarantees provided to the shareholders, de facto controllers and their related (connected) parties;
- (7) other guarantees as stipulated in laws, regulations, prescriptive documents, regulatory rules in the place where the Company's shares are listed or these Articles of Association.

In the event that the Company suffers losses as a result of an act of external guarantee passed in violation of the approval authority and consideration procedures, the relevant directors, senior management personnel and other responsible parties shall bear the compensation liability in accordance with the law.

**Article 50** Shareholders' meetings shall be divided into annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting is to be held once an accounting year and shall be held within 6 months after the end of the previous accounting year.

**Article 51** The Company shall convene an extraordinary shareholders' meeting within 2 months from the date of the occurrence of the fact in any of the following cases:

- (1) when the number of directors is less than the number prescribed by the Company Law or two-thirds of the number as is provided in these Articles of Association;
- (2) when the losses of the Company that have not been made up has reached one-third of its total share capital;
- (3) upon written request of shareholders who individually or collectively hold more than 10% of the total number of shares carrying voting rights of the Company;
- (4) when deemed necessary by the board of directors;
- (5) when proposed by the audit committee;
- (6) any other circumstances as stipulated by laws, administrative regulations, departmental rules, regulatory rules in the place where the Company's shares are listed or the Articles of Associations.

**Article 52** The shareholders' meeting of the Company shall be convened at the domicile of the Company or the place specified in the notice of shareholders' meeting.

A venue will be set up for the shareholders' meeting, which will be held in the form of an on-site meeting, in an electronic form (such as video conferencing and/or teleconferencing, etc.), in a hybrid form or in any other form permitted by laws and regulations. The Company may also provide online voting or other means to facilitate shareholders' participation in the shareholders' meeting. The shareholders who attended the shareholders' meeting through the above-mentioned means shall be deemed to be present, and shareholders may vote in an electronic form. After the notice of shareholders' meeting is issued, the venue of the on-site shareholders' meeting shall not be changed without a proper reason.

**Article 53** When the Company convenes a shareholders' meeting, it will engage a lawyer to issue a legal opinion on the following issues and make an announcement, 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:

- (1) whether the summoning and convening procedures of the meeting have abided by the provisions of laws, administrative regulations and these Articles of Association;
- (2) whether the qualifications of the persons attending the meeting and the qualifications of the convenor are legal and valid;
- (3) whether the voting procedures and voting results of the meeting are legal and valid;
- (4) legal opinions on other relevant issues as requested by the Company.

#### **Section 4 Summoning of Shareholders' Meeting**

**Article 54** Shareholders' meetings shall be convened by the board of directors on time within the specified period.

**Article 55** Subject to the consent of more than half of all the independent directors, independent directors shall have the right to propose to the board of directors the convening of an extraordinary shareholders' meeting. In response to a proposal by an independent director to convene an extraordinary shareholders' meeting, the board of directors shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the provisions of these Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of an extraordinary shareholders' meeting within 10 days after receiving the proposal.

If the board of directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice to convene the shareholders' meeting within 5 days after a resolution of the board of directors is made; if the board of directors does not agree to convene an extraordinary shareholders' meeting, it shall state the reasons and announce such reasons.

**Article 56** Where the audit committee proposes to the board of directors the convening of an extraordinary shareholders' meeting, it shall submit the proposal in writing to the board of directors. The board of directors shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the provisions of these Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of the extraordinary shareholders' meeting within 10 days after receiving the proposal.

If the board of directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice to convene the shareholders' meeting within 5 days after a resolution of the Board of Directors is made, and any changes to the original proposal in the notice shall be subject to the consent of the audit committee.

If the board of directors does not agree to convene an extraordinary shareholders' meeting or failed to provide feedback within 10 days after receiving the proposal, it shall be deemed that the board of directors is unable to perform or does not perform its duty to summon a meeting of the shareholders' meeting, and the audit committee may summon and preside over the meeting on its own initiative.

**Article 57**

Where the shareholders who individually or collectively hold more than 10% of the total number of shares carrying voting rights of the Company request the board of directors to convene an extraordinary shareholders' meeting, they shall submit the request in writing to the board of directors. The board of directors shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the provisions of these Articles of Association, make a decision on whether to convene the extraordinary shareholders' meeting within 10 days from receiving the request and reply to the shareholders in writing.

If the board of directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice to convene the shareholders' meeting within 5 days after a resolution of the board of directors is made, and any changes to the original request in the notice shall be subject to the consent of relevant shareholders.

If the board of directors does not agree to convene an extraordinary shareholders' meeting or fails to provide feedback within 10 days after receiving the request, the shareholders who individually or collectively hold more than 10% of the Company's shares shall have the right to propose to the audit committee that an extraordinary shareholders' meeting be convened and that a motion be added to the agenda of the meeting, and shall submit their request in writing to the audit committee. The audit committee shall make a decision on whether to convene the extraordinary shareholders' meeting within 10 days from receiving the request and reply to the shareholders in writing.

If the audit committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice to convene the shareholders' meeting within 5 days of receipt of the request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the audit committee fails to issue the notice of shareholders' meeting within the prescribed period, it shall be deemed that the audit committee would not summon and preside over the shareholders' meeting, and the shareholders who individually or collectively hold more than 10% of the Company's shares for over 90 consecutive days may summon and preside over the meeting on their own initiative.

**Article 58** Where the audit committee or the shareholders have decided to summon a shareholders' meeting on their own initiative, they shall notify the board of directors in writing and file with the stock exchange on which the Company's shares are listed (if necessary) in accordance with relevant laws and regulations and the Hong Kong Listing Rules.

The shareholding of the summoning shareholders shall not be less than 10% before the announcement of the resolution of the shareholders' meeting.

The audit committee or the summoning shareholder shall submit the relevant supporting documents (if necessary) to the stock exchange on which the Company's shares are listed in accordance with relevant laws and regulations and the Hong Kong Listing Rules when giving notice of the shareholders' meeting and when announcing the resolutions of the shareholders' meeting.

**Article 59** The board of directors and the secretary to the board of directors will cooperate with the shareholders' meeting that is summoned by the audit committee or the shareholders on their own initiative. The board of directors will provide the register of members as at the shareholding record date.

**Article 60** For the shareholders' meetings summoned by the audit committee or the shareholders on their own initiative, the expenses necessary for the meeting shall be borne by the Company.

## **Section 5 Proposals and Notices for Shareholders' Meeting**

**Article 61** The content of the proposals shall fall within the scope of the functions and powers of the shareholders' meeting, have clear topics and specific matters for resolution, and comply with the relevant provisions of laws, administrative regulations and these Articles of Association.

**Article 62** When the Company convenes a shareholders' meeting, the board of directors, the audit committee and the shareholders who individually or collectively hold more than 1% of the Company's shares shall be entitled to submit proposals to the Company.

The shareholders who individually or collectively hold more than 1% of the Company's shares may make a provisional proposal and submit it in writing to the convener 10 days before the date of the shareholders' meeting. The provisional proposal shall have a clear topic for discussion and specific matters for resolution. The convener shall issue a supplementary notice of the shareholders' meeting within 2 days of receipt of the proposal, which shall include the content of the provisional proposal, and shall submit the provisional proposal to the shareholders' meeting for consideration, unless it is in violation of any law, administrative regulation or the Articles of Association or not within the scope of duties and powers of the shareholders' meeting. The Company shall not increase the shareholding of shareholders who submit the provisional proposal.

Except as provided for in the preceding paragraph, the convener shall not amend the proposals already specified in the notice of the shareholders' meeting or add new proposals after the notice of the shareholders' meeting has been issued.

Proposals not specified in the notice of shareholders' meeting or not in compliance with the provisions of these Articles of Association shall not be voted on and resolved by the shareholders' meeting.

**Article 63**

The convener shall notify shareholders by way of an announcement at least 21 days before the annual shareholders' meeting and the extraordinary shareholders' meeting will be notified by way of an announcement 15 days before the meeting. The above period shall not include the day on which the meeting is convened. Where laws, regulations and the securities regulatory authorities of the place where shares of the Company are listed provide otherwise, such provisions shall prevail.

**Article 64**

The notice of a shareholders' meeting shall contain the following particulars:

- (1) the time, venue and duration of the meeting;
- (2) matters and proposals submitted for consideration at the meeting;
- (3) contain a clear statement that: all ordinary shareholders (including preference shareholders with voting rights reinstated) are entitled to attend the shareholders' meeting and may appoint a proxy in writing to attend and vote at the meeting, and that such proxy need not be a shareholder of the company;
- (4) the share registration date of shareholders entitled to attend the shareholders' meeting;
- (5) name and telephone number of standing contact person for meeting services;

- (6) time and procedure for voting by online or other means;
- (7) other requirements stipulated by laws, administrative regulations, departmental rules and regulations, securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

Full and complete disclosure of the full particulars of all proposals shall be made in the notice of shareholders' meeting and supplementary notice.

**Article 65**

Where the shareholders' meeting is to discuss matters relating to the election of directors, full details of the candidates for directors will be disclosed in the notice of the shareholders' meeting, including at least the following particulars:

- (1) personal circumstances such as educational background, work experience and part-time employment;
- (2) whether there is a related party (connected) relationship with the Company or the Company's controlling shareholders and de facto controllers;
- (3) the number of shareholdings in the Company;
- (4) whether they have been penalized by the CSRC and other relevant authorities and subject to the disciplinary actions imposed by stock exchanges;
- (5) Information on newly appointed, re-elected or re-designated directors as required to be disclosed by the securities regulatory rules of the place where the Company's shares are listed.

Except for the election of directors by cumulative voting, each candidate for director shall be put forward by a single proposal.

**Article 66** After the notice of the shareholders' meeting is given, the shareholders' meeting shall not be postponed or cancelled without justifiable reasons, and the proposals specified in the notice of the shareholders' meeting shall not be cancelled. In the event of an adjournment or cancellation, the Company or the convener shall make an announcement and explain the reasons in accordance with the laws and regulations and the securities regulation rules of the place where the Company's shares are listed. Where a shareholders' meeting is adjourned, the date of the adjourned meeting shall be announced in the notice.

### **Section 6 Convening of Shareholders' Meeting**

**Article 67** The board of directors and other conveners of the Company will take necessary measures to ensure the normal order of the shareholders' meeting. Measures will be taken to stop acts that interfere with shareholders' meetings, causing a nuisance and violate the legitimate rights and interests of shareholders and such actions will be promptly reported to the relevant authorities for investigation and handling.

**Article 68** All shareholders registered in the register of members on the share registration date or their proxies shall be entitled to attend the shareholders' meeting, to speak at the shareholders' meeting and to exercise their voting rights in accordance with the relevant laws, regulations, the listing rules of the stock exchange on which the Company's shares are listed and these Articles of Association (unless the shareholder waives their voting right in respect of a specific matter in accordance with relevant regulations, for example, that the shareholder holds substantial interest in a specific transaction or arrangement being voted on).

**Article 69** A shareholder may attend a shareholders' meeting in person or appoint a proxy to attend and vote on his behalf. Each shareholder has the right to appoint one or several proxy/proxies, while the proxy does need to be a shareholder of the Company. If a shareholder is a recognised clearing house as defined in the relevant ordinances enacted from time to time in Hong Kong (or its proxy), such shareholder may authorize the corporate representative(s) or one or more persons as it thinks fit to act as its representative(s) at any shareholders' meeting. If an individual shareholder attends the meeting in person, he/she should present his/her ID card or other valid documents or proofs that can identify him/her if attending the meeting on others' behalf, such proxy should present his/her own valid identity document and the power of attorney of the shareholder.

A corporate shareholder shall be represented at the meeting by its legal representative or a proxy appointed by such legal representative. If a legal representative attends the meeting, he/she shall present his/her identity card and a valid certificate proving that he/she has the qualification of a legal representative; if a proxy attends the meeting, the proxy shall present his/her identity card and a written power of attorney or a form of appointment of a proxy issued in accordance with the law by the legal representative of the corporate shareholder unit. If the legal person shareholder has appointed a proxy to attend any meeting, it will be deemed to be present in person. (save for a recognised clearing house as defined in the relevant ordinances enacted from time to time in Hong Kong (or its proxy)).

Where the shareholder is a recognised clearing house (or its proxy) defined by the relevant ordinances enacted from time to time in Hong Kong, the shareholder may authorize one or more persons it considers appropriate as its representative(s) at any shareholders' meeting and creditors' meeting; however, if more than one person are so authorized, the proxy form or power of attorney shall specify the number and class of shares in respect of which each such person is authorized, and the power of attorney shall be issued under the hand of an authorised personnel of the recognised clearing house. The person(s) so authorised may represent the recognised clearing house (or its proxy) to attend the meeting and exercise the rights equivalent to those of other shareholders as prescribed by the law, including the right to speak and the right to vote, without the need to show the shareholding certificate, notarized power of attorney and/or further evidence to prove that they have been duly authorized, as if such person(s) were individual shareholder(s) of the Company.

**Article 70**

The power of attorney issued by a shareholder to appoint another person to attend a shareholders' meeting shall contain the following particulars:

- (1) name of the principal, and the class and quantity of Company shares held by such principal;
- (2) name of the proxy;
- (3) specific instructions from the shareholders, including instructions to vote for, against or abstain from voting on each matter to be considered that are included on the agenda of the shareholders' meeting, respectively, etc;
- (4) date of issuance and date of expiry of the power of attorney;
- (5) signature (or seal) of the principal. If the principal is a corporate shareholder, the power of attorney shall be affixed with the seal of the legal person entity or signed by its director or duly appointed proxy.

**Article 71** The power of attorney shall state whether the proxy may vote as he/she wishes if the shareholder does not give specific instructions.

**Article 72** Where a power of attorney for voting is signed by a person authorised by the principal, the power of attorney or other document authorising the signing of the power of attorney shall be notarised. The notarised power of attorney or other authorization document, as well as the power of attorney for voting shall be deposited at the Company's domicile or at such other place as may be specified in the notice summoning the meeting.

**Article 73** The register of meetings for those attending the meeting shall be produced by the Company. The register of meetings shall contain the names (or names of entities), identity card number or unified social credit identifier of the enterprise, the amount of shares held or represented with voting rights, and the names (or names of entities) of proxies, etc. of those attending the meetings.

**Article 74** The convener and the lawyer engaged by the Company will jointly verify the legitimacy of the shareholders' qualifications based on the register of shareholders provided by the securities registering and clearing organisation and register their names (company's name) and the number of shares held with voting rights. Registration of the meeting shall be closed before the presiding officer announces the number of shareholders and proxies present at the meeting and the total number of shares with voting rights.

**Article 75** Where a shareholders' meeting requires directors and senior management to attend the meeting, the directors and senior management personnel shall be present at the meeting and answer the inquiries of shareholders.

**Article 76** A shareholders' meeting shall be presided over by the chairman of the board of directors. If the chairman of the board of directors is unable to perform his duties or does not perform his duties, a director jointly elected by more than half of the directors shall preside over the meeting.

The convener of the audit committee shall preside over the shareholders' meeting summoned by the audit committee on its own initiative. If the convener of the audit committee is unable to perform his duties or does not perform his duties, a member of the audit committee jointly elected by more than half of the members of the audit committee shall preside over the meeting.

A shareholders' meeting summoned by the shareholders on their own initiative shall be presided over by the convener or a representative elected by the convener.

When convening a shareholders' meeting, in the event that the presiding officer of a shareholders' meeting is unable to continue the meeting in violation of the rules of procedure, the shareholders' meeting may, with the consent of a majority of the shareholders present at the shareholders' meeting with voting rights, select a person to act as the presiding officer and continue with the meeting.

**Article 77** The Company shall formulate the rules of procedure for the shareholders' meetings, setting out in detail the procedures for convening, holding and voting at shareholders' meetings, including notice, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of resolutions at meetings, minutes of meetings and the signing thereof, announcements, etc., as well as the principles of delegation of authority from the shareholders' meeting to the board of directors, the content of which shall be clear and specific. The rules of procedure for the shareholders' meeting shall be annexed to the Articles of Association and shall be drafted by the board of directors and approved by the shareholders' meeting.

**Article 78** At an annual shareholders' meeting, the board of directors shall make a report to the shareholders' meeting on their work during the past year. Each independent non-executive director shall also make a report on his or her duties.

**Article 79** Directors and senior management personnel shall give explanations and clarifications in response to the shareholders' queries and suggestions at shareholders' meetings.

**Article 80** The presiding officer of the meeting shall announce the number of shareholders and proxies attending the meeting on site and the total number of shares held with voting rights before the vote is taken. The number of shareholders and proxies attending the meeting on site and the total number of shares held with voting rights are subject to the meeting registration.

**Article 81** Shareholders' meetings shall have minutes, which shall be maintained by the secretary to the board of directors. Such minutes shall record the following particulars:

- (1) the time and place of the meeting, the agenda and the name or company's name of the convener;
- (2) The presiding officer of the meeting and the names of the directors and senior management personnel present at the meeting;
- (3) The number of shareholders and proxies attending the meeting, the total number of shares with voting rights and the proportion of the total number of shares of the Company;

- (4) The consideration process, major points of speeches and voting results of each proposal;
- (5) Shareholders' queries or suggestions and the corresponding answers or explanations;
- (6) The name of the lawyers, counting officers and scrutineers;
- (7) Such other matters as required by these Articles of Association that shall be entered in the minutes of the meeting.

**Article 82** The convener shall ensure that the minutes of the meeting are true, accurate and complete. The minutes shall be signed by the directors, the secretary of the board of directors, the convener or his representative, the presiding officer and the record keeper attending or being present at the meeting.

The minutes shall be kept together with the register of signatures of shareholders attending on site and the power of attorney for proxy attendance, validity information on voting by internet and other means, for a period of not less than ten years.

**Article 83** The convener shall ensure that the shareholders' meeting is held continuously until a final resolution is reached. If the shareholders' meeting is suspended or no resolution can be made due to force majeure and other special reasons, necessary measures shall be taken to resume the shareholders' meeting as soon as possible or to terminate such shareholders' meeting outright and to make an announcement in a timely manner.

### **Section 7 Voting and Resolution at a Shareholders' Meeting**

**Article 84** Resolutions at the shareholders' meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution at a shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders present at the shareholders' meeting.

A special resolution at a shareholders' meeting shall be passed by at least two-thirds of the voting rights held by the shareholders present at the shareholders' meeting.

**Article 85** The following matters shall be adopted by an ordinary resolution of the shareholders' meeting:

- (1) working reports of the board of directors;

- (2) projects in relation to profit distribution and loss recovery prepared by the board of directors;
- (3) the appointment and removal of members of the board of directors (removing any director before the expiry of his term of office, provided that such removal shall be without prejudice to any claim for damages by such director under any agreement) and their remuneration and the means of payment thereof;
- (4) annual report of the Company;
- (5) the engagement and dismissal of the accounting firm providing regular audit service to the Company and determination of its remuneration;
- (6) matters other than those prescribed by laws, administrative regulations, the listing rules of the stock exchange of the place where the Company's shares are listed or these Articles of Association that shall be adopted by special resolution.

**Article 86**

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

- (1) increase or reduction of the registered capital of the Company;
- (2) the division, spin-off, merger, dissolution and liquidation of the Company;
- (3) amendments to these Articles of Association;
- (4) the purchase or sale of material assets or provision of guarantees to others by the Company exceeding 30% of the Company's latest audited total assets within one year;
- (5) share incentive schemes;
- (6) other matters prescribed by laws, administrative regulations, departmental rules, the listing rules of the stock exchange of the place where the Company's shares are listed or these Articles of Association, and those matters determined by a shareholders' meeting via ordinary resolution as having a material impact on the Company and are required to be adopted by a special resolution.

**Article 87**

A shareholder (including shareholders' proxy) shall exercise his or her voting rights based on the number of voting shares held, each share shall have one vote. On a poll taken at a meeting, shareholders (including proxies) having two or more votes need not cast all their votes in the same way.

When the shareholders' meeting considers material matters affecting the interests of small and medium-sized investors, votes for small and medium-sized investors shall be counted separately. The results of the separate vote counting shall be publicly disclosed in a timely manner in accordance with laws, administrative regulations, departmental rules, prescriptive documents, the listing rules of the stock exchange of the place where the Company's shares are listed or these Articles of Association.

The proxy form shall be deposited at least twenty-four hours prior to the relevant meeting at which the proxy is appointed to vote or twenty-four hours before the time appointed for voting at the domicile of the Company or such other places as the notice of meeting may specify. If the proxy form is signed by a person authorized by the principal, the power of attorney or other instrument of authorization shall be notarized. The power of attorney or other instrument of authorization so notarized shall be deposited at the domicile of the Company or such other place as the notice of meeting may specify at the same time as the proxy form is deposited.

Where laws, administrative regulations, departmental rules or the regulatory rules of the place where the Company's shares are listed stipulate that a shareholder is required to refrain from exercising any voting right on a certain proposal or to abstain from voting, or restrict the shareholder to vote only in favour of or against a certain proposal, any voting right of the shareholder or their proxy that violates the foregoing stipulation or restriction shall not be counted in the voting result.

**Article 88** The Company's own shares held by the Company do not carry voting rights. Such shares shall not count towards the total number of shares with voting rights at shareholders' meetings, and would not be deposited into the Central Clearing and Settlement System. Where a shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the shareholders' meeting for thirty-six months after the purchase.

**Article 89** The board of directors, independent non-executive directors, shareholders holding more than one per cent of the shares with voting rights or investor protection agencies established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit shareholders' voting rights. The solicitation of shareholders' voting rights shall provide full disclosure of information such as specific voting intentions to the solicited person. The solicitation of shareholders' voting rights by way of remuneration or disguised remuneration is prohibited. Except for statutory conditions, the Company shall not impose minimum shareholding restrictions on the solicitation of voting rights.

**Article 90**

When matters in relation to related party (connected) transactions are considered at a shareholders' meeting, the shareholders with related party (connected) relationship and their close associates (as defined in the Hong Kong Listing Rules) shall not participate in the voting and the number of shares with voting rights represented by them should not be counted towards the total number of valid votes; the announcement of the resolution of the shareholders' meeting shall adequately disclose the voting status of non-related (non-connected) shareholders as well as other contents as required by the securities regulatory rules of the place where the Company's shares are listed.

Before matters concerning related party (connected) transactions are considered at a shareholders' meeting, the Company shall determine the scope of related party (connected) shareholders in accordance with relevant laws, regulations and prescriptive documents. Related party (connected) shareholders or their proxy(ies) may attend the shareholders' meeting, and may clarify their views to the shareholders present at the meeting in accordance with the procedures of the meeting, but shall actively abstain from voting. Where the related party (connected) shareholders fail to actively abstain from voting, other shareholders attending the meeting shall have the right to request them to abstain from voting. After the related party (connected) person(s) has withdrawn from the meeting, the other shareholders shall vote in accordance with their voting rights and pass the corresponding resolution in accordance with the provisions of these Articles of Association; the presiding officer of the meeting shall announce the number of shareholders and proxies attending the meeting on site (save for the related party (connected) person(s)) and the total number of shares held with voting rights.

As regards matters concerning related party (connected) transactions, an ordinary resolution must be passed by more than half of shares carrying voting rights held by non-related (non-connected) shareholders participating in the shareholders' meeting; a special resolution must be passed by more than two-thirds of shares carrying voting rights held by non-related (non-connected) shareholders participating in the shareholders' meeting.

Where related party (connected) persons or their close associates participate in voting in violation of the requirements of this article, their respective votes on related party (connected) transactions shall be invalid.

**Article 91**

Unless in exceptional circumstances such as the Company is in a crisis, the Company will not enter into contracts with persons other than directors and senior management personnel to place the management of all or significant business of the Company under the responsibility of such persons unless approved by a special resolution at a shareholders' meeting.

**Article 92**

The names of the candidates for directors shall be put forward for voting at the shareholders' meeting by way of a proposal.

When the shareholders' meeting votes on the election of directors, the cumulative voting system may be implemented in accordance with the provisions of these Articles of Association or the resolution of the shareholders' meeting.

In the election of two or more independent directors by the shareholders' meeting, the cumulative voting system shall apply.

**Article 93**

The number of votes under the cumulative voting system shall be determined as follows:

- (1) As regards the election of non-independent non-executive directors, the number of shares held by each shareholder multiplied by the product of the number of non-independent non-executive directors to be elected at this shareholders' meeting shall be the cumulative number of votes cast by such shareholder; for the election of independent non-executive directors, the number of shares held by each shareholder multiplied by the product of the number of independent non-executive directors to be elected at this shareholders' meeting shall be the cumulative number of votes cast by such shareholder;
- (2) In the event of multiple rounds of election at a shareholders' meeting, the cumulative votes of the shareholders shall be recalculated based on the number of directors to be elected in each round of election;
- (3) The secretary to the board of directors of the Company shall announce the cumulative number of votes cast by the shareholders before each round of cumulative voting, and in the event that the independent non-executive directors of the Company, scrutineers of the current shareholders' meeting or the witness lawyer have any disagreement with the announced results, verification shall be immediately carried out.

The means of voting for the cumulative voting system shall be as follows:

As regards the election of independent non-executive directors, each shareholder is entitled to a cumulative number of votes equal to the product of the number of shares held by him/her multiplied by the number of independent non-executive directors that he/she has the right to elect, and such votes can only be cast for independent non-executive director candidates; for the election of non-independent non-executive directors, each shareholder is entitled to a cumulative number of votes equal to the product of the number of shares held by him/her multiplied by the number of non-independent non-executive directors that he/she has the right to elect, and such votes can only be cast for non-independent non-executive director candidates;

**Article 94**

The cumulative voting system shall be based on the following mechanism for the election of directors:

- (1) When casting votes, shareholders must indicate the total number of shares of the Company held by them in the ballot paper and indicate the cumulative number of votes cast in favour of each director candidate elected by them in the voting column of the ballot paper;

Only “for” votes shall be cast, no “against” or “abstention” votes are allowed; all shareholders shall have the right to cast their cumulative voting votes separately or collectively for any one director candidate in accordance with their own wishes (proxies shall comply with the instructions of the authorisation of the principal);

If the total number of votes used by a shareholder on a ballot paper exceeds the total number of shares legally owned by that shareholder, the ballot paper shall be invalid; if the total number of votes used by that shareholder on a ballot paper does not exceed the total number of shares legally owned by that shareholder, the ballot paper shall be valid, and the difference part shall be deemed to have waived the right to vote;

- (2) After the conclusion of the poll, based on the number of votes received by each of all candidates and subject to the number of directors to be elected, in descending order, directors who receive more than 1/2 of the votes of the shareholders present at the shareholders’ meeting (based on the total number of voting rights before the exercise of cumulative voting rights) shall be elected;

- (3) Where the number of candidates for directors who receive more than 1/2 of the votes of the shareholders present at the shareholders' meeting (based on the total number of voting rights before the exercise of cumulative voting rights) exceeds the number of candidates to be elected and the last two or more candidates have received the same number of votes, the other candidates ranked ahead of them shall be elected. For candidates receiving the same number of votes, a new round of voting shall be conducted under the cumulative voting system, candidates shall be ranked in descending order of the number of votes received and the candidate with the higher ranking shall be elected;
- (4) Where the number of candidates for directors who receive more than 1/2 of the votes of the shareholders present at the shareholders' meeting (based on the total number of voting rights before the exercise of cumulative voting rights) in the first round of voting is less than the number of persons proposed to be elected, a new round of voting will be conducted by applying the cumulative voting system to the candidates who have not yet been elected, candidates shall be ranked in descending order of the number of votes received, and the candidates with the higher ranking shall be selected to make up for the number of persons proposed to be elected. Where an elected candidate cannot be determined due to the same number of votes received, a new round of voting shall be conducted in accordance with the preceding provisions;
- (5) Where the number of directors stipulated in these Articles of Association cannot be elected after three rounds of voting at the shareholders' meeting, another shareholders' meeting shall be convened within two months after the conclusion of the current shareholders' meeting for the purpose of electing the vacant directors.

**Article 95** Except for the cumulative voting system, the shareholders' meeting shall vote on all proposals one by one, and if there are different proposals on the same matter, they will be voted on in the chronological order in which they are put forward. The shareholders' meeting will not set aside or withhold a vote on a proposal, except for special reasons such as force majeure, which causes the shareholders' meeting to be suspended or unable to make a resolution.

**Article 96** The proposal will not be amended when it is considered at the shareholders' meeting. If amended, it shall be considered as a new proposal and cannot be voted on at the shareholders' meeting for the time being.

**Article 97** Only one of the on-site, online or other voting methods can be selected for the same voting right. In the event of duplicate votes on the same voting right, the result of the first vote shall prevail.

**Article 98** Unless otherwise required by the relevant laws, regulations and the listing rules of the stock exchange of the place where the Company's shares are listed, votes at shareholders' meetings shall be taken by registered form.

**Article 99** Before voting on a proposal at a shareholders' meeting, two representatives of shareholders shall be elected to take part in the counting and supervision of votes. If the matter under consideration is of interest to a shareholder, the relevant shareholders and their proxy shall not participate in the counting and supervision of votes.

When a proposal is voted on at a shareholders' meeting, the lawyer (if any), the shareholder's representative, together with other relevant personnel appointed in accordance with the securities regulatory rules of the place where the Company's shares are listed, shall be responsible for counting and scrutinizing the votes in accordance with the aforesaid rules, and the results of the vote shall be announced on site, and the results of the vote on the resolution shall be recorded in the minutes of the meeting.

Shareholders of the Company or their proxy who vote via online or other means are entitled to check their votes through the corresponding voting system.

**Article 100** The on-site meeting of shareholders' meeting shall end no earlier than the meeting held online or otherwise and the presiding officer shall announce the vote and the result of each proposal and, based on the result of the vote of each proposal, whether the proposal is adopted or not.

Until the official announcement of the voting results, the Company, the vote counters, the scrutineers, the shareholders, the web service provider and other parties involved in the on-site, online and other voting methods at the Shareholders' meeting shall be subject to an obligation of confidentiality.

**Article 101** Shareholders attending a shareholders' meeting should express one of the following opinions on the proposal put to vote: for, against or abstention, except where a securities registration and settlement institution, acting as the nominal holder of shares under the mechanism for interconnection of transactions in stock markets of the Mainland and Hong Kong, or a recognised clearing house as defined in the relevant ordinance from time to time in force under the laws of Hong Kong or its proxy, acting as the nominal holder, and the filing is made in accordance with the intention of the actual holder of shares.

Votes that are incomplete, misfiled, illegible, or not cast shall be deemed to be abstentions by the voter and shall be counted as "abstentions" in respect of the number of shares held by such voter.

Where the securities regulation rules of the place where the Company's shares are listed require that a shareholder shall abstain from voting on a certain resolution or limit a shareholder to cast affirmative or negative votes on a certain resolution, any votes cast by the shareholder or his or her proxy in violation of the aforesaid requirements or restrictions shall not be counted in the voting results.

- Article 102** If the presiding officer is in any doubt as to the result of the resolution submitted for voting, he may organise the votes cast to be count; if the presiding officer fails to conduct a vote count and a shareholder or a shareholder's proxy present at the meeting objects to the announcement of the result by the presiding officer, he shall be entitled to demand a count immediately after the announcement of the result of the vote, and the presiding officer shall organise a vote count immediately.
- Article 103** Resolutions of the shareholders' meeting shall be announced in a timely manner in accordance with the relevant laws and regulations, departmental rules, prescriptive documents, the regulatory rules of the place where the Company's shares are listed or the provisions of these Articles of Association, and the announcement shall set out detailed contents of the matters such as the number of shareholders and proxies attending the meeting, the total number of shares with voting rights and the proportion of the total number of shares with voting rights of the Company, the voting method, the voting result of each proposal and the content of each resolution adopted, as well as such other contents as may be required by the securities regulatory rules of the place where the Company's shares are listed.
- Article 104** If the proposal is not passed, or if the current shareholders' meeting changes the resolution of the previous shareholders' meeting, a special reminder shall be included in the resolution of shareholders' meeting.
- Article 105** If the shareholders' meeting adopts the relevant proposals for the election of directors, the new directors shall assume office on the date of adoption of the resolution at the shareholders' meeting or the effective date of their appointment as contained in the relevant resolution.
- Article 106** If the shareholders' meeting adopts the proposal on distribution of cash dividend, share bonus or capitalisation of capital reserves, the Company will implement the specific project within 2 months after the conclusion of the respective shareholders' meeting.

## **Chapter 5 Directors and Board of Directors**

### **Section 1 General Provisions on Directors**

**Article 107** The directors of the Company shall be natural persons, a person who is applicable to any one of the following circumstances shall not become a director of the Company:

- (1) with no capacity for civil conduct or limited capacity for civil conduct;
- (2) being sentenced to criminal punishment for corruption, bribery, embezzlement of properties, misappropriation of properties or sabotaging the order of socialist market economy, or being deprived of their political rights for committing a crime, where not more than 5 years have elapsed since the expiration of the period of deprivation, or being announced on probation, where not more than 2 years have elapsed since the date of completion of the probation period;
- (3) a former director, factory principal or general manager of a company or enterprise which has become insolvent and has been liquidated and who is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of completion of the insolvency and liquidation of such company or enterprise;
- (4) a former legal representative of a company or enterprise, the business license of which was revoked or such company or enterprise was ordered to shut down due to violation of law and such person is personally liable for such consequences, where less than 3 years have elapsed since the date of the revocation of business license of or being ordered to close such company or enterprise;
- (5) being listed as a defaulter subject to enforcement by the People's Court for being liable for relatively large amount of personal debt which has become overdue;
- (6) has been subject to a securities market entry prohibition measure imposed by the CSRC, and the period of the prohibition has not lapsed;
- (7) having been publicly determined by a stock exchange to be unsuitable to serve as director or senior management personnel of a listed company, where the prescribed period of such determination has not yet expired;
- (8) other circumstances required by laws, administrative regulations, departmental rules, prescriptive documents, regulatory rules in the place where the Company's shares are listed or relevant regulatory authorities.

Any election or appointment in violation of the provisions of this Article shall be null and void. The Company will dismiss a director from office and terminate his/her duties if the circumstances under this Article arise during his or her term of office.

**Article 108** Directors held by non-employee representatives shall be elected or replaced by the shareholders' meeting and may be removed from office by the shareholders' meeting prior to the expiry of their term of office, with the removal taking effect on the date on which the resolution is made. If a director is removed before the expiration of his term of office without a proper reason, the director may demand compensation from the Company. An employee representative director shall be elected or changed by the Company's employee representatives through an employee representative meeting. Directors shall have a term of three years and may be re-elected upon expiry of their term of office. A director may be removed from office by an ordinary resolution of a shareholders' meeting before the expiry of his/her term of office, provided that such removal shall be without prejudice to any claim for damages by such director under any agreement.

The term of office of the directors shall be calculated from the date of their assumption of office to the expiry of the current term of office of the board of directors. Upon expiration of the term of office of a director, in the absence of a timely re-election, the original director shall continue to perform the duties as a director in accordance with laws, administrative regulations, departmental rules, the listing rules of the stock exchange of the place where the Company's shares are listed and these Articles of Association until the re-elected director assumes office.

The senior management personnel may concurrently serve as a director, provided that the total number of directors who also hold the position of senior management personnel and directors who are employee representatives shall not exceed one-half of the total number of directors of the Company.

**Article 109** The directors shall comply with the laws, administrative regulations, departmental rules and regulations, the listing rules of the stock exchange of the place where the Company's shares are listed and these Articles of Association, and shall assume the duty of loyalty to the Company and take measures to avoid conflicts of interest between their own interests and those of the Company and shall not take advantage of their positions to seek improper benefits.

The directors shall owe the following duties of loyalty to the company:

- (1) not to expropriate the property of the Company and misappropriate the funds of the Company;
- (2) not to open accounts in which the funds of the Company are deposited in his or her personal name or in the name of other individuals;
- (3) not to exploit his/her position to bribe or accept other illegal income;

- (4) not to enter into contracts or conduct transactions with the Company in contravention of the provisions of these Articles of Association; a director who directly or indirectly enters into contracts or conducts transactions with the Company shall report to the board of directors or the shareholders' meeting on the matters relating to the entering into of the contract or transaction, and a resolution shall be passed by the board of directors or the shareholders' meeting in accordance with the provisions of the Articles of Association (close family members of the director, enterprises directly or indirectly controlled by the director or his/her close family members, and related (associated) persons who have other related (associated) relationships with the directors, the same applies to entering into contracts or conducting transactions with the Company);
- (5) not to use the convenience of his/her office to secure for himself/herself or others business opportunities that belong to the Company, except for any of the following situations:
  1. after reporting to the board of directors or shareholders' meeting and being approved through a resolution of board of directors or shareholders' meeting in accordance with the provisions of the Articles of Association;
  2. where the Company cannot take such business opportunities in accordance with the provisions of laws, administrative regulations, or the Articles of Association.
- (6) not to carry on a business of the same kind as that of the Company for himself or for others, without reporting to the board of directors or shareholders' meeting and without being approved by the board of directors through resolution in accordance with the provisions of the Articles of Association;
- (7) not to accept commissions for their own benefit in respect of others' transactions with the Company;
- (8) no unauthorised disclosure of secrets of the Company;
- (9) not to use their related party (connected) relationship to the detriment of interests of the Company;
- (10) other duties of loyalty as stipulated by laws, administrative regulations, departmental rules and these Articles of Association.

Any directors' income in contravention of the provisions of this Article shall belong to the Company; for any damages incurred to the Company, such director shall be liable for compensation.

Where the board of directors resolves on a matter specified in item (4), (5) and (6) of paragraph 1 of this Article, the related directors shall not participate in the voting and their voting rights shall not be counted towards the total number of voting rights. If less than three unrelated directors attend the board meeting, the matter shall be submitted to the shareholders' meeting for consideration.

**Article 110** The directors shall comply with the laws, administrative regulations and these Articles of Association and shall assume the duty of diligence to the Company and perform their duties to a standard that is reasonably required of a manager in the best interest of the Company.

The directors owe the following duties of diligence to the Company:

- (1) exercise the rights conferred by the Company in a prudent, conscientious and diligent manner so as to ensure that the Company's business conduct complies with the requirements of state laws, administrative regulations and various national economic policies and that its business activities do not exceed the scope of business as stipulated in its business licence;
- (2) treat all shareholders fairly;
- (3) keep abreast of the operation and management of the Company's businesses;
- (4) sign a written confirmation of the Company's periodic reports. Ensure that the information disclosed by the Company shall be true, accurate and complete;
- (5) truthfully provide relevant information and data to the audit committee and shall not obstruct the audit committee in the exercise of their powers;
- (6) other duty of diligence stipulated by laws, administrative regulations, departmental rules, these Articles of Association and the regulatory rules of the place where the Company's shares are listed.

Where the controlling shareholders or de facto controllers of the Company do not serve as directors of the Company but actually carry out the businesses of the Company, the relevant provisions of the preceding article and this article shall apply.

**Article 111** A director who fails to attend meetings of the Board of Directors in person or by proxy for two consecutive times shall be deemed failed to perform his or her duties and the board of directors shall recommend to the shareholders' meeting or employee representative meeting to replace such director.

**Article 112** A director may resign before the expiration of his or her term of office. A resigning director shall submit written resignation report to the board of directors. The board of directors will disclose the relevant circumstance within 2 days.

If, as a result of the resignation of a director, the number of directors on the board of directors of the Company falls below the minimum number prescribed by the law, or where the resignation of an employee representative director results in the absence of any employee representative director on the Board, the original director shall continue to perform the duties as a director in accordance with the laws, administrative regulations, departmental rules, the listing rules of the stock exchange of the place where the Company's shares are listed and these Articles of Association until the newly elected director assumes office, until the first annual shareholders' meeting after the appointment of such director. The board of directors shall summon an extraordinary shareholders' meeting as soon as possible to elect directors to fill the vacancies caused by the director's resignation. Where there are other special provisions in the applicable laws, administrative regulations, departmental rules or the securities regulation rules of the place where the Company's shares are listed, such provisions shall apply.

Subject to the relevant laws and regulations of the place where the Company's shares are listed, if the board of directors appoints a new director to fill a casual vacancy on the board of directors or to increase the number of seats on the board of directors, the term of office of such director so appointed shall terminate upon the next annual shareholders' meeting of the Company, and such director shall then be eligible for re-election. All directors appointed to fill casual vacancies shall be subject to election by shareholders at the first annual shareholders' meeting following their appointment.

Except in the circumstances set out in the preceding paragraph, the resignation of a Director shall take effect when the resignation report is served on the board of directors.

**Article 113** The Company has established a management system for director resignations, clearly specifying the accountability and compensation measures for unfulfilled public commitments and other outstanding matters. A director shall complete all formalities for handing over to the board of directors when his/her resignation takes effect or when his/her term of office expires, and his/her duty of loyalty to the Company and its shareholders shall not ipso facto be discharged at the end of his/her term of office, and shall remain valid for three years after his/her resignation takes effect or his/her term of office expires. The responsibility that a director bears during their term of office due to the performance of his/her duties shall not be waived or terminated upon leaving office.

After a director's resignation takes effect or his/her term of office expires, his/her obligation to keep the Company's trade secrets confidential shall remain effective after his/her term of office ends, and he/she shall not use the Company's core techniques he possesses to engage in same or similar businesses as those of the Company. The duration of the other obligations shall be determined on an equitable basis, depending on the length of time between the event and the departure from office and the circumstances and conditions under which the relationship with the Company ends.

**Article 114** A director may be removed by resolution of the shareholders' meeting, with such removal taking effect on the date the resolution is passed.

Where a director is removed prior to the expiration of their term without proper cause, the director may claim against the Company for compensation.

**Article 115** No Director shall act on behalf of the Company or the Board in his personal capacity without the provisions of these Articles of Association or the lawful authority of the Board. Where a director is acting in his personal capacity, he shall declare his position and identity in advance where a third party would reasonably believe that he is acting on behalf of the Company or the board of directors.

**Article 116** A director shall be liable for compensation as regards the damages caused to the Company if he or she violates the provisions of laws, administrative regulations, departmental rules and regulations, the securities regulatory rules of the place where the Company's shares are listed or these Articles of Association in the performance of his or her duties.

**Article 117** Independent non-executive directors shall be implemented in accordance with the relevant requirements of the laws, administrative regulations, departmental rules, the listing rules of the stock exchange of the place where the Company's shares are listed and the departmental rules. An independent non-executive director may resign before the expiration of his or her term of office. If, at any time, the independent non-executive directors of the Company do not meet the requirements set out in the regulatory rules of the place where the Company's shares are listed, the Company shall make an announcement and rectify the situation in accordance with the requirements of the regulatory authority or regulatory rules of the place where its shares are listed.

## **Section 2 Board of Directors**

**Article 118** The Company shall have a board of directors and the board of directors shall consist of seven directors and shall have one chairman, one of them shall be staff representative director and at least three of them shall be independent non-executive directors, who shall make up not less than one-third of the number of directors of the Company.

At least one of the independent non-executive directors must have appropriate accounting or relevant financial management expertise, or appropriate professional qualifications as stipulated by the stock exchange of the place where the Company's shares are listed. Regarding the system of independent non-executive directors, where no provision is made in these Articles of Association, it shall be handled in accordance with the relevant provisions of relevant laws, administrative regulations and the listing rules of the stock exchange where the Company's shares are listed.

Staff representative director(s), upon being elected by the staff of the Company through the staff representative meeting, shall directly assume office on the Board. Staff representative directors must:

- (1) maintain an employment relationship with the Company;
- (2) be capable of representing and articulating employees' legitimate interests, safeguarding the lawful rights of both staff and the Company, and commanding trust and support from the workforce;
- (3) be familiar with corporate operations or possess relevant professional experience, demonstrate working knowledge of labour laws and regulations, and exhibit strong coordination and communication skills;
- (4) maintain compliance with legal and disciplinary requirements, uphold personal integrity, exercise impartiality in official duties, and practice self-discipline;
- (5) fulfil any additional requirements stipulated by applicable laws, regulations, and the Company's Articles of Association.

**Article 119** The board of directors shall exercise the following functions and powers:

- (1) to summon shareholders' meetings and report its works to the shareholders' meeting;
- (2) to implement resolutions of the shareholders' meeting;
- (3) to decide on the Company's business plan and investment project;
- (4) to formulate the Company's plans for profit distribution and loss recovery;

- (5) to formulate proposals for the increase or reduction of the registered capital of the Company, the issue of bonds or other securities and the listing of the Company;
- (6) to draft proposals for major acquisitions of the Company, acquisition of the Company's shares or mergers, division, dissolutions and changes in corporate form of the Company;
- (7) to decide, within the authorisation of the shareholders' meeting, on matters such as external investments, acquisition and sale of assets, pledging of assets, external guarantee matters, entrusted wealth management, related party (connected) transactions and external borrowings of the Company;
- (8) to decide on the establishment of the internal management structure of the Company;
- (9) to appoint or dismiss the general manager and the secretary to the board of directors of the Company and any matters in relation to their compensations; to appoint or dismiss senior management personnel such as deputy general manager and chief financial officer in accordance with the nominations made by the general manager, and to decide on matters in relation to their remuneration, rewards and punishments;
- (10) to formulate the basic management system of the Company;
- (11) to formulate the proposal for amendment to these Articles of Association;
- (12) to manage information disclosure matters of the Company;
- (13) to submit to the shareholders' meeting a request for the engagement or replacement of the accounting firm auditing for the Company;
- (14) to receive reports on the work of the Company's general manager and checking the work of the general manager;
- (15) to consider and approve transactions that require decision-making by the board of directors in accordance with the regulatory rules of the place where the Company's shares are listed (including but not limited to disclosable transactions and related party (connected) transactions);
- (16) such other powers granted by laws, administrative regulations, departmental rules, the listing rules of the stock exchange of the place where the Company's shares are listed, these Articles of Association or shareholders' meeting.

When the board of directors makes resolutions as regards matters stipulated the preceding paragraph, except for items (5), (6), and (11) and other matters stipulated in laws, administrative regulations, departmental rules, the listing rules of the stock exchange of the place where the Company's shares are listed and these Articles of Association, which must be approved by more than two-thirds of the directors, the remaining matters may be approved by more than half of the directors.

The board of directors shall establish special committees such as the Audit Committee, the Nomination Committee and the Remuneration Committee. The Special Committees shall be accountable to the Board of Directors and shall perform their duties in accordance with these Articles of Association and the authority delegated by the board of directors, and their proposals shall be submitted to the board of directors for consideration and decision. The members of each specialised committee shall be composed entirely of directors, and the specific composition and qualification requirements shall refer to the laws, administrative regulations, departmental rules and the regulatory rules of the place where the Company's shares are listed. The board of directors shall be responsible for formulating the rules of procedures for the special committee (including matters such as personnel composition, duties and powers, decision-making procedures, meeting system and relevant remuneration and assessment mechanism), as well as regulating the operation of the special committee.

Matters exceeding the scope of authority delegated by the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

- Article 120** The board of directors of the Company shall make a statement to the shareholders' meeting regarding the non-standard audit opinion issued by the certified public accountant on the Company's financial report.
- Article 121** The board of directors of the Company shall formulate the rules of procedure for the board of directors to ensure that the board of directors implements the resolutions of the shareholders' meeting, so as to improve efficiency and to ensure scientific decision-making.
- Article 122** The board of directors of the Company shall determine the authority for external investments, acquisition and sale of assets, pledging of assets, external guarantee matters, entrusted financial management, material transactions and related party (connected) transactions, and establish strict review and decision-making procedures; material investment projects shall be reviewed by relevant experts and professionals and reported to the shareholders' meeting for approval. The corresponding requirements shall be implemented as regards transactions or events occurring in the Company that shall be submitted to the board of directors for consideration as stipulated in laws, administrative regulations, departmental rules and regulations and the listing rules of the stock exchange of the place where the Company's shares are listed.

“Transactions” as referred to in these Articles of Association shall include but are not limited to: (1) Purchase or dispose of assets; (2) External investment (including entrusted financial management, investment in subsidiaries, etc.); (3) Provision of financial assistance (including entrusted loans); (4) Provision of guarantees (including guarantees provided to subsidiaries); (5) Renting or leasing assets; (6) Entering into contracts as regards management matters (including delegated operation, entrusted operation, etc.); (7) Donating or receiving donated assets; (8) Creditor’s rights or debt restructuring; (9) Transfer of research and development projects; (10) Entering into license agreements; (11) Waiver of rights (including waiving pre-emptive rights, pre-emptive subscription of capital contributions, etc.); (12) Other transactions as determined by laws, regulations, the securities regulatory rules of the place where the Company’s shares are listed and prescriptive documents.

The above purchase or sales of assets shall not include purchases of raw materials, fuels and power, as well as sales of products and commodities related to daily operations; however, asset swaps involving the purchase or sale of such assets shall still be included.

The specific authority and procedures for the Company’s review and decision-making in relation to the aforesaid transactions are set out below:

- (1) Transactions of the Company that meet one of the following standards shall also be submitted to the shareholders’ meeting for consideration after being considered and approved by the board of directors:
  1. The total assets involved in the transaction account for more than 50% of the Company’s latest audited total assets, where the total assets involved in the transaction have both book value and appraisal value, the higher one will be used as the calculation data;
  2. The main business income related to the target of transaction (such as equity) in the most recent accounting year accounts for more than 50% of the Company’s audited main business income in the most accounting fiscal year;
  3. The net profit related to the target of transaction (such as equity) in the most recent accounting year accounts for more than 50% of the Company’s audited net profit in the most accounting fiscal year;
  4. The closing amount of the transaction (including liabilities taken and expenses) accounts for more than 50% of the Company’s latest audited net assets;

5. The profit generated from the transaction accounts for more than 50% of the Company's audited net profit in the most recent accounting year;
  6. Transactions that are subject to approval by the shareholders' meeting as stipulated in the regulatory rules of the place where the Company's shares are listed (including the Hong Kong Listing Rules).
- (2) Transactions of the Company (excluding provision of guarantees and financial assistance) that meet one of the following standards but have not yet reached the standard that should be submitted to the shareholders' meeting for consideration shall be considered and approved by the board of directors:
1. The total assets involved in the transaction account for more than 10% of the Company's latest audited total assets, where the total assets involved in the transaction have both book value and appraisal value, the higher one will be used as the calculation data;
  2. The main business income related to the target of transaction (such as equity) in the most recent accounting year accounts for more than 10% of the Company's audited main business income in the most accounting fiscal year;
  3. The net profit related to the target of transaction (such as equity) in the most recent accounting year accounts for more than 10% of the Company's audited net profit in the most accounting fiscal year;
  4. The closing amount of the transaction (including liabilities taken and expenses) accounts for more than 10% of the Company's latest audited net assets;
  5. The profit generated from the transaction accounts for more than 10% of the Company's audited net profit in the most recent accounting year;
  6. Transactions that are subject to approval by the board of directors as stipulated in the regulatory rules of the place where the Company's shares are listed (including the Hong Kong Listing Rules).
- (3) Transaction matters other than those shall be considered and approved by the shareholders' meeting and board of directors as mentioned above shall be considered and approved by the general manager.

- (4) Unless otherwise provided by laws, administrative regulations, departmental rules, regulatory rules in the place where the Company's shares are listed (including the Hong Kong Listing Rules), the means and methods for determining the relevant amounts in the foregoing provisions shall be as follows:
1. Where the Company and a same transaction party have two transactions in opposite directions at the same time except for external investment, provision of financial assistance and provision of guarantees, the calculation shall be based on the higher of the indicators involved in the transaction in a single direction.
  2. If a transaction occurs in the Company with the subject matter of equity interests, and the purchase or sale of the equity will result in a change in the scope of the Company's consolidated statements, all assets and operating income of the corresponding company of the equity interests shall be deemed to be the total assets involved in the transaction mentioned in this article and the operating income relevant to the subject matter of the transaction;
  3. Where the Company has transactions such as provision of financial assistance or entrusted wealth management, the actual amount incurred shall be used as the calculation standard, and the calculation shall be cumulative within twelve consecutive months according to the specific type of transaction, and the applicable consideration procedures shall be determined based on the cumulative calculation amount;
  4. Where the Company invests externally to establish a limited liability company or a joint stock limited company, the total amount of capital contribution stipulated in the agreement shall be the standard;
  5. Where the Company has asset purchase or disposal transactions, the higher of the total assets and the transaction amount shall be used as the calculation standard, and shall be calculated cumulatively within twelve consecutive months according to the specific type of transaction; where the cumulative calculation reaches 30% of the latest total audited assets of the Company, it shall be audited or evaluated in accordance with requirements, and it shall also be submitted to the shareholders' meeting for consideration, and be approved by more than two-thirds of the voting rights held by shareholders attending the meeting;
  6. For the above matters, if the review procedures have been carried out as required, they will no longer be included in the relevant range of cumulative calculation.

- Article 123** The board of directors shall have one chairman. The chairman of the board of directors shall be elected and removed by more than half of the directors. The chairman of the board of directors shall have a term of office of three years and may offer himself or herself for re-election.
- Article 124** The chairman of the board of directors shall exercise the following duties and powers:
- (1) to preside over shareholders' meetings, summoning and presiding over meetings of the board of directors;
  - (2) to supervise and check the implementation of resolutions of board of directors;
  - (3) to sign on securities issued by the Company, important documents of the board of directors and other documents that should be signed by the chairman of the board of directors;
  - (4) to nominate candidates for general manager for submission to the meeting of board of directors for discussion and decision;
  - (5) in case of emergencies such as force majeure in the event of a major natural disaster, to exercise special powers of disposal over the affairs of the Company in accordance with the laws and the interests of the Company, and to report to the board of directors of the Company and to the shareholders' meeting afterwards;
  - (6) such other duties and powers conferred by the board of directors.
- Article 125** If the chairman of the board of directors is unable to perform his duties or does not perform his duties, such duties shall be performed by a director jointly elected by more than half of the directors.
- Article 126** The board of directors shall meet at least four times a year, approximately once a quarter, such meeting shall be summoned by the chairman of the board of directors, with written notice (including deliver by hand, by facsimile and by email) to all directors fourteen days prior to the meeting. Meetings of the board of directors may be held in the form of on-site meetings, off-site meetings such as electronic communications, or a combination of both.
- Article 127** An extraordinary meeting of the board of directors may be proposed by shareholders with over one-tenth of voting rights, over one-third of the directors or the audit committee. The Chairman shall convene and preside over an extraordinary Board meeting within ten days upon receipt of the proposal.

**Article 128** The notice of extraordinary meeting of the board of directors shall be given by: written means (including deliver by hand, by facsimile and by email). The time limit for the notice shall be: All directors shall be notified at least three days prior to the meeting. If the situation is urgent and it is necessary to convene an extraordinary meeting of the board of directors as soon as possible, notice of the meeting may be given by telephone or other oral means at any time, but the convener shall give an explanation at the meeting. The agenda and relevant meeting documents of regular board meetings shall be sent to all directors in a timely manner and shall be despatched at least 3 days before the scheduled meeting of the board of directors or its committees (or within other timeframe as agreed).

**Article 129** The notice of meetings of board of directors shall include the following particulars:

- (1) date and venue of the meeting;
- (2) duration of the meeting;
- (3) subject matter and topic of the meeting, along with relevant materials;
- (4) the date on which the notice was sent;
- (5) other particulars as stipulated in laws, administrative regulations, departmental rules, prescriptive documents, the listing rules of the stock exchange of the place where the Company's shares are listed and these Articles of Association.

**Article 130** Meetings of the board of directors shall be held in the presence of more than half of the directors. Except as otherwise provided in these Articles of Associations, resolutions made by the board of directors shall be passed by more than half of all directors.

Voting on Board resolutions shall be made on a one-person-one-vote basis.

**Article 131** The directors who have related party (connected) relationship with the enterprise or individual involved in the matters resolved at the meeting of the board of directors shall promptly submit a written report to the Board regarding such matter. The director with a related party or connected relationship shall not exercise voting rights on the respective resolution, nor should they exercise voting rights on behalf of other directors. Such meeting of board of directors shall be held in the presence of a majority of directors without related party (connected) relationship and a resolution at such meeting of the board of directors shall be approved by more than half of the directors without related party (connected) relationship; however, if the matter under consideration requires the approval of more than two-thirds of the board of directors, it shall be approved by more than two-thirds of the directors without related party (connected) relationship. Where the number of directors without related party (connected) relationship present at such meeting of the board of directors is less than three, the matter shall be submitted to a shareholders' meeting for consideration.

**Article 132** Resolutions of the board of directors shall be voted by: written vote, show of hands or oral vote, etc. Extraordinary meetings of the board of directors may be conducted and resolutions may be made by means of communication, such as telephone, facsimile, e-mail, etc., and signed by the participating directors, under the premise of guaranteeing that the directors can fully express their opinions. A written vote shall not be taken at a regular meeting of the board of directors, or considering matters that the board of directors is of the opinion that a substantial shareholder or a director has a material conflict of interest as required by the Hong Kong Listing Rules, or in any other circumstances prescribed by laws and regulations, the regulatory rules of the place where the Company's shares are listed or these Articles of Association.

**Article 133** Directors shall sign on resolutions of the board of directors and be liable therefor. If a resolution of the board of directors violates the laws, administrative regulations or these Articles of Association, thereby causing a loss to the Company, the directors who took part in the resolution shall be liable to the Company for damages. However, if a director is proved to have expressed his or her opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, such director may be exonerated from liability.

**Article 134** Directors shall attend meetings of the board of directors in person; if a director is unable to attend for any reason, he/she may appoint in writing another director to attend on his/her behalf, and the power of attorney shall contain the name of the proxy, the matters to be represented, the scope of authority and the period of validity, and shall be signed or sealed by the principal. The director attending the meeting on other director's behalf shall exercise the rights of a director within the scope of the authorisation. Directors shall not delegate or accept a proxy without voting intention, a discretionary proxy or a proxy whose scope of authority is unclear. When considering matters regarding related party (connected) transactions, directors without related party (connected) relationship shall not entrust related party (connected) directors as proxies to attend the meeting. Where a director neither attends a certain Board meeting nor appoints a proxy to attend such meeting, it shall be deemed as a waiver of his or her voting rights at the respective meeting.

Where a meeting of the board of directors is not held on site, the number of directors attended the meeting shall be counted by valid votes on the basis of video displaying the present directors, directors who expressed their opinions during the teleconference and the directors who received the signature page by mail, facsimile, internet or e-mail within the specified period.

**Article 135** The board of directors shall make minutes of the decisions made on the matters discussed, and the directors present at the meeting shall sign on the minutes.

Minutes of meetings of board of directors shall be kept as archives of the Company for a period of not less than ten years, and a complete copy of which shall be sent to each director as soon as possible. Any director may inspect the minutes at a reasonable time after giving reasonable notice to the Company.

**Article 136** Minutes of meetings of board of directors shall include the following particulars:

- (1) date and venue of the meeting and the name of the convener;
- (2) names of the directors present and the names of directors (proxies) entrusted by others to attend the meeting of board of directors;
- (3) meeting agenda;
- (4) key points of the directors' speeches;
- (5) the manner of voting and the result of each resolution (the result of the vote shall indicate the number of votes cast in favour, against or abstentions);
- (6) Such other contents specified in the rules of procedure for the board of directors.

**Article 137** The directors shall take responsibility for the resolutions of the board of directors. If a resolution of the board of directors violates the laws, administrative regulations or these Articles of Association and resolutions of the shareholders' meeting, thereby causing the Company to sustain a material loss, the directors who took part in the resolution shall be liable to the Company for damages. However, if a director is proved to have expressed his or her opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, such director may be exonerated from liability.

### **Section 3 Independent Directors**

**Article 138** Independent Directors shall diligently perform their duties in accordance with laws and administrative regulations, the provisions of the CSRC, the rules of the securities regulatory authorities of the jurisdiction where the Company's shares are listed, the Hong Kong Listing Rules, and the Articles of Association, actively participating in decision-making, exercising supervisory oversight and checks and balances, and providing professional advice within the board of directors, so as to safeguard the overall interests of the Company and protect the legitimate rights and interests of minority shareholders.

**Article 139** Independent directors must maintain independence. The following persons are ineligible to serve as independent directors unless otherwise provided under the Hong Kong Listing Rules or the securities regulatory authorities of the jurisdiction where the Company's shares are listed, or where no mandatory provisions exist:

- (1) any person employed by the Company or its subsidiaries, as well as their spouses, parents, children and close relatives;
- (2) any natural person shareholder who directly or indirectly holds more than one percent of the Company's issued shares or is among the top ten shareholders of the Company, as well as their spouses, parents and children;
- (3) any person employed by shareholders who directly or indirectly hold more than five percent of the Company's issued shares or by any of the Company's top five shareholders, as well as their spouses, parents and children;
- (4) any person employed by subsidiaries of the Company's controlling shareholders or de facto controllers, as well as their spouses, parents and children;
- (5) any person who has significant business dealings with the Company or its controlling shareholders, de facto controllers or their respective subsidiaries, or any person employed by entities that have significant business dealings with the Company or their controlling shareholders or de facto controllers;

- (6) any person who provides financial, legal, advisory, sponsorship or other services to the Company or its controlling shareholders, de facto controllers or their respective subsidiaries, including but not limited to all members of the project team, reviewers at all levels, signatories to reports, partners, directors, senior management and key personnel of the service-providing intermediary institutions;
- (7) any person who has fallen under any of the circumstances described in items (1) to (6) above within the past twelve months;
- (8) any other person deemed to lack independence under laws, administrative regulations, CSRC provisions, stock exchange business rules or the Articles of Association.

For the purposes of items (4) to (6) above, the term “subsidiaries of the Company’s controlling shareholders or de facto controllers” shall not include enterprises that are under the control of the same state-owned assets regulatory authority as the Company and which, in accordance with relevant regulations, do not constitute connected parties of the Company.

Independent directors shall conduct annual self-assessments of their independence and submit such assessments to the board of directors. The board of directors shall annually evaluate the independence of serving independent directors and issue a specific assessment, which shall be disclosed together with the annual report, unless otherwise provided under the Hong Kong Listing Rules or the securities regulatory authorities of the jurisdiction where the Company’s shares are listed, or where no mandatory provisions exist.

**Article 140** To serve as an independent director of the Company, a person must satisfy the following requirements:

- (1) be qualified to serve as a director of a listed company in accordance with laws, administrative regulations and relevant provisions of the securities regulatory authorities in the jurisdiction where the Company’s shares are listed;
- (2) meet the independence requirements set forth in the Articles of Association;
- (3) possess fundamental knowledge of listed company operations and be familiar with relevant laws, regulations and rules;
- (4) have at least five years of professional experience in law, accounting or economics necessary for performing independent director duties;
- (5) demonstrate good personal character with no record of serious dishonesty or other misconduct;

- (6) satisfy other requirements stipulated by laws, administrative regulations, CSRC provisions, the business rules of the stock exchange where the Company's shares are listed, and the Articles of Association.

Where provisions of the Hong Kong Listing Rules or the securities regulatory authority in the jurisdiction of the Company's listing prescribe otherwise or impose no mandatory requirements, such provisions shall take precedence.

**Article 141** The independent directors, as members of the board of directors, owe fiduciary duties and duties of diligence to the Company and all shareholders, and shall prudently perform the following responsibilities:

- (1) to engage in board deliberations and provide clear opinions on matters under discussion;
- (2) to monitor potential material conflicts of interest between the Company and its controlling shareholders, de facto controllers, directors, or senior management, safeguarding the legitimate rights and interests of minority shareholders;
- (3) to offer professional and objective recommendations on the Company's business development, thereby enhancing the quality of board decision-making;
- (4) to fulfil any additional responsibilities stipulated by laws, administrative regulations, the CSRC, the stock exchange where the Company's shares are listed, or the Articles of Association.

Where provisions of the Hong Kong Listing Rules or the securities regulatory authority in the jurisdiction of the Company's listing prescribe otherwise or impose no mandatory requirements, such provisions shall take precedence.

**Article 142** Independent directors shall exercise the following special authorities:

- (1) to independently appoint intermediaries to conduct audits, provide consultancy, or perform investigations on specific matters of the Company;
- (2) to propose the convening of extraordinary shareholders' meetings to the Board;
- (3) to propose the holding of board meetings;
- (4) to lawfully solicit shareholder rights publicly from shareholders;
- (5) to issue independent opinions on matters that may harm the Company or the rights and interests of minority shareholders;

- (6) to exercise any additional authorities stipulated by laws, administrative regulations, the CSRC, the stock exchange where the Company's shares are listed, or the Articles of Association.

The exercise of authorities under items (1) to (3) of the preceding paragraph shall require approval by a majority of all independent directors.

The Company shall promptly disclose any exercise of the authorities listed in item (1) above. Where such authorities cannot be duly exercised, the Company shall disclose the specific circumstances and reasons.

Where provisions of the Hong Kong Listing Rules or the securities regulatory authority in the jurisdiction of the Company's listing prescribe otherwise or impose no mandatory requirements, such provisions shall take precedence.

#### **Article 143**

The following matters shall be submitted to the board of directors for deliberation only after obtaining the approval of a majority of all independent directors of the Company:

- (1) any related party (connected) transactions requiring disclosure;
- (2) proposals to amend or waive commitments made by the Company or related parties;
- (3) decisions or measures adopted by the board of a listed company subject to a takeover offer in response to such acquisition;
- (4) any additional matters stipulated by laws, administrative regulations, the CSRC, the stock exchange where the Company's shares are listed, or the Articles of Association.

Where provisions of the Hong Kong Listing Rules or the securities regulatory authority in the jurisdiction of the Company's listing prescribe otherwise, such provisions shall take precedence.

#### **Article 144**

The Company shall establish a dedicated committee comprising solely of independent directors. For matters requiring board approval such as related party (connected) transactions, prior endorsement by the independent directors' committee must be obtained.

The Committee shall convene meetings periodically or on an ad-hoc basis as circumstances require. The independent directors' committee shall meet regularly or as required. The matters set out in article 140(1)(1)-(3) and article 141 shall be subject to deliberation by the independent directors' committee.

The independent directors' committee may, as necessary, discuss and consider other matters relating to the Company.

The independent directors' committee shall be convened and chaired by one independent director appointed by a majority of the independent directors. If the designated chair fails or is unable to act, two or more independent directors may convene the meeting and appoint a chair from among themselves.

Proper minutes of all committee meetings shall be maintained, accurately recording the views and opinions expressed by the independent directors. All participating independent directors shall sign to confirm the accuracy of the minutes.

The Company shall provide all necessary administrative support and facilities to enable the effective functioning of the independent directors' committee.

Where provisions of the Hong Kong Listing Rules or the securities regulatory authority in the jurisdiction of the Company's listing prescribe otherwise or impose no mandatory requirements on the respective provision of this article on the mechanism for specific meetings, such provisions shall take precedence.

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

**Article 145** The board of directors has established an audit committee to exercise the powers of the board of supervisors as stipulated in the Company Law.

**Article 146** The audit committee consists of three members who are directors not serving as senior management of the Company, including 2 independent directors, and a professional accountant among the independent directors shall act as the convener.

**Article 147** The audit committee is responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal controls. The following matters shall be submitted to the board of directors for review after being approved by a majority of all members of the audit committee.

- (1) Disclosure of financial information in financial accounting reports and periodic reports, as well as internal control evaluation reports;
- (2) Appointment or removal of accounting firm that provides audit services to the listed company;
- (3) Employment or removal of the chief financial officer of the listed company;

- (4) Changes in accounting policies, accounting estimates, or corrections of significant accounting errors due to reasons other than changes in accounting standards;
- (5) Other matters stipulated by laws, administrative regulations, the CSRC regulations, rules of the stock exchange where the shares of the Company are listed and the Articles of Association.

**Article 148** The audit committee shall convene meetings in accordance with the listing rules of the stock exchange where the Company's shares are listed. An extraordinary meeting may be convened upon the proposal of two or more members, or when the convener deems it necessary. The audit committee meetings may only be held if more than two-thirds of the members are present.

Resolutions of the audit committee shall be adopted by a majority vote of the members of the audit committee.

Voting on resolutions of the audit committee shall be conducted on a one-person, one-vote basis.

The audit committee shall prepare meeting minutes in accordance with regulations, and members of the audit committee who attend the meeting shall sign the meeting minutes.

The rules of procedures for the audit committee shall be formulated by the board of directors.

**Article 149** The board of directors shall establish a nomination committee, a remuneration and appraisal committee and other special committees, which shall perform their duties in accordance with these Articles of Association and the authorization of the board of directors. Proposals made by the special committees shall be submitted to the board of directors for review and decision. The rules of procedures for the special committees shall be formulated by the board of directors. Independent directors shall constitute a majority of the nomination committee and the remuneration and appraisal committee, and the convener shall be an independent director.

**Article 150** The nomination committee shall be responsible for formulating the selection criteria and procedures for directors and senior management, selecting and reviewing candidates for directors and senior management and their qualifications, and making recommendations to the board of directors on the following matters:

- (1) Nomination, appointment or removal of directors;
- (2) Appointment or removal of senior management;

- (3) Other matters stipulated by laws, administrative regulations, the CSRC regulations, rules of the stock exchange where the shares of the Company are listed and the Articles of Association.

If the board of directors does not adopt or fully adopt the recommendations of the nomination committee, it shall record the opinions of the nomination committee and the specific reasons for not adopting them in the board resolution and disclose them.

**Article 151** The compensation and appraisal committee is responsible for establishing evaluation standards for directors and senior management and conducting evaluations, establishing and reviewing compensation decision-making mechanisms, decision-making processes, payment and payment suspension and recovery arrangements, and other compensation policies and plans for directors and senior management, and making recommendations to the Board of Directors on the following matters:

- (1) Remuneration of directors and senior management;
- (2) Formulation or change of equity incentive plans and employee stock ownership plans, and the achievement of conditions for incentive recipients to obtain and exercise their rights and interests;
- (3) Arrangement of shareholding plans by directors and senior management for subsidiaries to be spun off;
- (4) Other matters stipulated by laws, administrative regulations, the CSRC regulations, the rules of stock exchange where the shares of the Company are listed and the Articles of Association.

If the board of directors does not adopt or fully adopt the recommendations of the remuneration and appraisal committee, it shall record the opinions of the remuneration and appraisal committee and the specific reasons for not adopting them in the board resolution and disclose them.

## **Chapter 6 Senior Management Personnel**

**Article 152** The Company shall have one general manager who shall be appointed or dismissed by the board of directors. The Company shall have a number of deputy general managers, who shall be appointed or dismissed by the board of directors.

**Article 153** The provisions of the Articles of Association regarding disqualification from serving as a director and the management system for cessation of office shall apply equally to senior management personnel.

The provisions of these Articles of Association concerning the duty of loyalty and the duty of diligence of directors shall also apply to senior management personnel.

**Article 154** A person who holds a position other than that of a director or supervisor in the entities of the controlling shareholder or de facto controller of the Company shall not act as senior management personnel of the Company.

Senior management personnel of the Company shall receive their salaries only at the Company and shall not be paid by the controlling shareholder on behalf of the Company.

**Article 155** The general manager shall have a term of three years for each session, and the general manager may be reappointed upon re-election.

**Article 156** The general manager shall be accountable to the board of directors and perform the following duties and powers:

- (1) to preside over the production and management works of the company, organizing the implementation of resolutions of board of directors and report his/her works to the board of directors;
- (2) to organise the implementation of the Company's annual business plan and investment projects;
- (3) to formulate the project of internal management structure of the Company;
- (4) to formulate the basic management system of the Company;
- (5) to establish the specific regulations of the Company;
- (6) to propose to the board of directors the appointment or dismissal of the deputy general managers, financial controller or other senior management personnel of the Company;
- (7) to decide on the appointment or dismissal of officers other than those who should be appointed or dismissed by decision of the board of directors;
- (8) to perform other duties and powers granted by these Articles of Association or the board of directors.

The general manager may be present at meetings of board of directors.

**Article 157** The general manager shall formulate a set of detailed rules for the work of the general manager and submit to the board of directors for approval before implementation.

**Article 158** The detailed rules for the work of the general manager shall include the following particulars:

- (1) the conditions and procedures for convening the meeting of the general manager and the persons to attend such meetings;
- (2) the specific responsibilities of each of the general manager and other senior managers and their division of job duties;
- (3) the authority of utilisation of the Company's funds and assets, the authority to enter into major contracts, and the reporting system to the board of directors;
- (4) such other matters as the board of directors deems necessary.

**Article 159** The general manager may resign before the expiration of his or her term of office. The specific procedures and methods relating to the resignation of the general manager shall be set out in the employment contract or service contract between the general manager and the Company.

**Article 160** The appointment and removal of the deputy general manager shall be proposed by the general manager and appointed or dismissed by the board of directors, and the deputy general manager shall assist the general manager in his work.

**Article 161** The Company shall have a secretary to the board of directors, who shall be responsible for the preparation of shareholders' meetings and meetings of board of directors of the Company, the custody of documents and the management of the shareholders' information of the Company, and the handling of information disclosure matters.

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

**Article 162** Where senior management causes damage to others in the execution of their duties, the Company will be liable for compensation. If such senior management acted with intent or gross negligence, they shall also be liable for damages.

The senior management personnel shall be liable for compensation as regards the damages caused to the Company if he or she violates the provisions of laws, administrative regulations, departmental rules and regulations, the regulatory rules of the place where the Company's shares are listed or these Articles of Association in the performance of his or her duties.

**Article 163** Senior management personnel of the Company shall faithfully perform their duties to safeguard the best interests of the Company and all its shareholders. Senior management personnel who failed to faithfully perform their duties or breach their duty of good faith and cause damage to the interests of the Company and shareholders shall be liable for compensation.

## **Chapter 7 Financial Accounting System, Profit Distribution and Auditing**

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

**Article 164** The Company shall formulate its financial accounting system in accordance with the laws, administrative regulations, the regulatory rules in the place where the Company's shares are listed and the provisions of relevant state departments. The Company shall prepare a financial report at the end of each accounting year, and verification and review of the financial report shall be conducted in accordance with the laws.

**Article 165** The Company shall submit its annual report to a dispatched agency of the CSRC (if necessary) and the stock exchange of the place where the Company's shares are listed within four months from the date of the end of each accounting year, and shall submit its interim report to a dispatched agency of CSRC (if necessary) and the stock exchange of the place where the Company's shares are listed within two months from the date of the end of the first six months of each accounting year.

Where the relevant provisions of laws, administrative regulations, departmental rules, prescriptive documents, the securities regulatory authorities of the place where the Company's shares are listed and the Hong Kong Listing Rules stipulate otherwise in respect of matters relating to the preparation and publication of the aforesaid financial accounting reports, results or financial information, such provisions shall prevail.

The above-mentioned annual reports and interim reports shall be prepared in accordance with relevant laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the requirements of the securities regulatory and management authorities.

**Article 166** The Company shall not keep separate accounting books other than the statutory accounting books. The fund of the Company shall not be deposited in any personal accounts in the name of any individual.

**Article 167** When distributing the after-tax profit of the current year, the Company shall allocate 10% of its profit to the statutory reserve fund. Where the accumulated amount of the Company's statutory reserve is more than 50% of the Company's registered capital, further allocation is not required.

If the Company's statutory reserve is not sufficient to cover losses of previous years, it shall, before withdrawing the statutory reserve in accordance with the preceding paragraph, make up the losses from the profits of the current year in the first place.

After the Company has withdrawn statutory reserve from its profit after tax, it may also make an arbitrary reserve from its profit after tax by resolution of the shareholders' meeting.

After making up of losses and allocation to the reserve fund, balance of the after-tax profit shall be distributed to shareholders in proportion to their shareholdings.

If the Company distributes profits to shareholders in violation of the provisions of the Company Law and these Articles of Association, the shareholders shall return the profits distributed in violation of the provisions to the Company; and if the Company incurs losses, the shareholders and the directors and senior management personnel who are held liable shall be held liable for compensation.

The Company's own shares held by the Company shall not participate in the distribution of profits.

**Article 168** The Company's reserve funds shall be used to make up the Company's losses, to expand the Company's production and operations or to be transferred to increase the Company's registered capital.

The discretionary common reserve and statutory common reserve should be used first to make up the Company's losses; if it cannot be covered, the capital common reserve shall be used in accordance with the provisions.

Capital reserve shall include the following items:

- (1) premium on shares issued at a price exceeding the par value;
- (2) any other income designated for the capital reserve by the regulations of the competent finance department of the State Council.

When the statutory reserve is converted to the increased registered capital, the amount of such reserve retained shall be not less than 25% of the registered capital of the Company before the conversion.

**Article 169** After the resolution on the profit distribution plan is made at the shareholders' meeting of the Company, the board of directors of the Company shall complete the distribution of dividends (or bonus shares) within two months after the shareholders' meeting.

**Article 170** The Company shall implement a proactive profit distribution policy based on the principle of “equal shares, equal profits”, at the end of each accounting year, the board of directors of the Company shall propose a profit distribution plan and a plan for making up losses based on the operating results of the year and future production and business project, which shall be implemented after being considered and approved by the shareholders’ meeting.

(1) Principles for profit distribution

The Company implements a proactive profit distribution policy that emphasises a reasonable return on investment for investors and takes into account the sustainable development of the Company, and the profit distribution policy shall maintain continuity and stability. The Company may distribute profits in the form of cash, shares or a combination of cash and shares, and the distribution of profits shall not exceed the extent of accumulated distributable profits and shall not impair the Company’s ability to continue as a going concern.

(2) Decision-making process and mechanism for profit distribution

1. The annual profit distribution proposal of the Company shall be prepared by the board of directors, taking into account the Company’s profitability and the supply and demand of funds. When the board of directors considers a specific proposal for cash dividends, it shall seriously study and discuss matters such as the timing, conditions and minimum percentage of cash dividends, the conditions for adjustments and the requirements of its decision-making procedures, etc. The independent non-executive directors shall review the profit distribution proposal and express their definitive opinions, and the proposal shall be submitted to the shareholders’ meeting for consideration after being approved by the board of directors.
2. Where the Company’s board of directors makes a plan not to implement profit distribution or to implement a profit distribution plan that does not include cash distribution, the board of directors shall disclose in the regular report the reasons for not implementing profit distribution or implementing a profit distribution plan that does not include cash distribution, and the independent non-executive directors shall express their independent opinions in this regard. The undistributed profits of the Company for the year will be utilised to meet the Company’s normal production and operation requirements and long-term development needs.

(3) The Company's policies for profit distribution

1. Distribution Principles: The Company implements a proactive profit distribution policy that emphasises a reasonable return on investment for shareholders and takes into account the sustainable development of the Company, and the profit distribution policy would maintain continuity and stability.
2. Distribution method: The Company may distribute profits in the form of cash, shares or a combination of cash and shares, where the conditions for cash dividends are met, cash dividends will take precedence over share dividends.
3. Distribution cycle of dividend: In principle, the Company shall distribute profits at least once a year. The board of directors of the Company may propose the Company to make interim profit distribution and special profit distribution and submit them to the shareholders' meeting of the Company for approval in the light of the Company's profitability and capital requirements.
4. Conditions for distribution of cash dividend: Where the Company has made a profit in the previous accounting year and the cumulative distributable profit was positive, the Company shall carry out distribution of cash dividends provided that the Company's capital requirements for normal production and operation are met.

The Company shall appoint one or more receiving agents in Hong Kong for the purpose of receiving dividends declared by the Company in respect of its securities listed on SEHK and other sums payable by it, and the receiving agent(s) shall hold such sums in trust for the holders of such securities pending payment to such holders.

In the case of profit distribution by means of share dividends, the board of directors of the Company shall explain the factors justifying the adoption of share dividends for profit distribution.

- (4) The Company's profit distribution policy will maintain continuity and stability, and if it is necessary to adjust the profit distribution policy as a result of significant changes in the external business environment or its own operating conditions, the adjustment shall be based on the protection of shareholders' rights and interests, and the board of directors and the audit committee of the Company shall study and discuss the matter, and shall discuss and explain the reasons for the adjustments in the proposal for the shareholders' meeting taking into account the competitive conditions of the industry, the Company's financial conditions, and the planning of the Company's capital requirements, etc.. The resolution on adjusting the profit distribution policy shall be submitted to the shareholders' meeting of the Company for approval after consideration by the board of directors and examination by the audit committee, and the independent non-executive directors shall express their independent opinions thereon, and the adjusted profit distribution policy shall not be in contravention of the relevant regulations of CSRC and the stock exchange of the places where the Company is listed.
- (5) In the event of appropriation of the Company's funds by a shareholder in violation of requirements, the Company shall deduct the cash dividends to be distributed to such shareholder to reimburse the funds appropriated by the shareholder.

## **Section 2 Internal Audit**

**Article 171** The Company shall implement an internal audit system, specifying its governance structure, scope of authority, staffing requirements, funding provisions, utilization of audit findings, and accountability.

The internal audit system of the Company shall take effect upon approval by the board of directors and be publicly disclosed, unless otherwise stipulated by the Hong Kong Listing Rules or the securities regulatory authority in the Company's place of listing.

**Article 172** The internal audit institution of the Company shall supervise and inspect matters relating to the Company's business operations, risk management, internal control, financial information and others.

The internal audit institution shall maintain independence, appoint full-time auditors, and shall not be placed under the leadership of the finance department or co-located with the finance department.

**Article 173** The internal audit institution shall be accountable to the Board of Directors.

During the supervision and inspection of the Company's business activities, risk management, internal controls, and financial information, the internal audit institution shall accept the supervision and guidance of the audit committee. If the internal audit institution discovers relevant major issues or clues, it shall report directly to the audit committee immediately.

**Article 174** The specific organization and implementation of the Company's internal control evaluation shall be the responsibility of the internal audit institution. The Company shall issue an annual internal control evaluation report based on the evaluation report and relevant materials issued by the internal audit institution and reviewed by the Audit Committee.

**Article 175** When the audit committee communicates with external audit units such as accounting firms and national audit institutions, the internal audit institution shall actively cooperate and provide necessary support and collaboration.

**Article 176** The audit committee shall participate in the evaluation of the person in charge of internal audit.

### **Section 3 Engagement of Accounting Firm**

**Article 177** The Company shall engage an independent accounting firm that complies with the relevant national regulations and the regulatory requirements of the place where the Company's shares are listed to carry out audits of accounting statements, verification of net assets and other relevant consulting services, etc., for a term of one year commencing from the conclusion of the current annual shareholders' meeting of the Company to the conclusion of the next annual shareholders' meeting of the Company, with the possibility of renewal.

**Article 178** The appointment and dismissal of the accounting firm shall be decided by the shareholders' meeting, and the board of directors shall not appoint an accounting firm before the decision is made by a shareholders' meeting.

**Article 179** The Company undertakes to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information to the accounting firm it engages, without refusal, conceal or misrepresentation.

**Article 180** The audit fees of the accounting firm shall be determined by the shareholders' meeting.

**Article 181** When the Company dismisses or does not renew the engagement of the accounting firm, the accounting firm shall be notified thirty days in advance and allowed to present its views when the shareholders' meeting of the Company carries out voting on the dismissal of such accounting firm is taken.

If the accounting firm resigns, it shall explain to the shareholders' meeting whether there are any improper circumstances in the company.

## Chapter 8 Notices and Announcements

### Section 1 Notices

- Article 182** Notices of the Company shall be given in the following forms:
- (1) by hand;
  - (2) by mail;
  - (3) by facsimile, email, text message, etc., in a way that tangibly represents the content therein;
  - (4) by way of announcement (including on the designated website and the Company's website in the manner prescribed by the stock exchange of the place where the Company's shares are listed);
  - (5) such other means stipulated by laws, administrative regulations, departmental rules, these Articles of Association and the relevant regulatory rules of the place where the Company's shares are listed.
- Article 183** Subject to the laws, administrative regulations, the listing rules of the stock exchange of the place where the Company's shares are listed and these Articles of Association, a notice given by the Company, if made by way of an announcement, shall be deemed to have been received by all persons concerned upon such announcement.
- Article 184** The notice of shareholders' meeting of the Company shall be made in the form of an announcement. The media for publication of the announcement shall be newspapers and periodicals designated for information disclosure by laws, administrative regulations, departmental rules and the listing rules of the stock exchange of the place where the Company's shares are listed.
- Article 185** A notice of the meeting of the board of directors convened by the Company shall be given to all directors by telephone, facsimile, e-mail, among other means.
- Article 186** If the notice of the Company is delivered by hand, the person to be served shall sign or affix seal on the return receipt, and the date of receipt of the person to be served shall be the date of service; if the notice of the Company is delivered by mail, the tenth working day from the date of hand over to the post office shall be the date of service; if the notice of the Company is delivered by way of announcement, the date of publication of the first instance of the announcement shall be the date of service; if the notice of the Company is delivered by telephone or fax, the date of the return receipt of the fax shall be the date of service. If the notice of the Company is delivered by e-mail, fax, telephone, WeChat or SMS, the date of dispatch shall be the date of service.

**Article 187** The accidental omission to give notice of a meeting to, or the failure to receive notice of a meeting by, any person entitled to receive the notice alone shall not invalidate the meeting and the resolutions thereat.

**Article 188** Where the relevant regulations of the securities regulatory authorities of the place where the Company's shares are listed require the Company to send, mail, distribute, issue, publish or otherwise make available the relevant documents of the Company in both English and Chinese, if the Company has made appropriate arrangements to ascertain whether its shareholders wish to receive only the English version or only the Chinese version, and to the extent permitted by and in accordance with the applicable laws and regulations, the Company may, in accordance with the shareholders' stated preference, send the English language version only or the Chinese language version only to the shareholders concerned.

**Article 189** The Company issues announcements and makes information disclosure to domestic shareholders through the information disclosure newspapers, periodicals and websites designated by laws, administrative regulations or the relevant domestic regulatory authorities. Where an announcement is to be made to H Shareholders in accordance with these Articles of Association, such announcement shall at the same time be published on the designated newspaper, magazine, website and/or the Company's website in accordance with the methodology prescribed under the Hong Kong Listing Rules. All notices or other documents that are required to be submitted to SEHK by the Company under the Hong Kong Listing Rules shall be composed in English or be accompanied by an English translation.

## **Section 2 Announcements**

**Article 190** The Company designates the information disclosure media/website approved by CSRC, the stock exchange of the place where the Company's shares are listed as the media to publish the Company's announcements and other information requiring disclosure.

## **Chapter 9 Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation**

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

**Article 191** A merger of the Company may take the form of a merger by absorption or a merger by new creation.

The absorption of one company into another is a merger by absorption and the absorbed company shall be dissolved. The merger of two or more companies to create a new company is a merger by creation and the parties to the merger shall be dissolved.

**Article 192** In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and an inventory of assets. The Company will notify its creditors within ten days, and shall make an announcement on a newspaper or National Enterprise Credit Information Publicity System within thirty days, from the date of the Company's resolution on the merger.

The creditors shall have thirty days from the date of receipt of the notice, or forty-five days from the date of announcement if they have not received the notice, to demand the Company to settle the debts or provide appropriate security.

**Article 193** When the Company merges with another company in which holds more than ninety percent of that company's shares, approval from the shareholders' meetings is not required from the merged company, but it should notify other shareholders, who have the right to require the Company to purchase their equity or shares at a reasonable price.

If the payment made by the Company for a merger does not exceed ten percent of its net assets, it may not require approval from the shareholders' meetings.

If the Company merges in accordance with the provisions of the preceding two paragraphs without the approval of the shareholders' meetings, it should be approved by the board of directors.

**Article 194** Upon merger of the Company, creditors' rights and liabilities of parties to the merger should be taken over by the continuing company or the newly established company.

**Article 195** In a division, the assets of the Company shall be split in an appropriate manner.

The Company shall prepare a balance sheet and an inventory of its property in the event of a division. The Company shall notify its creditors within ten days, and shall make an announcement on a newspaper or National Enterprise Credit Information Publicity System within thirty days, from the date of the Company's resolution on the division.

**Article 196** The debts of the Company before division shall be borne by the companies established after division jointly and severally, unless otherwise agreed in writing between the Company and the creditors before the division in respect of debt settlement.

**Article 197** When the Company reduces its registered capital, it will prepare a balance sheet and an inventory of properties.

The Company will notify its creditors within ten days, and shall make an announcement on a newspaper or National Enterprise Credit Information Publicity System within thirty days, from the date of the resolution made at the shareholders' meeting on the reduction of registered capital. Within thirty days from the date of receipt of the notice, or within forty-five days from the date of announcement if the notice is not received, creditors shall have the right to demand the Company to settle the debts or provide corresponding guarantees.

When the Company reduces its registered capital, it shall reduce its capital contribution or shares in proportion to the capital contribution or shares held by shareholders, unless otherwise provided by law or these Articles of Association.

The Company's registered capital after reduction shall not be lower than the statutory minimum amount.

**Article 198** If the Company is still in a loss position after covering losses in accordance with the provisions of paragraph 2 of Article 168 in these Articles of Association, it may reduce the registered capital to cover the losses. If the registered capital is reduced to cover the loss, the Company shall not make any distribution to the shareholders, nor shall it exempt the shareholders from the obligations to make capital contributions or pay up the amounts of shares.

Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of paragraph 2 of Article 197 in these Articles of Association shall not apply, but it shall be announced in newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the date on which the shareholders' meeting made a resolution to reduce the registered capital.

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

**Article 199** In case of reduction of registered capital in violation of the relevant provisions of laws, regulations or the Articles of Association, the shareholders shall return the funds so received, and the reduced capital contribution of the shareholders shall be restored to its original amount; in case of losses caused to the Company, the shareholders and the responsible directors and senior management shall be held liable for compensation.

## **Section 2 Dissolution and Liquidation**

**Article 200** The Company shall be dissolved for the following reasons:

- (1) the term of business provided for in these Articles of Association has expired or the occurrence of any other cause of dissolution provided for in these Articles of Association;
- (2) dissolution has been resolved by the shareholders' meeting;
- (3) dissolution is required for merger or division of the company;
- (4) having its business licence revoked, ordered to be shut down or be deregistered in accordance with the law;
- (5) where the Company has serious difficulties in its operation and management, and the continuation of the Company will cause significant losses to the interests of the shareholders, and the problem cannot be solved through other means, shareholders holding more than ten percent of the voting rights of the Company may request a People's Court to dissolve the Company.

If the Company has any cause for dissolution specified in the preceding paragraph, it shall make public the cause of dissolution through the National Enterprise Credit Information Publicity System within 10 days.

**Article 201** In case of items (1) or (2) of Article 200 of these Articles of Association, and if the Company has not yet distributed its property to its shareholders, it may survive by amending these Articles of Association or by a resolution of the shareholders' meeting.

Amendments to these Articles of Association or resolution of the shareholders' meeting in accordance with the preceding paragraph shall be approved by at least two-thirds of the votes held by the shareholders present at a meeting of the shareholders' meeting.

**Article 202** If the Company shall be dissolved pursuant to items (1), (2), (4) or (5) of paragraph 1 of Article 200 of these Articles of Association, it shall be liquidated. The directors shall be the liquidation obligors of the Company and a liquidation committee shall be established within fifteen days from the date of the occurrence of the cause of dissolution to carry out the liquidation.

The liquidation committee shall be composed of directors or persons determined by the shareholders' meeting, unless the shareholders' meeting resolves to elect another person.

If the liquidation obligor fails to fulfil its liquidation obligations in time and causes losses to the Company or creditors, it shall be liable for compensation.

Where the Company shall be liquidated in accordance with the provisions of paragraph 1 of this Article, and if the liquidation committee is not established for liquidation after the deadline, or no liquidation is carried out after the establishment of the liquidation committee, the interested parties may apply to a People's Court for appointing the relevant persons to form a liquidation committee for the purpose of liquidation.

Where the Company is dissolved as a result of the provisions of item (4) of paragraph 1 of Article 200 of these Articles of Association, the department that made the decision to revoke the business license, ordered the closure or revocation or the company registration authority may apply to a People's Court to appoint relevant persons to form a liquidation committee for liquidation.

**Article 203** During the liquidation period, the liquidation committee shall exercise the following duties and powers:

- (1) to liquidate the Company's assets and to separately prepare a balance sheet and an inventory of assets;
- (2) to notify and issue announcement to creditors;
- (3) to deal with the outstanding business of the Company in connection with its liquidation;
- (4) to settle outstanding taxes and the taxes arising from the liquidation process;
- (5) to settle claims and debts;
- (6) to distribute the remaining property of the Company after settlement of its debts;
- (7) to represent the Company in civil litigation activities.

**Article 204** The liquidation committee shall notify the creditors within ten days from the date of its establishment and shall make an announcement in designated newspapers and periodicals or on the National Enterprise Credit Information Publicity System and in the manner required by the stock exchange of the place where the shares of the Company are listed within sixty days. The creditors shall declare their claims to the liquidation committee within thirty days from the date of receipt of the notice or, if they have not received the notice, within forty-five days from the date of the announcement.

The creditors filing claims should state the relevant matters of the claim and provide supporting documents. The liquidation committee shall register creditor's rights.

During the period of filing claims, the liquidation committee shall not pay off the creditors.

**Article 205** After the liquidation committee has thoroughly examined the Company's assets and prepared a balance sheet and an inventory of assets, it shall formulate a plan of liquidation for submission to the shareholders' meeting or to the People's Court for confirmation.

The remaining property of the Company, after payment of liquidation expenses, salaries, social insurance costs and statutory compensation of employees, payment of outstanding taxes and settlement of the Company's debts respectively, shall be distributed by the Company in accordance with the class and proportion of shares held by the shareholders.

During the liquidation period, the Company shall survive but shall not carry out business activities unrelated to the liquidation.

The properties of the Company shall not be distributed to its shareholders until paid out in accordance with the provisions of the preceding paragraph.

**Article 206** Where the liquidation committee, after liquidating the Company's assets and preparing a balance sheet and an inventory of assets, finds that the Company's assets are insufficient to settle its debts, it shall legally apply to the People's Court for bankruptcy and liquidation of the Company.

After People's Court accepts the bankruptcy application, the liquidation committee shall hand over the liquidation affairs to the bankruptcy administrator appointed the People's Court.

**Article 207** Upon completion of the Company's liquidation, the liquidation committee shall prepare a liquidation report, which shall be submitted to the shareholders' meeting or the People's Court for confirmation and to the company registration authority to apply for cancellation of the Company.

**Article 208** The members of the liquidation committee shall perform their duties of liquidation and shall have the obligations of fidelity and diligence.

Members of the liquidation committee shall be liable for any loss caused to the Company as a result of their negligence in performing their liquidation duties; and shall be liable for any loss caused to the Company or creditors as a result of their wilfulness or gross negligence.

**Article 209** Where the Company has not incurred any debts during its existence, or has settled all its debts, the Company's registration may be cancelled through a simplified procedure in accordance with the provisions upon the commitment of all shareholders.

Cancellation of company registration through the simplified procedure shall be announced through the National Enterprise Credit Information Publicity System for a period of not less than 20 days. If there is no objection after the expiration of the announcement period, the Company may apply to the company registration authority for deregistration of the Company within 20 days.

If the Company deregistered through a simplified procedure, the shareholders who have made an untrue commitment to the contents specified in paragraph 1 of this Article shall be jointly and severally liable for the debts incurred before the deregistration.

**Article 210** If the Company has been revoked its business license, ordered to close down or revoked, and has not applied to the company registration authority for cancellation of the company registration for three years, the company registration authority may make an announcement through the National Enterprise Credit Information Publicity System for a period of not less than 60 days. If there is no objection after the expiration of the announcement period, the company registration authority may cancel the registration of the Company.

In case of deregistration of the Company in accordance with the provisions of the preceding paragraph, the liability of the original shareholders and liquidation obligors of the Company shall not be affected.

**Article 211** If the Company is declared bankrupt in accordance with the law, it will be liquidated in accordance with the law on corporate bankruptcy.

#### **Chapter 10 Amendment to these Articles of Association**

**Article 212** The Company shall amend these Articles of Association upon occurrence of any one of the following circumstances:

- (1) where the Company Law or relevant laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed are amended, and the matters provided for in these Articles of Association are in conflict with the provisions of the amended laws and administrative regulations;
- (2) where there has been a change in the circumstances of the Company which is inconsistent with the matters recorded in these Articles of Association;
- (3) where the shareholders' meeting has decided to amend these Articles of Association.

**Article 213** If the amendment to the Articles of Association adopted by resolution of the shareholders' meeting is subject to the approval of the competent authority, it shall be reported to the competent authority for approval; if it involves matters of company registration, the registration of the changes shall be made with the company registration authority in accordance with the law.

**Article 214** The board of directors shall amend these Articles of Association in accordance with the resolution of the shareholders' meeting to amend the Articles of Association and the approval of the relevant competent authorities.

**Article 215** Where the amendments to these Articles of Association are information required to be disclosed by laws and regulations, the relevant matters shall be announced as required.

## Chapter 11 Supplemental Provisions

### Article 216 Definitions

- (1) Controlling shareholder means shareholder whose shares account for more than 50% of the Company's total share capital, or who holds not more than 50% of the shares, but whose voting rights for the shares hold are sufficient to have significant impact on the resolution at the shareholders' meeting, or has the meaning ascribed thereto under the Hong Kong Listing Rules;
- (2) A de facto controller is a natural person, legal person or other organization who can actually control the behaviour of the Company through investment relations, agreements or other arrangements;
- (3) Related (connected) person, related (connected) relationship and related (connected) transaction shall have the meaning ascribed thereto under the Hong Kong Listing Rules.

**Article 217** The board of directors may formulate implementation rules of the Articles of Association in accordance with the provisions of these Articles of Association. The implementation rules of the Articles of Association shall not be in conflict with the provisions of these Articles of Association.

**Article 218** These Articles of Association are written in the Chinese language and in the event of any inconsistency between any other language or different version of the Articles of Association and these Articles of Association, the Chinese version of the Articles of Association as approved and registered by the market supervisory and management authorities in the place where the Company is located shall prevail.

**Article 219** All references in these Articles to "above" and "within" shall include the relevant number itself; references to "exceed", "beyond", "lower than" and "more than" shall not include the relevant number itself. All references to "RMB" in these Articles of Association are to Renminbi Yuan.

**Article 220** These Articles of Association shall be interpreted by the board of director of the Company.

**Article 221** The annexes to these Articles of Association include the rules of procedure for the shareholders' meeting and the rules of procedure for the board of directors.

**Article 222** Matters not covered in these Articles of Association shall be dealt with in accordance with laws, administrative regulations and the relevant provisions of the securities regulatory authorities in the place where the Company's shares are listed, taking into account the actual situation of the company. In the event of any conflict between these Articles of Association and the provisions of laws, administrative regulations, other relevant prescriptive documents and the listing rules of the stock exchange of the place where the Company's shares are listed as promulgated from time to time, the provisions of laws, administrative regulations, other relevant prescriptive documents and the listing rules of the stock exchange of the place where the Company's shares are listed shall prevail.

**Article 223** The Articles of Association shall come into effect on the date of their adoption by a special resolution of the shareholders' meeting of the Company or upon approval by the board of directors and/or the person(s) authorised by the board of directors pursuant to the authorisation of the shareholders' meeting. The original Articles of Association of the Company shall automatically expire upon the effective date of this Articles of Association.

Auntea Jenny (Shanghai) Industrial Co., Ltd.  
December 2025

# **Auntea Jenny (Shanghai) Industrial Co., Ltd.**

## **Rules of Procedure for the Shareholders' Meetings**

### **Chapter I General Provisions**

**Article 1** To safeguard the legitimate rights and interests of Auntea Jenny (Shanghai) Industrial Co., Ltd. (hereinafter referred to as the “Company”) and its shareholders, and to regulate the organization and conduct of the Company’s shareholders’ meetings, these Rules of Procedure are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”, and The Stock Exchange of Hong Kong Limited is referred to as “SEHK”), and other relevant laws, regulations, prescriptive documents, as well as the Articles of Association of Auntea Jenny (Shanghai) Industrial Co., Ltd. (hereinafter referred to as the “Articles of Association”).

**Article 2** These Rules of Procedure shall apply to the convening of the shareholders’ meetings by the Company. The Company shall strictly adhere to the relevant provisions of laws, administrative regulations, the listing rules of the stock exchange of the place where the shares of the Company are listed, and the Articles of Association when convening the shareholders’ meetings, ensuring that the shareholders can exercise their rights in accordance with the law.

**Article 3** The Company’s board of directors shall earnestly fulfill its duties and organize shareholders’ meetings diligently and in a timely manner. All directors of the Company shall act with due diligence to ensure the proper convening of the shareholders’ meetings and the lawful exercise of powers.

### **Chapter II General Provisions for Shareholders’ Meetings**

**Article 4** The shareholders’ meeting shall exercise its powers within the scope prescribed by the Company Law and other laws, administrative regulations, departmental rules, prescriptive documents, the listing rules of the stock exchange of the place where the shares of the Company are listed, and the Articles of Association.

**Article 5** The shareholders’ meetings are divided into the annual shareholders’ meetings and the extraordinary shareholders’ meetings. The annual shareholders’ meetings shall be convened once per fiscal year and shall be held within six months after the conclusion of the preceding fiscal year. The extraordinary shareholders’ meetings shall be convened as needed.

**Article 6**

The Company shall convene an extraordinary shareholders' meeting within two months from the occurrence of any of the following circumstances:

- (I) The number of directors is less than the minimum number prescribed by the Company Law or less than two-thirds of the number prescribed by the Articles of Association;
- (II) The Company's unrecovered losses reach one-third of its total share capital;
- (III) Upon written request by shareholders who individually or collectively hold more than 10% of the Company's total voting shares;
- (IV) When the board of directors deems it necessary;
- (V) When the audit committee proposes to convene such meeting;
- (VI) Any other circumstances stipulated by laws, administrative regulations, departmental rules, regulatory rules of the place where the shares of the Company are listed, or the Articles of Association.

**Chapter III Convening of Shareholders' Meetings****Article 7**

The board of directors shall convene the shareholders' meeting on time within the time limits specified in Articles 5 and 6 of these Rules of Procedure. If the board of directors is unable or fails to fulfill its duty to convene a shareholders' meeting, the audit committee shall promptly convene and preside over the meeting. If the audit committee fails to convene and preside over the meeting, shareholders who individually or collectively hold more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting on their own initiative.

**Article 8**

With the consent of more than half of all the independent directors, independent non-executive directors have the right to propose to the board of directors the convening of an extraordinary shareholders' meeting. In response to the independent non-executive director's proposal to convene an extraordinary shareholders' meeting, the board of directors shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association, provide a written response within 10 days upon the receipt of the proposal, indicating whether it agrees or disagrees to convene the extraordinary shareholders' meeting.

If the board of directors agrees to convene the extraordinary shareholders' meeting, it shall issue a notice within five days after the board of directors makes the resolution. If the board does not agree to convene the extraordinary shareholders' meeting, it shall state the reasons and make an announcement.

**Article 9**

If the audit committee proposes to the board of directors to convene an extraordinary shareholders' meeting, it shall submit the proposal to the board of directors in writing. The board of directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide a written response within 10 days upon the receipt of the proposal, indicating whether it agrees or disagrees to convene the extraordinary shareholders' meeting.

If the board of directors agrees to convene the extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within five days after the board of directors makes the resolution. Any changes to the original proposal in the notice shall be subject to the consent of the audit committee.

If the board of directors does not agree to convene the extraordinary shareholders' meeting, or fails to provide response within 10 days upon the receipt of the proposal, it shall be deemed that the board of directors is unable or fails to perform its duties of convening the shareholders' meeting, and the audit committee may convene and preside over the meeting on its own initiative.

**Article 10**

Shareholders who individually or collectively hold 10% or more of the total number of shares with voting rights at the proposed meeting have the right to request the board of directors to convene an extraordinary shareholders' meeting and to include a proposal on the meeting agenda. Such request shall be made to the board of directors in writing. The board of directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, decide whether to convene the extraordinary shareholders' meeting within 10 days upon the receipt of the request and shall respond to the shareholder in writing.

If the board of directors agrees to convene the extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within five days after the board of directors makes the resolution. Any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders.

If the board of directors does not agree to convene the extraordinary shareholders' meeting, or fails to respond within 10 days upon the receipt of the request, shareholders who individually or collectively hold 10% or more of the shares of the Company have the right to propose to the audit committee to convene an extraordinary shareholders' meeting and to include a proposal on the meeting agenda. Such proposals shall be submitted to the audit committee in writing. The audit committee shall decide whether or not to convene the extraordinary shareholders' meeting within 10 days upon the receipt of the request and provide a written response to the shareholders.

If the audit committee agrees to convene the extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within five days upon the receipt of the request. Any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the audit committee fails to issue a notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the audit committee fails to convene and preside over the shareholders' meeting. Shareholders who individually or collectively hold 10% or more of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting on their own initiative.

If shareholders who individually or collectively hold 10% or more of the shares with voting rights at the proposed meeting decide to convene an extraordinary shareholders' meeting, they shall notify the board of directors in writing, and the notice of the meeting issued shall comply with the provisions of the Articles of Association.

If shareholders who individually or collectively hold 10% or more of the shares with voting rights at the proposed meeting convene and hold a meeting on their own initiative because the board of directors fails to convene a meeting in response to the above-mentioned request, the reasonable expenses incurred shall be borne by the Company and deducted from the amount owed by the Company to the negligent directors.

**Article 11** If the audit committee or shareholders decide to convene a shareholders' meeting on their own initiative, they shall notify the board of directors in writing and, at the same time, file a record with the stock exchange of the place where the shares of the Company are listed (if necessary) in accordance with relevant laws and regulations and the requirements of the Hong Kong Listing Rules.

Before the resolution of the shareholders' meeting is announced, the shareholding ratio of the convening shareholders shall not be less than 10%.

The audit committee and the convening shareholders shall, when issuing the notice of the shareholders' meetings and publishing the announcement of the resolutions of the shareholders' meetings, submit relevant supporting documents to the stock exchange of the place where the shares of the Company are listed (if necessary) in accordance with relevant laws and regulations and the Hong Kong Listing Rules.

**Article 12** The board of directors and the board secretary will cooperate with any shareholders' meeting convened by the audit committee or the shareholders on their own initiative. The board of directors will provide the register of members as at the shareholding record date.

**Article 13** The expenses necessary for the shareholders' meeting convened by the audit committee or the shareholders on their own initiative shall be borne by the Company and deducted from the amount owed by the Company to the negligent directors.

#### **Chapter IV Proposals and Notices of Shareholders' Meeting**

**Article 14** The content of proposals shall fall within the scope of authority of the shareholders' meeting, have clear agenda items and specific resolutions, and comply with the relevant provisions of laws, administrative regulations, and the Articles of Association.

**Article 15** When the Company convenes a shareholders' meeting, the board of directors, the audit committee, and the shareholders who individually or collectively hold more than 1% of the total shares of the Company have the right to submit proposals to the Company in writing.

Shareholders who individually or collectively hold more than 1% of the total shares of the Company may submit an ad hoc proposal in writing to the Company and submit it to the convener in writing 10 days before the shareholders' meeting. The convener shall, within two days upon the receipt of the proposal, issue a supplementary notice of the shareholders' meeting, announcing the content of the ad hoc proposal, and submit it to the shareholders' meeting for consideration, unless the ad hoc proposal violates laws, administrative regulations, or the provisions of the Articles of Association, or falls outside the scope of the shareholders' meeting's authority. The Company shall not increase the shareholding ratio of shareholders for submitting ad hoc proposals.

Except as provided in the preceding paragraph, the convener shall not modify the proposals listed in the notice of the shareholders' meeting or add new proposals after issuing the announcement of the notice of the shareholders' meeting.

The shareholders' meeting shall not vote on and make resolutions on proposals that are not listed in the notice of the shareholders' meeting or do not comply with Article 14 of these Rules of Procedure.

**Article 16** When the Company convenes an annual shareholders' meeting, the convener shall notify all shareholders at least 21 days prior to the meeting by public announcement; for an extraordinary shareholders' meeting, notice shall be given to all shareholders 15 days prior to the meeting. The aforementioned time limits do not include the day of the meeting, but include the day the notice is issued. Where laws, regulations, or the securities regulatory authority in the place where the shares of the Company are listed stipulate otherwise, those stipulations shall prevail.

- Article 17** The notice of the shareholders' meeting shall contain the following:
- (I) The time, venue and duration of the meeting;
  - (II) The matters and proposals submitted for consideration at the meeting;
  - (III) A clear statement in writing that all ordinary shareholders (including preferred shareholders whose voting rights have been restored) have the right to attend the shareholders' meeting and may appoint proxy in writing to attend the meeting and vote. Such proxy is not required to be a shareholder of the Company;
  - (IV) The shareholding record date for shareholders entitled to attend the shareholders' meeting;
  - (V) Name and telephone number of the standing contact person for the meeting affairs;
  - (VI) The voting time and procedures, whether voting online or by other means;
  - (VII) Other requirements prescribed by laws, administrative regulations, departmental rules, the rules governing the securities of the place where the shares of the Company are listed, and the Articles of Association.

**Article 18** The notice and supplementary notice of the shareholders' meeting shall fully and completely disclose the detailed contents of all proposals.

**Article 19** Where a shareholders' meeting intends to discuss the election of directors, the notice of the shareholders' meeting shall fully disclose the detailed information of the candidates for directors, including at least the following:

- (I) Personal information such as educational background, work experience, and part-time jobs;
- (II) Whether there is any related (connected) party relationship with the Company or its controlling shareholder or actual controller;
- (III) The number of shares held in the Company;
- (IV) Whether they have been subject to the penalties imposed by CSRC or other relevant authorities, or disciplinary actions imposed by stock exchanges;
- (V) Information required to be disclosed regarding newly appointed, re-elected, or transferred directors as required by the rules governing securities of the place where the shares of the Company are listed.

Except for the election of directors by cumulative voting, each candidate for director shall be proposed in a single proposal.

**Article 20** The notice of the shareholders' meeting shall specify the time and venue of the meeting and determine the shareholding record date. The interval between the shareholding record date and the date of the meeting shall not exceed seven business days. Once the shareholding record date is confirmed, it shall not be changed.

**Article 21** After the notice of the shareholders' meeting is issued, the shareholders' meeting shall not be postponed or cancelled without justifiable reasons, and the proposals listed in the notice shall not be cancelled. In the event of postponement or cancellation, the Company or the convener shall explain the reasons in accordance with laws, regulations, and the securities regulatory rules of the place where the shares of the Company are listed. If the shareholders' meeting is postponed, the notice shall announce the new date of the meeting.

### **Chapter V Holding of Shareholders' Meetings**

**Article 22** The Company's board of directors and other conveners shall take necessary measures to ensure the normal order of the shareholders' meeting. Measures shall be taken to stop any acts that disrupt the shareholders' meeting, cause disturbances, or infringe upon the lawful rights and interests of the shareholders, and such acts shall be promptly reported to the relevant authorities for investigation and handling.

**Article 23** The Company shall convene the shareholders' meeting at its domicile or at the location specified in the Articles of Association. In addition to in-person voting at the shareholders' meeting, the company may provide shareholders with online voting or other methods of voting to facilitate their participation. Shareholders participating through the above methods shall be deemed present and shareholders may cast votes electronically. Once the notice of the shareholders' meeting is issued, the venue for the on-site meeting shall not be changed without justifiable reasons.

Shareholders may attend the meeting and exercise their voting rights in person, or may appoint proxy to attend and exercise voting rights within the scope of authorization, and the proxy need not being a shareholder of the Company.

**Article 24** When the shareholders' meeting deliberates on major matters affecting the interests of small and medium-sized investors, the votes of such small and medium-sized investors shall be counted separately. The results of the separate vote count shall be publicly disclosed in a timely manner.

The Company's board of directors, independent non-executive directors, shareholders holding more than 1% of voting shares, or investor protection institutions established in accordance with laws, administrative regulations, or the provisions of the securities regulatory authority under the State Council (hereinafter referred to as "Investor Protection Institutions") may act as soliciting personnel, who may, either independently or by entrusting securities companies or securities service institutions, publicly request the shareholders of the Company to entrust them to attend the shareholders' meeting on their behalf and exercise shareholders' rights such as the right to propose and the right to vote.

Where the shareholder rights are solicited pursuant to the preceding paragraph, the soliciting personnel shall disclose the solicitation documents, and the Company shall cooperate accordingly. Public solicitation of shareholders' rights through remuneration or disguised remuneration is prohibited.

The term "major matters affecting the interests of small and medium-sized investors" as used in this Article refers to profit distribution, adjustments to profit distribution policies, mergers and divisions of the Company, and matters requiring independent opinions from the Company's independent non-executive directors.

## **Article 25**

All shareholders whose names appear on the register of members on the shareholding record date or their proxies shall have the right to attend the shareholders' meetings and to speak at the shareholders' meetings and to exercise their voting rights in accordance with relevant laws, regulations, the listing rules of the stock exchange of the place where the shares of the Company are listed and the Articles of Association (unless they waive their voting rights in respect of specific matters in accordance with relevant regulations, such as where the shareholder holds a material interest in a particular transaction or arrangement being voted on).

Any shareholder who is entitled to attend and vote at a shareholders' meeting may attend the meeting in person or authorize one or more persons (who may not be shareholders) to act as their proxy to attend and vote on their behalf. The proxy may exercise the following rights in accordance with the shareholder's authorization:

- (I) The shareholder's right to speak at the shareholders' meetings;
- (II) To request a vote, either individually or jointly with others;
- (III) To exercise voting rights by raising hands or by voting; however, if more than one proxies have been appointed, such proxies may only exercise voting rights by voting.

If a shareholder is a recognized clearing house or its agent as defined by the relevant laws and regulations of the place where the shares of the Company are listed, the shareholder may authorize one or more persons it deems appropriate to represent it at any shareholders' meeting; however, if more than one person is authorized, the power of attorney shall specify the number and the type of the shares for which each person is authorized and must be signed by an authorized officer of the recognized clearing house. Such authorized persons may attend meetings on behalf of the recognized clearing house (or its agent) (without presenting share certificates, notarized authorization and/or further evidence of formal authorization) and exercise the same statutory rights as other shareholders, as if such persons were individual shareholders of the Company.

If an individual shareholder attends the meeting in person, he/she shall present his/her ID card or other valid documents or certificates that can prove his/her identity; if one attends the meeting on another person's behalf, he/she shall present his/her valid ID card and a written power of attorney issued by the legal representative of the legal person shareholder in accordance with laws or a form of proxy.

Legal person shareholders should be represented at meetings by their legal representative or an agent authorized by the legal representative. If a legal representative attends the meeting, he/she shall present his/her ID card and a valid certificate proving his/her qualifications as a legal representative. If an agent attends the meeting, the agent shall present his/her ID card and a written power of attorney issued by the legal representative of the legal person shareholder in accordance with laws. If a legal person shareholder has appointed a representative to attend any meeting, it shall be deemed to be present in person. (Unless the shareholder is a recognized clearing house (or its agent) as defined in the relevant regulations from time to time in Hong Kong).

#### **Article 26**

Shareholders shall appoint proxies in writing, signed by the appointing shareholder or by an agent authorized in writing by the appointing shareholder. Where the appointing shareholder is a legal person, the authorization shall bear the legal entity's seal or be signed by its director or duly appointed agent.

A written power of attorney issued by a shareholder to authorize another person to attend the shareholders' meeting shall specify the following:

- (I) The name of the appointing shareholder and the class and number of shares held in the Company;
- (II) The name of the proxy;
- (III) The specific instructions from the shareholder, including instructions on whether to vote for, against, or abstain on each proposal on the agenda of the shareholders' meeting;

- (IV) The date of issuance and validity period of the power of attorney;
- (V) The signature (or seal) of the appointing shareholder. If the appointing shareholder is a legal person shareholder, the document shall be affixed with the seal of the legal person, or signed by its director or duly appointed agent.

**Article 27** Any form of proxy issued by the Company's board of directors to the shareholders for appointing proxies shall allow the shareholders to freely choose whether to instruct the proxy to vote in favor or against, and to provide separate instructions for each proposal to be voted at the meeting.

The proxy form shall specify whether the proxy may vote at its own discretion if the shareholder fails to provide instructions.

**Article 28** The form of proxy for voting shall be made available at the Company's domicile or at any other location specified in the notice convening the meeting at least 24 hours before the commencement of the meeting for which the authorization is given, or at least 24 hours before the designated voting time. Where the power of attorney is signed by an agent authorized by the appointing shareholder, the power of attorney or other authorization document shall be notarized. The notarized power of attorney or other authorization document shall be made available at the Company's domicile or at any other location specified in the notice convening the meeting, concurrently with the form of proxy.

Where the appointing shareholder is a legal person, its legal representative or a person authorized by a resolution of its board of directors or other decision-making body shall attend the Company's shareholders' meeting as its representative.

**Article 29** If, prior to voting, the appointing shareholder has died, lost capacity, revoked the authorization, withdrawn the signature authorizing the proxy, or the relevant shares have been transferred, the votes cast by the proxy pursuant to the form of proxy shall remain valid provided the Company has not received the written notice of such matters before the commencement of the relevant meeting.

**Article 30** The Company shall be responsible for preparing a meeting registration book for all attendees. The meeting registration book shall include the names (or corporate names) of the attendees, their ID numbers or unified social credit codes, the number of voting shares held or represented, and the names (or corporate names) of the principal, among other matters.

**Article 31** The convener and the lawyer engaged by the Company will jointly verify the legitimacy of the shareholders' qualifications based on the shareholder register provided by the securities registration and clearing institution, and record the names (or corporate names) of the shareholders and the number of voting shares held by them. Registration for the meeting shall be closed before the chair of the meeting announces the number of shareholders and proxies present at the meeting and the total number of voting shares held.

- Article 32** If the shareholders' meeting requires the directors and the senior management to be present at the meeting, the directors and the senior management shall attend the meeting and accept the inquiries from the shareholders.
- Article 33** The shareholders' meetings shall be presided over by the chairman of the board. When the chairman is unable or fails to perform his/her duties, a director shall be elected jointly by more than half of the directors to preside over the meeting.
- A shareholders' meetings convened by the audit committee on its own initiative shall be presided over by the convener of the audit committee. If the convener of the audit committee is unable or fails to perform his/her duties, a member of the audit committee shall be elected jointly by more than half of the members of the audit committee to preside over the meeting.
- A shareholders' meeting convened by shareholders on their own initiative shall be presided over by the convener or a representative elected by the convener.
- When holding a shareholders' meeting, if the chair of the meeting violates these Rules of Procedure and makes it impossible for the shareholders' meeting to continue, the shareholders' meeting may elect one person to serve as the chair of the meeting and continue the meeting with the consent of more than half of the shareholders present at the shareholders' meeting with voting rights.
- Article 34** At the annual shareholders' meeting, the board of directors shall report to the shareholders' meeting on its work in the past year, and each independent non-executive director shall also make a report on his/her work.
- Article 35** Directors and senior management shall provide explanations and clarifications at the shareholders' meeting in response to the shareholders' inquiries.
- Article 36** Before voting, the chair of the meeting shall announce the number of shareholders and proxies present at the meeting and the total number of voting shares held by them. The number of shareholders and proxies present at the meeting and the total number of voting shares shall be determined based on the meeting registration.
- Article 37** The convener shall ensure the shareholders' meeting continues until a final resolution is reached. Should the meeting be suspended or should it fail to adopt resolutions due to force majeure or other exceptional circumstances, necessary measures shall be taken to reconvene the meeting promptly or terminate the session outright, with timely public notice. Concurrently, the convener shall report to the stock exchange of the place where the shares of the Company are listed.

## **Chapter VI Voting and Resolutions at Shareholders' Meetings**

**Article 38** Resolutions of the shareholders' meeting are divided into ordinary resolutions and special resolutions.

An ordinary resolution of the shareholders' meeting shall be approved by a majority of the voting rights held by the shareholders present at the meeting.

A special resolutions of the shareholders' meeting shall be approved by a vote of two-thirds or more of the voting rights held by the shareholders present at the meeting.

**Article 39** The following matters shall be approved by an ordinary resolution of the shareholders' meeting:

- (I) Work reports of the board of directors;
- (II) Profit distribution plans and loss recovery plans formulated by the board of directors;
- (III) Appointment and removal of members of the board of directors who are not employee representatives (before the expiration of his/her term, but such removal shall not affect the director's claim for damages under any contract), their remuneration, and the method of payment;
- (IV) The Company's annual report;
- (V) The appointment and dismissal of the accounting firm that provides regular audit services to the Company, and the determination of its remuneration;
- (VI) Other matters except those must be approved by special resolutions as required by laws, administrative regulations, the listing rules of the stock exchange of the place where the shares of the Company are listed, or the Articles of Association.

**Article 40** The following matters shall be approved by a special resolution of the shareholders' meeting:

- (I) Increase or decrease of the Company's registered capital;
- (II) The division, merger, dissolution, and liquidation of the Company;
- (III) Amendments to the Articles of Association;
- (IV) Purchasing, selling major assets, or providing guarantees to others within one year where the amount exceeds 30% of the Company's most recent audited total assets;

- (V) Share incentive schemes;
- (VI) Matters stipulated by laws, administrative regulations, departmental rules, listing rules of the stock exchange of the place where the shares of the Company are listed, or the Articles of Association; and other matters requiring approval by a special resolution whose determination by the shareholders' meeting through an ordinary resolution will have a significant impact on the Company.

**Article 41** Shareholders (including proxies) shall exercise voting rights in proportion to the number of voting shares they represent, with each share carrying one vote. When voting, shareholders (including proxies) holding two or more votes need not cast all votes in favor, against, or abstain.

Shares held by the Company in its own name shall not carry voting rights, and such shares shall not be counted toward the total number of voting shares present at the shareholders' meeting.

Where laws, administrative regulations, departmental rules, or securities regulatory rules of the place where the shares of the Company are listed require a shareholder to abstain from exercising any voting rights on a particular resolution, or to waive voting rights, or to restrict voting only for or against, any votes cast by such shareholder or his/her/its proxy in violation of the aforementioned requirements or restrictions shall not be counted in the voting results.

The Company's board of directors, independent non-executive directors, shareholders holding more than 1% of voting shares, or Investor Protection Institutions established in accordance with laws, administrative regulations, or CSRC rules may publicly solicit shareholder votes. Such solicitations shall fully disclose specific voting intentions and related information to the solicited shareholders. Soliciting shareholder votes through compensation or disguised compensation is prohibited. Except under statutory conditions, the Company shall not impose minimum shareholding thresholds for voting rights solicitations.

**Article 42** Shares held by the Company in its own name shall not carry voting rights. Such shares shall not be counted toward the total number of voting shares present at shareholders' meetings and shall not be deposited in the Central Clearing and Settlement System. When the shareholders' meeting considers related party (connected) transactions, related party (connected) shareholders and their close associates (as defined in the Hong Kong Listing Rules) shall not participate in the voting. The number of shares with voting rights represented by such shareholders shall not be counted in the total valid votes. The announcement of the resolution of the shareholders' meeting shall fully disclose the voting results of shareholders who are not related party (connected) shareholders and other information required by the securities regulatory rules of the place where the shares of the Company are listed.

The recusal and voting procedures for related party (connected) shareholders during the shareholders' meeting review of related (connected) transactions are as follows: prior to the shareholders' meeting consideration of related party (connected) transactions, related party (connected) shareholders shall recuse themselves. If a related party (connected) shareholder fails to recuse themselves, any other shareholder or shareholder proxy attending the meeting may request the related party (connected) shareholder to recuse. If other shareholders or shareholder proxies request recusal, the shareholder subject to the request who believes he/she/it falls outside the scope of recusal shall explain to the shareholders' meeting. If the explanation fails to persuade the requesting shareholder or shareholder proxy, the shareholders' meeting shall record both the dispute over whether the shareholder is a related party (connected) shareholder and the differing outcomes resulting from the shareholder's participation or non-participation in the relevant resolution vote. Following the shareholders' meeting, the board of directors shall submit the matter to the competent authority for determination of the shareholder's status, after which the final voting result shall be confirmed and notified to all shareholders. Exceptions may be made in special circumstances where exemption from recusal is approved by the competent authority.

After the recusal of related party (connected) persons, other shareholders shall vote based on their voting rights and pass corresponding resolutions in accordance with the Articles of Association. The meeting chair shall announce the number of shareholders and proxies present at the meeting (excluding related party (connected) persons) and the total number of shares represented by their voting rights.

Ordinary resolutions concerning related party (connected) transactions shall be adopted by a majority of the voting shares held by shareholders who are not related party (connected) shareholders present at the shareholders' meeting. Special resolutions concerning such transactions shall be adopted by at least two-thirds of the voting shares held by shareholders who are not related party (connected) shareholders present at the shareholders' meeting.

If a related party (connected person) or its close associate violates the provisions of this Article by participating in the voting, their votes on matters related to the related party (connected) transaction shall be invalid.

**Article 43** The Company shall, while ensuring the legality and validity of shareholders' meetings, prioritize providing modern information technology tools such as online voting platforms through various means and channels to facilitate participation in shareholders' meetings by all shareholders, including small and medium-sized investors.

**Article 44** Except in special circumstances such as corporate crises, the Company shall not enter into contracts with persons other than directors and senior management to entrust them with the management of all or significant business operations of the Company, unless approved by a special resolution of the shareholders' meeting.

**Article 45**

The list of candidates for directors shall be submitted to the shareholders' meeting for voting in the form of a proposal.

- (I) The method and procedures for nominating candidates for directors of the Company are as follows:

The director candidates of the Company are nominated by the Company's board of directors or shareholders who individually or collectively hold more than 1% of the shares of the Company.

The number of director candidates nominated by each proposer shall not exceed the number of directors to be elected at this shareholders' meeting.

The nominator of a director must obtain the nominee's consent before making a nomination. The nominator should fully understand the nominee's occupation, academic qualifications, professional title, detailed work experience, any part-time positions, and other circumstances. Before the convener issues a notice convening a shareholders' meeting, the director candidate must make a written commitment agreeing to accept the nomination and disclose their detailed personal information, promising that the information disclosed is true and complete, and guaranteeing that they will faithfully perform their duties as a director if elected.

- (II) Shareholders, the Company's board of directors who propose candidates for directors shall submit a list of candidates for directors and their resumes and basic information in writing before the shareholders' meeting. The convener of the shareholders' meeting shall include the list of candidates for directors and their resumes and basic information that comply with the Company Law, the Articles of Association and the rules governing the securities of the place where the share of the Company are listed in the election agenda of the shareholders' meeting and submit it to the shareholders' meeting for resolution.
- (III) Cumulative voting shall be used when directors are elected at a shareholders' meeting.

Cumulative voting shall be used when two or more independent directors are elected at a shareholders' meeting.

The specific method of using the cumulative voting system is as follows:

**1. Method for calculating cumulative voting votes**

- (1) The number of voting shares held by each shareholder multiplied by the number of directors to be elected at the shareholders' meeting is the cumulative voting votes of that shareholder in this vote.
- (2) When a shareholders' meeting holds multiple rounds of elections, the cumulative number of shareholder votes shall be recalculated based on the number of directors elected in each round.
- (3) If any shareholder or scrutineer of the shareholders' meeting objects to the announced results, a verification shall be carried out immediately.

**2. Voting method**

Each shareholder may, in accordance with his or her own wishes (the proxy shall comply with the instructions in the power of attorney of the principal), cast his/her cumulative votes separately or in full for any candidate for director. If a shareholder votes for more than two candidates for director, he/she does not have to distribute the votes equally, but the sum of his/her separate votes can only be equal to or less than his/her cumulative votes, otherwise his/her vote will be invalid.

After the voting is over, the elected directors will be determined in descending order based on the number of votes each candidate received and the number of directors to be elected. However, the votes received by the director candidates must also exceed more than half of the voting rights held by the shareholders (including proxies thereof) attending the shareholders' meeting in order to be elected.

**3. The directors elected shall be determined in descending order of votes. If the number of directors to be elected cannot be reached, the following situations shall apply:**

- (1) If the number of elected directors is less than the number of directors to be elected, the elected directors shall be automatically elected. The remaining candidates shall be re-elected by the shareholders' meeting and the elected directors shall be determined in accordance with the above provisions.

- (2) If the statutory minimum number of directors cannot be reached after three rounds of elections at the shareholders' meeting, the incumbent directors cannot leave their positions, and the board of directors should meet within 15 days, convene the shareholders' meeting again and re-elect candidates for the vacant directors. The newly elected directors elected at the previous shareholders' meeting shall remain valid, but their term of office shall be postponed until the number of newly elected directors reaches the statutory minimum number of directors.

**Article 46** Except for cumulative voting, the shareholders' meeting shall vote on all proposals item by item. Where different proposals concern the same matter, they shall be voted on in the order they were submitted. Unless the meeting is adjourned or unable to pass resolutions due to force majeure or other exceptional circumstances, the shareholders' meeting shall not defer or fail to vote on any proposal.

**Article 47** When a proposal is considered on a shareholders' meeting, it shall not be modified. If changed, it shall be regarded as a new proposal and cannot be voted on at this shareholders' meeting.

**Article 48** Each voting right may only be exercised through one method: in-person, online, or other designated means. In cases of duplicate voting for the same voting right, the result of the first vote shall prevail.

**Article 49** If a matter requiring a vote concerns the election of a meeting chair or the adjournment of the meeting, a vote shall be taken immediately. For other matters requiring a vote, the meeting chair shall determine when the vote shall be taken. The meeting may continue to discuss other matters, and the vote result shall still be deemed a resolution passed at that meeting.

**Article 50** When voting, shareholders (including proxies thereof) with two or more votes are not required to cast all their votes for or against.

**Article 51** Before a shareholders' meeting votes on a proposal, two shareholder representatives shall be elected to participate in the counting and monitoring of votes. If any shareholder is related to the matter to be discussed, the relevant shareholder and his/her proxy shall not participate in the counting and monitoring of votes.

When a shareholders' meeting votes on a proposal, the lawyer (if any), shareholder representatives and other relevant persons appointed in accordance with the rules governing the securities of the place where the shares of the Company are listed shall be jointly responsible for counting and monitoring the votes in accordance with the aforementioned rules, and the voting results shall be announced on the spot. The voting results of the resolution shall be recorded in the minutes of the meeting.

Shareholders of listed companies or their proxies who vote online or through other means have the right to check their voting results through the corresponding voting system.

**Article 52** The on-site shareholders' meeting shall not conclude earlier than the online or other voting methods. The meeting chair shall announce the voting status and results for each proposal, determine whether the proposal is adopted based on the voting status and results, and such decision is final and conclusive, which shall be announced at the meeting and recorded in the minutes.

Prior to the formal announcement of the voting results, all relevant parties involved in the on-site meeting, online voting, and other voting methods, including the listed company, vote counters, vote scrutineers, major shareholders and online service providers, shall bear a duty of confidentiality regarding the voting situation.

**Article 53** Shareholders attending the shareholders' meeting shall express one of the following opinions on the proposals submitted for voting: for, against or abstention. This requirement does not apply to declarations made by the securities depository and clearing institution acting as the nominee holder for stocks under the Mainland-Hong Kong Stock Connect mechanism, or by a recognized clearing house or its agent acting as nominee holder as defined under relevant ordinances of the law of Hong Kong in effect from time to time, when such declarations reflect the actual holder's intent.

Voting ballots that are blank, incorrectly filled out, illegible, or not cast shall be deemed as the voter waiving their voting rights, and the voting results for such shares held shall be counted as "abstentions".

Where laws, administrative regulations, departmental rules or securities regulatory rules of the place where the Company's shares are listed stipulate that any shareholder shall not exercise voting rights or must abstain from voting on a particular resolution, or restrict any shareholder to voting only for (or against) a particular resolution, any votes cast by such shareholders or their proxies in violation of such provisions or restrictions shall not be counted.

**Article 54** If the meeting chair has any doubts regarding the results of a resolution submitted for voting, he/she may organize a recount of the votes cast. If the meeting chair does not conduct a vote count, any shareholder or proxies present at the meeting who objects to the announced results by the meeting chair has the right to immediately request a recount after the results are announced. The meeting chair shall promptly organize the vote count.

- Article 55** Resolutions of the shareholders' meeting shall be announced in a timely manner. The announcement shall specify the number of shareholders and proxies present, the total number of shares with voting rights held and their proportion of the Company's total shares with voting rights, the voting method, the voting results for each proposal, the detailed content of each resolution passed, and other information required by the securities regulatory rules of the place where the stock of the Company are listed.
- Article 56** Where a proposal is not adopted, or where the current shareholders' meeting amends a resolution of a previous shareholders' meeting, a special note shall be made in the announcement of the resolution of the shareholders' meeting.
- Article 57** Where the shareholders' meeting passes proposals concerning the election of directors, the term of office of the newly elected directors shall commence from the date of adoption of the shareholders' meeting resolution or the effective date of appointment specified in such resolution.
- Article 58** Where the shareholders' meeting passes a proposal concerning cash dividends, bonus shares, or capitalization of capital reserves, the Company shall implement the specific plan within two months after the conclusion of the shareholders' meeting.
- Article 59** Resolutions of the shareholders' meeting that violate laws or regulations shall be invalid.
- Article 60** Controlling shareholders and actual controllers of the Company shall not restrict or obstruct small and medium-sized investors from exercising their voting rights in accordance with laws, nor shall they harm the lawful rights and interests of the Company and the small and medium-sized investors.
- Article 61** Where the procedures for convening a shareholders' meeting or the voting methods violate laws, regulations, or the Articles of Association, or the content of resolutions violates the Articles of Association, the shareholders may request a People's Court to revoke such resolutions within 60 days from the date of their adoption.

## **Chapter VII Minutes of Shareholders' Meetings**

- Article 62** The secretary to the board of directors shall be responsible for the minutes of the shareholders' meeting, which shall record the following:
- (I) The date, venue, agenda, and name or corporate name of the convener;
  - (II) The name of the meeting chair and the names of directors and senior management present at the meeting;
  - (III) The number of shareholders and proxies present, the total number of shares with voting rights held, and the proportion of the Company's total shares;

- (IV) The deliberation process, key points of discussion, and voting results for each proposal;
- (V) Shareholders' inquiries or suggestions and corresponding responses or explanations;
- (VI) Names of the lawyers, vote counters and vote scrutineers;
- (VII) Other matters required to be included in the meeting minutes as stipulated in the Articles of Association.

The directors present at or attending the meeting, secretary to the board of directors, convener or his/her representatives, and the meeting chair shall sign the minutes and guarantee their truthfulness, accuracy, and completeness. The minutes shall be kept together with the signature register of shareholders present, the power of attorney for proxy attendance, and valid records of voting conducted via online or other means, for a period of no less than 10 years.

### **Chapter VIII Discipline of Shareholders' Meeting**

**Article 63** Shareholders of the Company who have completed the registration procedures or their authorized proxies, directors, senior management, as well as guests and reporters invited by the board of directors may attend the shareholders' meeting. Other persons are not allowed to enter the venue, and for those who has already entered the meeting, the meeting chair may ask them to leave.

**Article 64** The meeting chair may request the following persons to leave the venue of the meeting:

- (I) Persons ineligible to attend the meeting;
- (II) Those disrupting the meeting order;
- (III) Those dressed inappropriately or in a manner offensive to public decency;
- (IV) Those carrying pets or other dangerous items;
- (V) Other circumstances requiring removal.

If any of the above individuals refuse to comply with an order to leave, the meeting chair shall take necessary measures to remove them.

**Article 65** During the deliberation of proposals, only shareholders or proxies have the right to speak. Other attendees may not ask questions or make statements. Shareholders wishing to speak must first raise their hand for permission. Upon approval of the meeting chair, they may speak either at their seat or at the designated speaking podium.

When multiple shareholders raise their hands to speak, the meeting chair shall designate the speaker.

The meeting chair shall determine the speaking time and number of speaking opportunities for each participant based on specific circumstances. Shareholders shall not be interrupted during their allotted speaking period to ensure they have full opportunity to express their views.

The meeting chair may stop any shareholder who violates the provisions of the preceding three paragraphs.

Directors and senior management of the Company attending the meeting may speak with the approval of the meeting chair.

**Article 66** The speaking shareholders or proxies shall first identify themselves as shareholders, state the entity they represent, and disclose their shareholding quantity before presenting their views.

**Article 67** The Company shall adhere to the principle of simplicity and frugality when convening the shareholder's meetings, and shall not provide any additional economic benefits to attending shareholders (or their proxies).

## **Chapter IX Supplementary Provisions**

**Article 68** Unless otherwise specified, the terms used in these Rules of Procedure shall have the same meanings as those defined in the Articles of Association.

**Article 69** The terms "more than" and "within" in these Rules of Procedure shall include the specified number; the terms "exceed", "below" and "more than" shall exclude the specified number.

**Article 70** Matters not covered in these Rules of Procedure shall be governed by the relevant national laws and regulations, the listing rules of the stock exchange of the place where the shares of the Company are listed, and the provisions of the Articles of Association. Should any provision of these Rules of Procedure conflicts with laws and regulations, listing rules of the stock exchange of the place where the shares of the Company are listed, or the Articles of Association, as amended from time to time, the relevant national laws and regulations, the listing rules of the stock exchange of the place where the shares of the Company are listed, and the provisions of the Articles of Association shall prevail, and such conflicting provisions shall be immediately revised through a proposal of the board of directors, which is to be submitted to the shareholders' meeting for approval.

- Article 71** These Rules of Procedure are reviewed and approved by the shareholders' meeting and shall take effect on the date of the Company's initial public offering of H shares and listing on SEHK.
- Article 72** The board of directors is authorized by the shareholders' meeting to interpret these Rules of Procedure.
- Article 73** Amendments to these Rules of Procedure shall be proposed by the board of directors and approved by the shareholders' meeting.

Auntea Jenny (Shanghai) Industrial Co., Ltd.

# **Auntea Jenny (Shanghai) Industrial Co., Ltd.**

## **Rules of Procedure for the Board of Directors**

### **Chapter I General Provisions**

**Article 1** To standardize the deliberation methods and decision-making procedures of the board of directors of Auntea Jenny (Shanghai) Industrial Co., Ltd. (hereinafter referred to as the “Company”), ensure the lawful exercise of rights, fulfillment of duties, and assumption of obligations by the Company’s board of directors, and enhance the standardized operation and scientific decision-making level of the board of directors, these Rules of Procedure are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”, and The Stock Exchange of Hong Kong Limited is referred to as “SEHK”), and other relevant laws, regulations, prescriptive documents, and the Articles of Association of Auntea Jenny (Shanghai) Industrial Co., Ltd. (hereinafter referred to as the “Articles of Association”).

**Article 2** The Company shall establish a board of directors in accordance with laws. The board of directors shall exercise its powers in accordance with the Company Law and other relevant laws and regulations, the listing rules of the stock exchange of the place where the shares of the Company are listed, and the provisions of the Articles of Association, and shall be accountable to the shareholders’ meeting.

### **Chapter II Composition and Powers of Board of Directors**

**Article 3** The Company shall establish a board of directors, which shall consist of seven directors, including one employee representative director and three independent non-executive directors, one of whom shall possess appropriate accounting or relevant financial management expertise, or appropriate professional qualifications as required by the stock exchange of the place where the shares of the Company are listed. The board of directors shall have one chairman. Directors are divided into executive directors, non-executive directors and independent non-executive directors. Where the Articles of Association do not stipulate matters concerning the independent non-executive director system, such matters shall be handled in accordance with the relevant provisions of laws, administrative regulations, and the listing rules of the stock exchange of the place where the shares of the Company are listed.

Employee representative directors shall directly enter the board of directors after being democratically elected by the Company's employees through the workers' congress. The employee representative director shall meet the following conditions:

- (1) Maintain labour relationship with the Company;
- (2) Be capable of representing and reflecting the reasonable demands of employees, safeguarding the legitimate rights and interests of both the employees and the Company, and enjoy the trust and support of the workforce;
- (3) Be familiar with the Company's operations and management or possess relevant work experience, have a thorough understanding of labor laws and regulations, and demonstrate strong coordination and communication skills;
- (4) Comply with disciplines and laws, possess integrity, act impartially, and maintain self-discipline;
- (5) Meet other conditions stipulated by laws, regulations, and the Articles of Association.

Non-employee representative directors shall be elected or replaced by the shareholders' meeting and may be removed from office by the shareholders' meeting before the expiration of their term, with the removal taking effect on the date the resolution is made. If a director is removed without just cause before the expiration of his/her term, the director may demand compensation from the Company. Employee representative directors shall be democratically elected or replaced by the Company's employees through the workers' congress. Directors shall have a term of three years and may be re-elected upon expiration. However, if an independent director has served for more than nine years, their re-election shall be subject to approval by the shareholders' meeting through a separate resolution. If all independent directors on the board of directors have served for more than nine years, the Company shall disclose the name and term of each incumbent independent director in the circular and/or explanatory letter to shareholders accompanying the notice of the annual shareholders' meeting, and shall appoint a new independent director at the next annual shareholders' meeting.

The board of directors shall have a reasonable professional structure. Directors shall possess the knowledge, skills, and qualities necessary to perform their duties, have sufficient time to fulfill their responsibilities, and fully understand their duties under the securities exchange rules of the place where the shares of the Company are listed and other laws, regulations, and regulatory requirements.

**Article 4**

The board of directors shall exercise the following functions and powers:

- (I) Convene the shareholders' meetings and report its work to the shareholders' meeting;
- (II) Implement resolutions of the shareholders' meeting;
- (III) Decide on the Company's operating and investment plans;
- (IV) Formulate the Company's profit distribution and loss recovery plans;
- (V) Formulate plans for increasing or reducing the Company's registered capital, issuing bonds or other securities, and listing;
- (VI) Draft plans for major acquisitions of the Company, purchases of the Company's shares, or mergers, divisions, dissolutions, and changes in corporate form;
- (VII) Within the scope of authorization granted by the shareholders' meeting, decide on matters such as the Company's external investments, acquisitions and sales of assets, asset mortgages, external guarantees, entrusted asset management, related party (connected) transactions, and external borrowing;
- (VIII) Decide on the establishment of the Company's internal management structure;
- (IX) Appoint or dismiss the Company's general manager and secretary to the board of directors, and their remuneration; based on the general manager's nomination, appoint or dismiss the Company's deputy general manager, chief financial officer, and other senior management personnel, and decide on their remuneration, rewards, and penalties;
- (X) Formulate the Company's basic management system;
- (XI) Formulate amendments to the Articles of Association;
- (XII) Manage the Company's information disclosure matters;
- (XIII) Propose to the shareholders' meeting the appointment or replacement of the accounting firm which performs audit for the Company;
- (XIV) Hear the work report of the general manager and inspect his/her performance;

- (XV) Consider and approve transactions that require decision-making by the board of directors in accordance with the regulatory rules of the place where the shares of the Company are listed (including but not limited to discloseable transactions and related party (connected) transactions);
- (XVI) Other functions and powers granted by laws, administrative regulations, departmental rules, the listing rules of the stock exchange of the place where the shares of the Company are listed, or the Articles of Association.

Except for items (V), (VI), and (XI) and other matters which are subject to the approval of more than two-thirds of the directors as required by laws, administrative regulations, departmental rules, the listing rules of the stock exchange of the place where the shares of the Company are listed, and the Articles of Association, the remaining matters may be approved by a majority vote of the directors.

The board of directors of the Company has established special committees for audit, nominations, and compensation. These special committees are accountable to the board of directors and perform their duties in accordance with the Articles of Association and the authorization of the board of directors, and their proposals shall be submitted to the board of directors for consideration and approval. Each special committee is comprised entirely of directors. Specific membership and qualifications are determined in accordance with laws, administrative regulations, departmental rules, and regulatory requirements of the place where the shares of the Company are listed. The board of directors is responsible for formulating the rules of procedure for the special committees (including composition, responsibilities and authorities, decision-making procedures, meeting systems, and relevant compensation and assessment mechanisms) to govern their operations.

The following matters must be approved by a majority of all members of the audit committee before the board of directors of the Company makes a resolution:

- (I) Engagement and dismissal of the accounting firm that undertakes the Company's audit services;
- (II) Engagement and dismissal of the chief financial officer;
- (III) Disclosure of financial and accounting reports;
- (IV) Other matters prescribed by the securities regulatory authority of the State Council.

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

If there are special provisions regarding relevant matters in relevant laws, administrative regulations, departmental rules, other regulatory documents, the listing rules of the stock exchange of the place where the shares of the Company are listed, or the Articles of Association, those special provisions shall prevail.

**Article 5** For other powers of the board of directors stipulated in the Articles of Association that involve major business operations and matters, collective decision-making and approval shall be implemented, and no authority shall be delegated to a single director or a few directors to make decisions independently.

The board of directors may authorize its members to exercise certain powers except for those specified in the preceding paragraph during periods when the board of directors is not in session. But the scope of such authorization shall be clearly defined and specific, and the board of directors shall continuously supervise the implementation of the authorized matters.

**Article 6** The board of directors of the Company shall explain to the shareholders' meeting the non-standard audit opinions issued by certified public accountants on the financial report of the Company.

**Article 7** The board of directors shall have one chairman. The chairman shall be a director of the Company and shall be elected and removed by a majority vote of all directors. The chairman shall have a term of three years, and may serve consecutive terms upon reelection.

**Article 8** The chairman shall actively promote the formulation and improvement of the Company's internal systems, strengthen the construction of the board of directors, ensure the lawful and normal operation of the board of directors, lawfully summon and preside over the meetings of the board of directors, and urge directors to attend meetings of the board of directors in person.

**Article 9** The chairman shall strictly adhere to the collective decision-making mechanism of the board of directors, shall not substitute the decision of the board of directors with personal opinions, and shall not influence the independent decision-making of other directors.

**Article 10** The chairman shall exercise the following powers:

- (I) Preside over the shareholder's meetings and convene and preside over meetings of the board of directors;
- (II) Supervise and inspect the implementation of board resolutions;
- (III) Signing securities issued by the Company, important board documents, and other documents requiring the chairman's signature;

- (IV) Nominate candidates for the position of general manager for discussion and voting at the meetings of the board of directors;
- (V) Exercising special disposal authority over corporate affairs in emergencies arising from force majeure events such as major natural disasters, provided such actions comply with legal provisions and serve the Company's interests, and subsequently reporting to the board of directors and shareholders' meeting;
- (VI) Exercise other powers granted by the board of directors.

**Article 11** When exercising authority within the scope of his/her powers (including delegated authority), the chairman shall exercise prudence in decision-making on matters that may significantly impact the Company's operations and, where necessary, submit such matters to the board of directors for collective decision-making.

The chairman shall promptly inform all directors of the implementation status of delegated matters.

**Article 12** The chairman shall actively oversee the implementation of board resolutions. Should any board resolution not be strictly enforced or circumstances change such that a resolution becomes unfeasible, the chairman shall promptly take appropriate measures.

**Article 13** The chairman shall ensure the right to information of independent non-executive directors and the board secretary, create favorable working conditions for them to perform their duties, and shall not obstruct them in any form from exercising their powers in accordance with the law.

**Article 14** Upon receiving reports of major corporate events, the chairman shall immediately urge the board secretary to report to the relevant stock exchange of the place where the shares of the Company are listed and fulfill information disclosure obligations in a timely manner (if required by the listing rules of the place where the shares of the Company are listed). Matters concerning the announcement of board resolutions shall be handled by the board secretary in accordance with the relevant provisions of the listing rules of the stock exchange of the place where the shares of the Company are listed. Prior to the disclosure of the resolution announcement, attending directors, meeting attendees, recorders, service personnel, and others shall bear the obligation to keep the resolution content confidential.

**Article 15** If the chairman is unable or fails to perform the duties, a director shall be jointly elected by a majority of directors to perform the duties.

**Article 16** The Company's board of directors shall establish three special committees: the Audit Committee, the Remuneration Committee, and the Nomination Committee. Additional committees may be established as needed.

Each special committee shall be accountable to the board of directors, and proposals from each special committee shall be submitted to the board of directors for review and decision.

Special committees may engage intermediaries to provide professional advice, with relevant expenses borne by the Company. The composition of each committee shall comply with the listing rules of the stock exchange of the place where the shares of the Company are listed.

### **Chapter III Meeting System for Board of Directors**

**Article 17** The board of directors shall establish an office of the board of directors to handle its daily affairs.

The board secretary shall concurrently serve as the head of the office of the board of directors and shall be responsible for safeguarding the seals of the board of directors and the office of the board of directors.

**Article 18** Meetings of the board of directors shall be divided into regular meetings and extraordinary meetings.

The board of directors shall convene at least four regular meetings annually, approximately once per quarter. Regular meetings of the board of directors shall not include obtaining approval of the board of directors by circulation of written resolution.

**Article 19** Prior to issuing notices for regular meetings of the board of directors, the office of the board of directors shall solicit opinions from all directors, draft preliminary meeting proposals, and submit them to the chairman of the board for finalization.

Before drafting the proposals, the chairman of the board shall, as necessary, solicit opinions from the senior management.

**Article 20** The board of directors shall convene an extraordinary meeting in any of the following circumstances:

- (I) When proposed by shareholders representing one-tenth or more of the voting rights;
- (II) When proposed jointly by more than one-third of the directors;
- (III) When proposed by the audit committee.

**Article 21** Written proposals to convene an extraordinary meeting of the board of directors in accordance with the preceding Article shall be submitted through the office of the board of directors or directly to the chairman of the board, bearing the signature (or seal) of the proposer(s). Such written proposals shall specify the following matters:

- (I) The name or company name of the proposer;
- (II) The reasons for the proposal or the objective circumstances upon which it is based;
- (III) The proposed time or deadline, venue, and manner of the meeting;
- (IV) Clear and specific proposals;
- (V) The proposer's contact information and the date of the proposal.

The proposal shall concern matters within the scope of the board of directors' authority as stipulated in the Articles of Association, and all relevant materials pertaining to the proposal shall be submitted concurrently.

Upon receiving the written proposal and relevant materials, the office of the board of directors shall forward them to the chairman of the board on the same day. If the chairman of the board deems the proposal unclear, unspecific, or the materials insufficient, he/she may request the proposer to revise or supplement.

The chairman shall convene and preside over a meeting of the board of directors within 10 days upon the receipt of the proposal.

**Article 22** Meetings of the board of directors shall be convened and chaired by the chairman of the board. If the chairman of the board is unable or fails to perform the duties, a director shall be jointly elected by a majority of directors to perform the duties.

**Article 23** For regular and extraordinary meetings of the board of directors, the office of the board of directors shall issue written meeting notices 14 days and three days in advance respectively, by hand, fax, email, or other means to all directors, as well as the general manager and the board secretary. Where delivery is not direct, confirmation shall be made by telephone with corresponding records kept.

In urgent circumstances requiring the convening of an extraordinary meeting of the board of directors as soon as possible, notice may be given at any time by telephone or other oral means; however, the convener shall provide an explanation at the meeting.

**Article 24** Written meeting notices shall include at least the following:

- (I) Date and venue of the meeting;
- (II) Duration of the meeting;
- (III) Reason for convening the meeting, agenda items, and relevant materials;
- (IV) Date of issuance of the notice;
- (V) Other matters stipulated by laws, administrative regulations, departmental rules, prescriptive documents, the listing rules of the stock exchange of the place where the shares of the Company are listed, or the Articles of Association.

**Article 25** After written notice of a regular meeting of the board of directors has been issued, any changes to the meeting time, venue or other details, or any additions, alterations, or cancellations of meeting proposals shall be communicated via written amendment notice at least three days prior to the originally scheduled meeting date. Such notice shall explain the circumstances and include details of the new proposals along with relevant materials. If the amendment notice is dispatched less than three days prior to the originally scheduled meeting date, the meeting shall be postponed accordingly or held as originally scheduled only with the written consent of all attending directors.

After the notice for an extraordinary meeting of the board of directors has been issued, any changes to the meeting time, venue or other details, or any additions, alterations, or cancellations of meeting proposals shall be subject to prior approval by all attending directors and duly recorded.

**Article 26** A meeting of the board of directors shall be held only when more than half of the directors are present. If certain directors refuse to attend or neglect to attend, resulting in failure to meet the minimum quorum requirement, the chairman of the board and the board secretary shall promptly report to the regulatory authorities.

The general manager and the board secretary, if not concurrently serving as the directors, shall be present at meetings of the board of directors. The meeting chair may, when deemed necessary, notify other relevant personnel to be present at meetings of the board of directors.

**Article 27**

In principle, directors shall attend meetings of the board of directors in person. If they are unable to attend due to unavoidable circumstances, they shall review meeting materials in advance, form clear opinions, and authorize another director in writing to attend on their behalf.

The power of attorney shall specify:

- (I) The names of the principal and the proxy;
- (II) The principal's brief opinion on each proposal;
- (III) The scope of the principal's authorization and instructions regarding voting intentions on proposals;
- (IV) The signatures of both the principal and the proxy and the date.

Where authorization is granted to another director to sign written confirmation opinions on periodic reports, specific authorization must be included in the power of attorney.

The proxy director shall submit the written power of attorney to the meeting chair and indicate the proxy attendance on the meeting attendance register.

Directors attending meetings on behalf of another shall exercise their rights within the scope of the authorization. Directors who neither attend the meeting of the board of directors nor appoint a proxy shall be deemed to have waived their voting rights at that meeting.

**Article 28**

The delegation and proxy attendance at meetings of the board of directors shall comply with the following principles:

- (I) When deliberating on related party (connected) transactions, directors with conflicts of interest shall proactively declare their interests and abstain from voting. Directors who are not related party (connected) directors may not delegate attendance to related party (connected) directors, nor may related party (connected) directors accept the delegations from directors who are not related party (connected) directors.
- (II) Independent non-executive directors shall not delegate attendance to non-independent non-executive directors, nor shall non-independent non-executive directors accept delegations from independent non-executive directors;

- (III) Directors shall not grant full proxy authority to other directors without disclosing their personal opinions and voting intentions regarding the proposal. Relevant directors shall not accept full proxies or authorizations with unclear terms.
- (IV) A director may not accept delegations from more than two other directors, nor may a director delegate attendance to another director who has already accepted delegations from two other directors.

**Article 29**

In principle, meetings of the board of directors shall be held on-site. When necessary, and subject to the consent of the convener (meeting chair) and the proposer, meetings may also be conducted via video, telephone, fax, or email voting, provided that laws, administrative regulations, departmental rules, prescriptive documents, or the listing rules of the stock exchange of the place where the shares of the Company are listed do not otherwise stipulate, and that directors are guaranteed sufficient opportunity to express their opinions. Meetings of the board of directors may be held on-site, non on-site such as via electronic communication, or through a combination of both methods.

For meetings not held on-site, the number of directors present shall be calculated based on directors appearing as displayed by the video, directors expressing opinions during telephone conferences, valid voting ballots (such as faxes or emails) actually received within the specified timeframe, or written confirmation letters submitted by directors after the meeting confirming their attendance.

**Article 30**

When deliberating on related party (connected) transactions, major investments, external guarantees, significant financing, and other matters, the board of directors shall comply with relevant laws, regulations, rules of the stock exchange of the place where the shares of the Company are listed, the Articles of Association, and the Company's relevant systems and regulations.

**Article 31**

The meeting chair shall request directors present at the meeting of the board of directors to express clear opinions on each proposal.

For proposals requiring prior approval from independent non-executive directors as stipulated, the meeting chair shall designate an independent non-executive director to read aloud the written approval opinion reached by the independent non-executive directors before discussing the relevant proposal.

If a director repeatedly speaks on the same proposal, or if his/her remarks exceed the scope of the proposal to the extent that he/she interferes with other directors' statements or obstructs the normal proceedings of the meeting, the meeting chair shall promptly stop them.

Unless unanimously agreed by all attending directors, the meeting of the board of directors shall not vote on any proposal not included in the meeting notice. A director attending the meeting of the board of directors by proxy for another director shall not vote on behalf of the other director on any proposal not included in the meeting notice.

**Article 32** Directors shall carefully peruse relevant meeting materials and express their opinions independently and prudently based on a thorough understanding of the circumstances.

Directors may seek information necessary for decision-making prior to the meeting from the office of the board of directors, the meeting convener, the senior management, the special committees, the accounting firms, the law firms, and other relevant personnel and institutions, and they may also propose to the meeting chair during the meeting that the aforementioned personnel and the representatives of the aforementioned institutions to attend the meeting to explain relevant circumstances.

Where appropriate, the directors may make reasonable requests to seek independent professional advice. The board of directors shall provide directors with independent professional advice to assist them in fulfilling their responsibilities to the Company. Expenses shall be borne by the Company.

**Article 33** After thorough discussion of the proposals, the meeting chair shall, at an appropriate time, call upon the attending directors to vote on each proposal individually.

Resolutions of the board of directors shall be voted on by one vote per person, through registered vote or other methods specified in the Articles of Association.

Directors' voting intentions shall be categorized as: for, against, or abstention. Attending directors shall select one of the above intentions. If no selection is made or two or more intentions are selected simultaneously, the meeting chair shall require the relevant director to select again. Refusal to select again shall be deemed abstention. Departure from the meeting venue without returning and without making a selection shall be deemed abstention.

**Article 34** Where permitted by laws, administrative regulations, departmental rules, prescriptive documents, or the listing rules of the stock exchange of the place where the shares of the Company are listed, when a meeting of the board of directors is conducted by written circulation, a director or another director authorized by him/her shall state his/her opinion of approval or disapproval on the resolution. Once the number of directors signing in approval reaches the quorum required for resolution under the Articles of Association, the matter under discussion shall become a board resolution. After voting by attending directors, relevant staff of the office of the board of directors shall promptly collect the voting ballots and submit them to the board secretary for tabulation under the supervision of independent non-executive director.

For meetings held on-site, the meeting chair shall announce the tabulation results on the spot. In other circumstances, the meeting chair shall require the board secretary to notify directors of the voting results by the next working day following the conclusion of the designated voting period.

Votes cast by directors after the meeting chair announces the voting results or after the specified voting period has ended shall not be counted.

**Article 35** For the board of directors to deliberate and adopt meeting proposals and form relevant resolutions, more than half of the total directors of the Company must vote in favor of the proposal.

Where laws, administrative regulations, departmental rules, prescriptive documents, the listing rules of the stock exchange of the place where the shares of the Company are listed, or the Articles of Association stipulate that a board resolution shall be adopted with the consent of a greater number of directors, such provisions shall prevail.

Where different resolutions conflict in content or meaning, the resolution formulated later shall prevail.

**Article 36** Directors shall abstain from voting on relevant proposals under the following circumstances:

- (I) Circumstances where directors are required to recuse themselves under laws, administrative regulations, departmental rules, prescriptive documents, CSRC, or the stock exchange of the place where the shares of the Company are listed;
- (II) Circumstances where the director personally believes recusal is warranted;
- (III) Other circumstances specified in the Articles of Association, etc., where a director must recuse due to a related party (connected) relationship with the enterprise or individual involved in the meeting proposal.

Where directors recuse themselves from voting, the relevant meeting of the board of directors may proceed with the attendance of a majority of the directors who are not related party (connected) directors, and resolutions shall be adopted by a majority of non-related party (connected) directors. However, if the matter under consideration requires approval by a two-thirds majority of the board, it must be approved by a two-thirds majority of directors who are not related party (connected) directors. If fewer than three of the directors who are not related party (connected) directors attend the meeting, voting on the relevant proposal shall not proceed, and the matter shall be submitted to the shareholders' meeting for deliberation.

**Article 37** The board of directors shall strictly act within the authority granted by the shareholders' meeting and the Articles of Association and shall not exceed its authority in formulating resolutions.

**Article 38** Where the meeting of the board of directors needs to make resolutions regarding the Company's profit distribution, it may first notify the certified public accountant of the proposed distribution plan to be submitted to the board of directors for review and request the certified public accountant to issue a draft audit report accordingly (all other financial data except those related to the distribution have been determined). After the board of directors makes the distribution resolution, it shall request the certified public accountant to issue a formal audit report. The board of directors shall then make resolutions on other relevant matters in the periodic report based on the formal audit report issued by the certified public accountant.

**Article 39** If more than half of the attending directors or two or more independent non-executive directors deem a proposal unclear or unspecific, or if they are unable to make a judgment on the matter due to insufficient meeting materials or other reasons, the meeting chair shall request that voting on that item be postponed.

The director proposing the postponement shall specify the conditions must be met for the proposal to be resubmitted for deliberation.

**Article 40** Meetings of the board of directors held on-site or via video conference, telephone conference, or other means may be fully recorded as necessary.

**Article 41** The board secretary shall personally or arrange staff of the office of the board of directors to prepare minutes of the meeting of the board of directors. The minutes shall include the following:

- (I) The date, venue, and the name of the convener of the meeting;
- (II) The names of attending directors and the names of directors (or their agents) attending by proxy;
- (III) The meeting agenda;
- (IV) Key points of directors' speeches;
- (V) The voting method and results for each resolution item (voting results shall specify the number of votes for, against, or abstention).

**Article 42** Attending directors shall sign to confirm the meeting resolutions and minutes on behalf of themselves and the directors they represent. If a director has differing opinions regarding the meeting resolutions or minutes, they may provide a written explanation at the time of signing. When necessary, they shall promptly report to the regulatory authorities, or they may also issue a public statement.

If a director fails to sign in accordance with the preceding paragraph and neither provides a written explanation of their differing views nor reports to the regulatory authorities or issues a public statement, they shall be deemed to fully agree with the content of the meeting minutes and resolution records.

**Article 43** The chairman shall urge the relevant personnel to implement resolutions of the board of directors, monitor the execution of resolutions, and report on the status of implemented resolutions at subsequent meetings of the board of directors.

Directors shall be liable for resolutions adopted by the board of directors. Where a resolution of the board violates laws, administrative regulations, the listing rules of the stock exchange of the place where the shares of the Company are listed, the Articles of Association, or resolutions of the shareholders' meeting, thereby causing the Company to suffer significant losses, the directors participating in the resolution shall be liable to the Company for compensation; provided that a director may be exempted from liability if it is proven that he/she expressed dissent during the vote and such dissent was recorded in the meeting minutes. A director's abstention from voting shall not exempt him/her from liability for board resolutions. If a director fails to attend a meeting, fails to appoint a proxy, and fails to submit written objections to the matters under discussion on or before the meeting date, such failure shall be deemed an abstention from voting and shall not exempt the director from liability.

**Article 44** Archives of the meeting of the board of directors, including meeting notices and materials, attendance registers, proxy authorizations for directors attending on behalf of others, meeting audio recordings, voting ballots, meeting minutes signed and confirmed by attending directors, meeting summaries, resolution records, and resolution announcements, shall be preserved by the board secretary.

Archives of the meeting of the board of directors shall be retained for a period no less than 10 years.

#### **Chapter IV Expenses of Board of Directors**

**Article 45** Expenses of the board of directors shall be included in the Company's annual administrative expenses.

#### **Chapter V Supplementary Provisions**

**Article 46** Unless otherwise specified, the terms used in these Rules of Procedure shall have the same meanings as those defined in the Articles of Association.

**Article 47** The terms "more than" and "within" in these Rules of Procedure shall include the specified number, while "exceed", "below", and "less than" shall not include the specified number.

- Article 48** Matters not covered in these Rules of Procedure shall be governed by the relevant national laws and regulations, the listing rules of the stock exchange of the place where the shares of the Company are listed, and the provisions of the Articles of Association. Should any provision of these Rules of Procedure conflict with laws and regulations, listing rules of the stock exchange of the place where the shares of the Company are listed, or the Articles of Association, as amended from time to time, the relevant national laws and regulations, the listing rules of the stock exchange of the place where the shares of the Company are listed, and the provisions of the Articles of Association shall prevail, and such provisions shall be immediately revised through a proposal of the board of directors, which is to be submitted to the shareholders' meeting for approval.
- Article 49** These Rules of Procedure shall be reviewed and approved by the shareholders' meeting and shall take effect on the date of the Company's initial public offering of H shares and listing on SEHK.
- Article 50** The board of directors is authorized by the shareholders' meeting to interpret these Rules of Procedure.
- Article 51** Amendments to these Rules of Procedure shall be proposed by the board of directors and be approved by the shareholders' meeting.

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