

訊飛醫療科技股份有限公司  
**XUNFEI HEALTHCARE TECHNOLOGY CO., LTD.**  
*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**Articles of Association**

(Applicable upon issuance and listing of H Shares)

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# Xunfei Healthcare Technology Co., Ltd.

## ARTICLES OF ASSOCIATION

### CHAPTER 1 GENERAL PROVISIONS

**Article 1** For purposes of maintaining the lawful rights and interests of the Company, shareholders and creditors and regulating the organization and activities of the Company, the Articles of Association are developed 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 Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (hereinafter referred to as the "Trial Administrative Measures"), the Guidelines for the Articles of Association of Listed Companies and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Listing Rules of the Hong Kong Stock Exchange") and other relevant provisions.

**Article 2** The Company is a joint stock limited company established in accordance with the Company Law and other relevant laws and regulations of the People's Republic of China (hereinafter referred to as "the PRC", for the purpose of these Articles, excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan) (hereinafter referred to as the "Company").

**Article 3** The Company was established by way of promotion. The Company was registered with the Hefei Municipal Administration of Market Supervision and obtained its business license. Its unified social credit code is 91340100MA2MW85E3R.

Upon the filing of July 19, 2024 with the China Securities Regulatory Commission and the approval of December [•], 2024 by the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange"), the Company made an initial public offering of 8,090,850 overseas listed foreign shares ("H Shares") (including 1,055,300 H Shares issued under the Over-allotment Option) and was listed on the Main Board of the Hong Kong Stock Exchange on December 30, 2024.

**Article 4** Registered name of the Company:

Chinese name: 訊飛醫療科技股份有限公司

English name: Xunfei Healthcare Technology Co., Ltd.

**Article 5** Address of the Company: 10/F, Shangyuan Huizhan Science and Technology Park, Intersection of Huisheng Road and Yanglin Road, High-tech Zone, Hefei City, Anhui Province. Postal code: 230088.

**Article 6** The registered capital of the Company is RMB113,842,683, and the issued shares are 113,842,683 shares.

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

**Article 8** The Chairman of the Board of Directors shall be the legal representative of the Company. If a Director who is a legal representative resigns, he/she shall be deemed to have resigned as a legal representative at the same time.

If a legal representative resigns, the Company shall determine a new legal representative within thirty days from the date of the resignation of the legal representative.

**Article 9** All assets of the Company shall be divided into shares of equal amount and the shareholders shall be liable to the Company to the extent of the shares subscribed by them. The Company shall be liable for its liabilities with all of its assets.

**Article 10** The original Articles of Association and its amendments shall automatically become invalid as of the effective date of the Articles of Association. From the date on which the Articles of Association come into effect, the Articles of Association constitute a legally binding document regulating the organization and activities of the Company, and the rights and obligations between the Company and each shareholder and among the shareholders, and shall be legally binding on the Company, the shareholders, Directors, Supervisors, General Manager and other senior management. Pursuant to the Articles of Association, a shareholder may take legal action against the other shareholders, Directors, Supervisors, General Manager and senior management officers of the Company, as well as the Company; while the Company may take legal action against its shareholders, Directors, Supervisors, General Manager and senior management officers.

**Article 11** Senior management officers referred to in the Articles of Association represent the secretary to the Board of Directors, the chief financial officer of the Company and such other senior management personnel as determined by the Board of Directors of the Company.

**Article 12** The Company shall, according to the Constitution of the Chinese Communist Party, establish Chinese Communist Party organizations and carry out activities of the Chinese Communist Party. The Company shall provide the necessary conditions to facilitate the activities of the Chinese Communist Party organization.

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

**Article 13** The business objectives of the Company are: to make artificial intelligence (AI) assistant for every doctor and health partner for everyone and to serve the cause of human health. Taking AI as the entry point, to become a leader in the medical artificial intelligence industry in China, bringing returns to our shareholders and creating values for the society. To contribute to the construction of a healthy China and the development of the health industry with original technological innovation and industrial ecological construction.

**Article 14** Registered in accordance with the law, the Company's business scope is: General business – sales of Class II medical devices; software development; technical services, technology development, technical consulting, technical exchanges, technology transfer, technology promotion; sales of AI hardware; AI application software development; AI public service platform technical consulting services; AI theory and algorithms software development; AI basic software development; AI industry application system integration services; AI general application systems; information system integration services; remote health management services; sales of smart home consumer equipment; information technology consulting services (in addition to approved business, we can independently operate businesses that are not prohibited or restricted by laws and regulations in accordance with the laws). Licensed business – Class III medical device business; Class III medical device production; Class II medical device production; physical hospital-based internet hospital services (projects subject to approval by law can only be carried out after approval by the relevant departments).

## CHAPTER 3 SHARES

### Section 1 Issuance of Shares

**Article 15** Shares of the Company shall be in the form of share certificate.

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

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

**Article 17** All shares issued by the Company shall have a par value of Renminbi 1 (RMB1.00) per share.

**Article 18** H Shares issued by the Company may be deposited primarily in the trusted companies subordinate to Hong Kong Securities Clearing Company Limited in accordance with the laws of the place of listing and the practice of the securities registration and depository.

**Article 19** The promoters of the Company are: iFlytek Co., Ltd. (科大訊飛股份有限公司), Hefei Zhengsheng Information Technology Partnership (Limited Partnership) (合肥正昇信息科技合夥企業(有限合夥)), Anhui Kexun Venture Capital Fund Partnership (Limited Partnership) (安徽科訊創業投資基金合夥企業(有限合夥)), Hu Guoping (胡國平), Shenzhen Tianzheng Investment Co., Ltd. (深圳市天正投資有限公司), Zibo Jizhi Equity Investment Fund Partnership (Limited Partnership)(淄博集智股權投資基金合夥企業(有限合夥)), Gongqingcheng Huizhi Yuntong Equity Investment Partnership (Limited Partnership)(共青城匯智耘通股權投資合夥企業(有限合夥)), Hefei Tongchuang Small and Medium Enterprise Development Fund Partnership (Limited Partnership)(合肥同創中小企業發展基金合夥企業(有限合夥)), iFlytek Haihe (Tianjin) AI Venture Capital Fund Partnership (Limited Partnership)(訊飛海河(天津)人工智能創業投資基金合夥企業(有限合夥)), Hefei Kexun Lianshan Innovation Industry Investment Fund Partnership (Limited Partnership)(合肥科訊連山創新產業投資基金合夥企業(有限合夥)). Below are the subscriptions of the promoters:

No.	Promoters	Number of Shares held (ten thousand shares)	Percentage of shareholding	Mode of capital contribution	Time of capital contribution
1.	iFlytek	1,785.0520	51.0015%	Net assets converting into shares	December 16, 2021
2.	Hefei Zhengsheng	649.1098	18.5460%	Net assets converting into shares	December 16, 2021
3.	Kexun Venture Capital	588.3872	16.8111%	Net assets converting into shares	December 16, 2021
4.	Hu Guoping	194.4510	5.5557%	Net assets converting into shares	December 16, 2021
5.	Shenzhen Tianzheng	130.0000	3.7143%	Net assets converting into shares	December 16, 2021
6.	Zibo Jizhi	58.0000	1.6571%	Net assets converting into shares	December 16, 2021
7.	Huizhi Yuntong	35.0000	1.0000%	Net assets converting into shares	December 16, 2021
8.	Hefei Tongchuang	25.0000	0.7143%	Net assets converting into shares	December 16, 2021
9.	iFlytek Haihe	25.0000	0.7143%	Net assets converting into shares	December 16, 2021
10.	Kexun Lianshan Innovation Industry Investment	10.0000	0.2857%	Net assets converting into shares	December 16, 2021
<b>Total</b>		<b><u>3,500.0000</u></b>	<b><u>100.0000%</u></b>	-	

**Article 20** The Company has been filed with the China Securities Regulatory Commission on July 19, 2024 and approved by the Hong Kong Stock Exchange on December [•], 2024, to issue no more than 8,090,850 H Shares (including 1,055,300 H Shares issued under the Over-allotment Option) to qualified investors, and the total 70,261,562 unlisted domestic shares held by the shareholders of the Company were converted into H Shares and will be listed on the Hong Kong Stock Exchange upon the completion of the share conversion.

If the Over-allotment Option is not exercised, upon completion of the aforesaid issuance of H Shares, the share capital structure of the Company will be as follows: the total number of shares of the Company will be 120,878,233, all of which will be ordinary shares, comprising 43,581,121 unlisted domestic shares (accounting for 36.0537% total number of the ordinary shares of the Company) and 77,297,112 H Shares (accounting for 63.9463% total number of the ordinary shares of the Company);

If the Over-allotment Option is exercised in full, upon completion of the aforesaid issuance of H Shares, the share capital structure of the Company will be as follows: the total number of shares of the Company will be 121,933,533, all of which will be ordinary shares, comprising 43,581,121 unlisted domestic shares (accounting for 35.7417% total number of the ordinary shares of the Company) and 78,352,412 H Shares (accounting for 64.2583% total number of the ordinary shares of the Company).

Shareholders holding unlisted domestic shares of the Company who convert all or part of their shares into H Shares and list them on overseas stock exchanges shall conform to the regulatory procedures, regulations and requirements of the domestic and overseas securities regulatory authorities, and the Company shall be authorized to file with the CSRC. No general meeting is required to be convened to vote on the aforesaid conversion of shares and listing and trading on overseas stock exchanges as well as the amendments to the Articles of Association that may result therefrom.

**Article 21** The Company or its subsidiaries (including its affiliated companies) shall not provide any financial assistance in the form of gifts, advances, guarantees, compensation or loans to persons who purchase or intend to purchase Shares of the Company or its parent company, except when the Company implements the employee stock ownership plan.

For the benefit of the Company, and subject to the relevant laws, regulations and rules, the Company may provide financial assistance for others to acquire shares in the Company or its parent company by resolution of the shareholders' meeting, or by resolution of the Board of Directors in accordance with the Articles of Association of the Company or the authorization of the shareholders' meeting, but the cumulative total amount of financial assistance shall not exceed 10% of the total issued share capital. The resolution of the Board of Directors shall be passed by more than two-thirds of all directors.

If any violation of the provisions of the preceding two paragraphs causes losses to the Company, the responsible directors, supervisors and senior management shall be liable for compensation.

## **Section 2 Increase/Deduction of Capital and Repurchase of Shares**

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

- (1) public issuance of shares;
- (2) non-public issuance of shares;
- (3) distribution of bonus shares to its existing shareholders;
- (4) capitalization of common reserve fund;
- (5) other means stipulated by laws and administrative regulations or approved by the government authorities.

**Article 23** The Company may reduce its registered capital. The reduction in registered capital shall be made in accordance with Company Law, the Listing Rules of the Hong Kong Stock Exchange, other applicable regulations and the procedures set out in the Articles of Association.

**Article 24** The Company may not acquire its own shares, save as under the following circumstances:

- (1) reducing the Company's registered capital;
- (2) merging with another company holding Shares of the Company;
- (3) using the shares as an employee stock ownership plan or equity incentive plan;
- (4) purchasing its shares from shareholders who have voted against the resolutions on the merger or division of the Company at the general meeting upon their request;

- (5) use of shares for conversion of convertible corporate bonds issued by the Company;
- (6) necessary for the Company to maintain its value and protect the interests of the shareholder.

No controlled subsidiary of the Company may acquire shares issued by the Company.

**Article 25** The acquisition of Shares of the Company by the Company may be carried out in one of the following ways:

- (1) public centralized trading;
- (2) other ways recognized by laws, administrative regulations, the CSRC and other stock exchanges of the place where the Company's shares are listed, and in a way complying with the provisions of applicable laws, administrative regulations, departmental rules and securities regulatory rules of the place where the Company's shares are listed.

If the share repurchase by the Company is made under the circumstances stipulated in (3), (5) or (6) of Article 24, it shall be conducted by way of open centralized trading.

**Article 26** A resolution shall be passed at a general meeting when the Company is to repurchase its own shares under the circumstances stipulated in (1) and (2) of Article 24. In case of the circumstances stipulated in (3), (5) and (6) of Article 24, it shall be subject to the applicable securities regulatory rules of the place where the Shares of the Company are listed and a resolution of the Board of Directors of the Company shall be passed by more than two-thirds of the Directors attending the Board meeting. After the acquisition of the Shares of the Company, the Company shall fulfill its information disclosure obligations under the Securities Law, the regulations of the stock exchange where the Shares of the Company are listed and other securities regulatory rules.

After the Company has repurchased its own shares in accordance with Article 24, the shares so repurchased shall be canceled within ten days from the date of purchase (under the circumstance set out in (1) above), or shall be transferred or canceled within six months (under the circumstances set out in (2) and (4) above). If the Company repurchases its shares under the circumstances set out in (3), (5) and (6) above, the total number of shares held by the Company shall not exceed ten percent of the total issued shares of the Company, and such shares shall be transferred or canceled within three years. Where laws, regulations and the securities regulatory authorities of the place where the Shares of the Company are listed provide otherwise in respect of matters relating to share repurchase, such provisions shall apply.



### Section 3 Transfer of Shares

**Article 27** The Shares of the Company may be transferred in accordance with the laws, regulations and the Articles of Association.

All transfers of H Shares shall be effected by instruments of transfer in writing in a general or common form or in any other form acceptable to the Board of Directors, including the standard transfer form or form of transfer specified by the Hong Kong Stock Exchange from time to time. The instruments of transfer may be signed by hand only or (where the transferor or transferee is a corporation) stamped with a valid corporation seal. If the transferor or transferee is a recognized clearing house as defined by the relevant provisions that come into effect from time to time according to the laws of Hong Kong or its nominee, the instruments of transfer may be signed by hand or in a machine imprinted format. All instruments of transfer shall be deposited with the legal address of the Company or such places as the Board of Directors may designate from time to time.

**Article 28** The Company shall not accept its own shares being held as security under a pledge.

**Article 29** Shares of the Company that were issued prior to a public issue, if any, shall not be transferred within one year from the date on which shares of the Company are listed and traded on a stock exchange. The Directors, Supervisors and senior management of the Company shall notify the Company of their holdings of shares in the Company and the changes therein, and the shares transferred each year during the term of office determined at the time of taking office shall not exceed 25% of their total holdings of shares in the Company. The shares in the Company held by them shall not be transferred within one year from the date on which the Shares of the Company are listed for trading. The shares in the Company held by them shall not be transferred within half a year from their departure from the Company. Where the listing rules of the place where the Shares of the Company are listed provide otherwise in respect of the restrictions on the transfer of the Shares of the Company, such rules shall prevail.

**Article 30** For the Directors, Supervisors, and senior management officers of the Company, shareholders holding more than 5% of the Shares of the Company, if they have sold the Shares of the Company or other securities with an equity nature held by them within six months after the purchase, or they have purchased the Shares again within six months after the sale, the gains therefrom shall be attributed to the Company and be recovered by the Board of Directors, except for a securities company holding more than 5% of the Shares as a result of its underwriting of the untaken Shares in an offer, and other circumstances as specified by the China Securities Regulatory Commission. If the listing rules of the place where the Shares of the Company are listed provide otherwise, such provisions shall prevail.

Shares or other securities with an equity nature held by the Directors, Supervisors, senior management officers and shareholders of natural persons referred to in the preceding paragraph, include those held by their spouse, parents and children and those held in the accounts of others.

If the Board of Directors of the Company fails to implement the provisions of the first paragraph of this Article, the shareholders shall have the rights to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to do so within the specified time, the shareholders may file a lawsuit directly to the People's Court in their own name for the benefit of the Company.

If the Board of Directors of the Company fails to comply with the provisions of the first paragraph of this Article, the responsible directors shall be jointly and severally liable in accordance with the law.

## CHAPTER 4 SHAREHOLDERS AND GENERAL MEETING

### Section 1 Shareholders

**Article 31** The Company shall establish and maintain a register of members based on the certificates provided by the securities registrar and the register of members is sufficient evidence to prove that the shareholders hold the shares of the Company. The original register of members of H Shares listed in Hong Kong is kept in Hong Kong and is available for inspection by shareholders, but the Company may suspend the registration of shareholders in accordance with applicable laws and regulations and the securities regulatory rules of the place where the Shares of the Company are listed. Shareholders shall enjoy rights and assume obligations according to the class and number of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

For shareholders of H shares who have lost their share certificates and apply for replacement certificates, the processing of such requests can be carried out in accordance with the laws of the place where the original register of members of H Shares is kept, the rules of the stock exchanges or other relevant provisions.

In case of joint holding of any shares, only the joint holder whose name appears first in the register of members is entitled to receive the share certificates of the relevant Shares and the Company's notices, and any notice delivered to that person shall be deemed as having been delivered to all joint holders of the relevant shares. Any one of such joint holders may sign a form of proxy provided that, if more than one of such joint holders be present at a meeting, either personally or by proxy, the vote of tendered by the senior, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s). For this purpose, seniority shall be determined by the order in which the names of the joint holders stand in the register of members of the Company in respect of the relevant shares.

**Article 32** Where the Company convenes a general meeting, distributes dividends, liquidates or conducts any other acts which require the determination of shareholdings, the Board of Directors or the convener of general meetings shall determine a record date for the determination of shareholdings in the Company. The shareholders of the Company shall be such persons whose names appear on the register of members on such record date.

**Article 33** Shareholders of the Company enjoy the following rights:

- (1) to receive dividends and other forms of interest distributions in proportion to the shares they hold;
- (2) to file a petition of, to convene, hold and attend the general meetings either in person or by proxy and exercise their corresponding voting right according to laws;
- (3) to supervise, present suggestions on or make inquiries about the business operations of the Company;
- (4) to transfer, donate or pledge their shares in accordance with laws, administrative regulations and the Articles of Association;

- (5) to inspect and copy the Articles of Association, the register of members, minutes of general meetings, minutes of Board meetings, minutes of meetings of the Board of Supervisors, financial and accounting reports;
- (6) to participate in the distribution of the remaining properties of the Company in proportion to their shareholdings in the event of the termination or liquidation of the Company;
- (7) to request the Company to purchase their shares for the shareholders who object to the Company's resolution on merger or division passed at a general meeting;
- (8) to enjoy other rights stipulated by laws, administrative regulations, departmental rules, the Articles of Association or securities regulatory rules of the place where the shares of the Company are listed.

**Article 34** When a shareholder requests to review or copy the relevant information or obtain materials mentioned in the preceding article, he/she shall provide the Company with a written document proving the type and number of shares he/she holds in the Company, and such information shall be provided at the shareholder's request upon his/her shareholder capacity being verified by the Company.

**Article 35** If any resolution of a general meeting or Board meeting is in violation of the laws and administrative regulations, the shareholders shall have the right to request the People's Court to invalidate the said resolution.

If the meeting convening procedures and voting method of the general meetings or Board meetings are in violation of the laws and administrative regulations or the Articles of Association or if the contents of any resolution are in breach of the Articles of Association, the shareholders shall have the right to request the People's Court to revoke it within 60 days from the date of the resolution (except where the procedures for convening the general meeting or Board meeting or the manner of voting are only slightly defective and have no substantial impact on the resolution).

**Article 36** In the event of any loss caused to the Company as a result of violation of laws, administrative regulations or the Articles of Association by the Directors or senior management when performing their duties, any of the shareholders who holds 1% or more of the shares individually or jointly for no less than 180 consecutive days shall have the right to request the Board of Supervisors in writing to initiate litigation before the People's Court. In the event of any loss caused to the Company as a result of violation of laws, administrative regulations or the Articles of Association by the Board of Supervisors when performing its duties, any of the aforesaid shareholders may request the Board in writing to initiate litigation before the People's Court.

In the event that the Board of Supervisors or the Board refuses to institute litigation upon the receipt of the written request of any of the shareholders as specified in the preceding paragraph, or withholds from instituting litigation within 30 days of the receipt of the request, or that the failure to institute litigation immediately may otherwise cause irreparable damage to the interest of the Company in an urgent circumstance, such shareholder(s) as mentioned in the preceding paragraph shall have the right to initiate litigation before the People's Court in the name(s) of such shareholder(s) in the interest of the Company.

If any other person infringes on the Company's legitimate rights and interests and therefore has caused loss to the Company, the shareholders specified in the first paragraph of this Article may initiate litigation before the People's Court pursuant to the provisions stated in the two preceding paragraphs.

**Article 37** In the event that any Director or senior management violates laws, administrative regulations or the Articles of Association to the detriment of the interest of the shareholders, the shareholders may initiate litigation before the People's Court.

**Article 38** The shareholders of the Company shall be subject to the following obligations:

- (1) to comply with the laws, administrative regulations and the Articles of Association;
- (2) to pay subscription monies in respect of the shares subscribed for and the method of subscription;
- (3) save as stipulated by laws or regulations, no share capital shall be withdrawn;
- (4) not to abuse their rights as shareholders to jeopardize the Company's or other shareholders' interests; not to abuse of the Company's status as an independent legal person or abuse of the limited liability of a shareholder to jeopardize the interests of the Company's creditors;
- (5) to keep the trade secrets of the Company confidential;
- (6) other obligations imposed by laws, administrative regulations and the Articles of Association.

In the event of any loss caused to the Company or other shareholders arising from any abuse of the shareholder's right, such shareholder shall be liable for compensation in accordance with laws. In the event of any material damage caused to the interest of the creditors of the Company arising from any abuse of the Company's independent legal person status and the limited liability of the shareholders by any shareholder to evade from debts, such shareholder shall be jointly and severally liable for the Company's debts.

**Article 39** Where a shareholder holding 5% or more voting shares of the Company pledges any shares in his/her possession, he/she shall report the same to the Company in writing on the date of the said pledge.

**Article 40** The controlling shareholders and the de facto controller of the Company shall not take advantage of their connected relationships to harm the interests of the Company. They shall be held liable for damages if, as a result of violating such provisions, they cause the Company to sustain a loss.

The controlling shareholders and the de facto controller of the Company bear a fiduciary duty toward the Company and other shareholders of the Company. The controlling shareholders shall exercise its rights as an investor in strict accordance with the laws. It shall not harm the legitimate rights and interests of the Company and other shareholders by means of profit distribution, asset restructuring, investment in a third party, appropriation of funds, loan security or other methods, or damage the interests of the Company and other shareholders by means of its controlling position.

## Section 2 General Provisions of General Meeting

**Article 41** General meeting is the organ of authority of the Company, which exercises the following powers in accordance with the law:

- (1) to elect and replace the Directors and Supervisors and to decide on matters relating to the remuneration of Directors and Supervisors;
- (2) to consider and approve reports of the Board;
- (3) to consider and approve reports of the Board of Supervisors;
- (4) to consider and approve the profit distribution plans and loss recovery plans of the Company;
- (5) to decide on any increase or reduction of registered capital of the Company;
- (6) to decide on the issue of securities or corporate bonds of the Company;
- (7) to decide on matters such as merger, division, dissolution, liquidation or change of corporate form of the Company;
- (8) to amend the Articles of Association;
- (9) to decide on the acquisition of shares of the Company due to the circumstances specified in Article 24 (1) and (2) of the Articles of Association;
- (10) to decide on the appointment or dismissal of accounting firms of the Company;
- (11) to consider and approve the guarantees stipulated in Article 42;
- (12) to consider the purchase or sale of material assets of the Company within one year with the amount exceeding 30% of the latest audited total assets of the Company;
- (13) to consider and approve the change of use of proceeds;
- (14) to consider stock incentive plan and employee stock ownership plan;
- (15) to consider other matters required to be resolved at a general meeting pursuant to laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

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

**Article 42** The provision of guarantee by the Company for third parties as set forth below, shall be subject to the consideration and approval of the general meeting:

- (1) any guarantee to be provided after the total amount of guarantee provided to third parties by the Company and its controlling subsidiaries exceeds 50% of the latest audited net assets of the Company;
- (2) any guarantee to be provided after the total amount of guarantee provided to third parties by the Company and its controlling subsidiaries exceeds 30% of the latest audited total assets of the Company;
- (3) any guarantee with the cumulative guarantee amount within the past twelve months exceeding 30% of the latest audited total assets of the Company;
- (4) a guarantee provided to a party with a gearing ratio of over 70% as shown in its latest financial statement;
- (5) any single guarantee exceeding 10% of the latest audited net assets;
- (6) any guarantee to be provided for shareholders, de facto controllers and their connected parties;
- (7) other guarantees that shall be considered by general meeting as required by laws, administrative rules and regulations, securities regulatory rules of the place where the shares of the Company are listed or other regulatory documents.

The guarantees specified in item (3) of the preceding paragraph shall be approved by over two-thirds of the voting rights held by shareholders present at the meeting.

Any Director, general manager or other senior management of the Company entering into a guarantee contract beyond their authority, without authorization and in violation of the consideration procedure for external guarantees shall be held responsible.

**Article 43** General meetings shall include annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year and shall be held within 6 months from the end of the preceding financial year.

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

- (1) when the number of Directors is less than the number as stipulated in the Company Law or less than two-thirds of the number prescribed in the Articles of Association;
- (2) when the uncovered loss of the Company reaches one-third of the total share capital;
- (3) when shareholders who individually or collectively hold more than 10% of total number of the Company's shares make a request;
- (4) whenever the Board considers necessary;

- (5) whenever the Board of Supervisors proposes to convene;
- (6) such other circumstances as specified by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

If the extraordinary general meeting is held in response to the requirements of the securities regulatory rules of the place where the shares of the Company are listed, the actual date of the extraordinary general meeting may be adjusted according to the approval progress of the stock exchange of the place where the shares of the Company are listed.

**Article 45** The Company shall convene a general meeting at its domicile or other location as specified in the notice of the meeting.

A general meeting shall be convened on-site at a venue. The Company shall also facilitate the shareholders to attend the general meeting by providing online voting. The shareholders that have participated in the general meeting by the aforementioned means shall be deemed to have attended the meeting. All registered shareholders or their proxies are entitled to attend the general meeting. The Company and the convener cannot reject such shareholders or their proxies from attending the general meeting for any reason.

The time and venue of meeting shall be convenient for shareholders' participation. Once the notice of general meeting has been issued, the venue of the on-site meeting shall not be changed without valid reasons. If a change of venue is necessary, the convener shall make an announcement stating the reasons at least two working days prior to the date of the on-site meeting.

### **Section 3 Convening of General Meeting**

**Article 46** A general meeting shall be convened by the Board in accordance with the laws. Independent non-executive Directors shall have the right to propose to the Board to convene an extraordinary general meeting. In respect of the proposal made by the independent non-executive Directors to convene an extraordinary general meeting, the Board shall, in accordance with laws, administrative regulations and the Articles of Association, give a written reply on whether or not it agrees to convene such extraordinary general meeting within ten days after receipt of the proposal.

If the Board agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be issued within five days after the date of the resolution of the Board. If the Board does not agree to convene such meeting, an explanation shall be made.

**Article 47** The Board of Supervisors shall have the right to propose to the Board in writing to convene an extraordinary general meeting. The Board shall, in accordance with laws, administrative regulations and the Articles of Association, give a written reply on whether or not it agrees to convene such meeting within ten days after receipt of the proposal.

If the Board agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be issued within 5 days after the date of the resolution of the Board and any changes to the original proposal contained in the notice shall be subject to the approval of the Board of Supervisors.

If the Board does not agree to convene an extraordinary general meeting, or fails to provide feedback within 10 days after receipt of the proposal, the Board shall be deemed to be unable to or have failed to perform its duty to convene the general meeting, and the Board of Supervisors shall have the right to convene and preside over such meeting on its own.

**Article 48** Shareholders individually or collectively holding more than 10% of the Company's shares have the right to request the Board of Directors to convene an extraordinary general meeting, and shall submit the request 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 written feedback on whether it agrees or disagrees with convening an extraordinary general meeting within 10 days after receiving the request.

If the Board agrees to convene an extraordinary general meeting, a notice for convening a general meeting shall be issued within 5 days after the date of the resolution of the Board and any changes to the original request contained in the notice shall be subject to the approval of the relevant Shareholders.

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

If the Board of Supervisors agrees to convene an extraordinary general meeting, a notice for convening a general meeting shall be issued within 5 days of receiving the request and any changes to the original request contained in the notice shall be subject to the approval of the relevant Shareholders.

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

**Article 49** If the Board of Supervisors or Shareholders decide to convene a general meeting on their own, they must notify the Board of Directors in writing. If the securities regulatory rules of the place where the Shares of the Company are listed have other provisions, such provisions shall prevail to the extent that they do not violate domestic laws, administrative regulations and the Articles of Association.

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

The Board of Supervisors or convening Shareholders shall issue notice of a general meeting and announce the resolutions of the general meeting. If the securities regulatory rules of the place where the Company's shares are listed have other provisions, such provisions shall prevail to the extent that they do not violate domestic laws, administrative regulations and the Articles of Association.

**Article 50** The Board of Directors and the Secretary to the Board of Directors will cooperate with respect to matters relating to the general meeting convened by the Board of Supervisors or the Shareholders themselves. The Board of Directors will provide the register of members as of the date of the shareholding record date.



**Article 51** For a general meeting convened by the Board of Supervisors or shareholders themselves, the necessary expenses for the meeting shall be borne by the Company.

#### **Section 4 Proposals and Notices of the General Meeting**

**Article 52** The content of the proposal should fall within the scope of the authority of a general meeting, addressing clear issues with specific resolutions, and conforming to the relevant provisions of laws, administrative regulations, and the Articles of Association.

**Article 53** When the Company convenes a general meeting, the Board of Directors, Board of Supervisors and shareholders individually or jointly holding more than 1% of the Shares of the Company have the right to submit proposals to the Company.

Shareholders who individually or collectively hold more than 1% of the Shares of the Company may put forward temporary proposals and submit them in writing to the convener 10 days before the general meeting. The convener shall issue a supplementary notice of the general meeting within 2 days after receiving the proposal and announce the contents of the temporary proposal. If the general meeting must be postponed due to the issuance of a supplementary notice of the general meeting in accordance with the securities regulatory rules of the place where the Shares of the Company are listed, the convening of the general meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the place where the Shares of the Company are listed.

Save as specified in the preceding paragraph, the convener shall not change the proposal(s) set out in the notice of the general meeting or add any new proposals after the said notice is served.

No vote shall be taken and no resolution shall be passed at a general meeting on any proposal which is not set out in the notice of the general meeting or which does not comply with the provisions of Article 52 of the Articles of Association.

**Article 54** The convener shall notify shareholders by way of announcement 21 days or 20 working days (whichever is longer) before the convening of an annual general meeting, and shareholders will be notified by notice 15 days before the convening of an extraordinary general meeting. When calculating the starting period, the Company should not include the date of the meeting.

**Article 55** The notice of a general meeting should include the following:

- (1) the time, place, and duration of the meeting;
- (2) the matters and proposals submitted to the meeting for consideration;
- (3) an explanation in obvious words: All shareholders have the right to attend the general meeting and may entrust a proxy in writing to attend the meeting and participate in voting. The shareholder proxy does not have to be a shareholder of the Company;
- (4) the equity registration date of shareholders entitled to attend the general meeting;
- (5) the name and telephone number of the regular contact person as to the meeting affairs;
- (6) the voting time and voting procedures online or by other means.

The notice and supplementary notice of the general meeting shall fully and completely disclose all the specific contents of all proposals. If the matters to be discussed require the independent non-executive Directors to express their opinions, the opinions and reasons of the independent non-executive Directors should be disclosed at the same time when issuing the notice and supplementary notice of the general meeting.

**Article 56** If the general meeting intends to discuss matters relating to the election of Directors and Supervisors, the notice of the meeting shall fully disclose the details of the candidates for Directors and Supervisors, including at least the following:

- (1) personal particulars such as educational background, work experience and any concurrent positions;
- (2) whether he/she is connected with the Company or its controlling shareholders and the de facto controller;
- (3) disclosure of their shareholdings in the Company;
- (4) whether he/she has been punished by the CSRC and other relevant authorities or disciplined by a stock exchange;
- (5) other information as required by the CSRC and the stock exchange where the Shares are listed.

Unless a Director or Supervisor is elected by a cumulative voting system, each candidate for Director or Supervisor shall be proposed by an individual proposal.

**Article 57** Upon issuance of the notice of the general meeting, the general meeting shall neither be delayed nor canceled without a proper reason, and the proposals listed in such notice shall not be revoked. In the case of any postponement or cancellation of the meeting, the convener shall notify the shareholders in writing, and make a public announcement stating the reasons therefor at least 2 business days prior to the date originally scheduled for convening the meeting. Where the securities regulatory rules of the place where the Shares of the Company are listed provide otherwise in respect of the procedures for adjournment or cancellation of a general meeting, such provisions shall apply to the extent that they do not contravene the regulatory requirements of the territory.

## **Section 5 Holding of General Meeting**

**Article 58** The Board of Directors and other conveners shall take necessary measures to maintain the normal order of the general meeting. They shall adopt measures to stop any acts from interfering with the general meeting, creating quarrels and nuisance and infringing the lawful interests of the shareholders and timely report such act to the relevant authorities for investigation.

**Article 59** All shareholders recorded in the register of members as at the shareholding record date or their proxies shall have the right to attend and speak at the general meeting and exercise their voting rights in accordance with the relevant provisions of laws and regulations and the Articles of Association.

Shareholders may attend a general meeting in person or entrust a proxy to attend and vote on their behalf.

**Article 60** An individual shareholder who attends the meeting in person shall present his/her own identity card or other valid documents or proof evidencing his/her identity and proof of shareholding. If a proxy is appointed to attend the meeting on his or her behalf, such proxy shall produce his/her own valid proof of identity and the power of attorney from the shareholder.

Corporate shareholders shall be represented by their legal representative, or an agent entrusted by the legal representative to attend the meeting. When the legal representative attends the meeting, he/she shall present his/her identity card and a valid certificate that proves his/her qualifications as a legal representative; if an agent is appointed to attend the meeting, the agent shall present his/her identity card and the written power of attorney lawfully issued by the legal representative of the corporate shareholder (except that the shareholder is an agent of a recognized clearing house (hereinafter referred to as the “recognized clearing house”) as defined in the relevant regulations of Hong Kong law in effect from time to time or the securities regulatory rules of the place where the Shares of the Company are listed).

If the shareholder is a recognized clearing house (or its nominee), the recognized clearing house may authorize one or more persons it deems appropriate to act as its representative at any general meeting or any meeting of creditors; however, if more than one person is so authorized, the authorization should state the number and class of Shares in respect of each such person is so authorized. A person so authorized may exercise rights on behalf of a recognized clearing house (without being required to present share certificate, certified proxy form and/or further evidence of due authorization) as if the person were an individual shareholder of the Company.

**Article 61** The power of attorney issued by a shareholder to entrust another person to attend a general meeting shall specify the following contents:

- (1) the name of the proxy;
- (2) whether it has voting right;
- (3) instructions to vote in favor, against or abstain from voting for each matter included in the agenda of the general meeting;
- (4) the date of issue and validity period of the power of attorney;
- (5) signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the corporation shall be affixed.

**Article 62** The power of attorney should indicate whether the shareholder’s proxy can vote according to his/her own will in the absence of specific instructions from the shareholder. If the power of attorney does not provide specific instructions, it is deemed that the proxy may vote according to his/her own will.

**Article 63** If the power of attorney for proxy voting is signed by the authorized person of the principal, the power of attorney or other authorization documents authorizing the signing shall be notarized. The notarized power of attorney or other authorization documents, and the voting proxy form must be kept at the Company’s domicile or other place specified in the notice convening the meeting. The power of attorney for proxy voting shall be deposited at the address of the Company or such other place as may be specified in the notice of the relevant meeting at least 24 hours before the meeting relevant to such power of attorney, or 24 hours before the designated time for the relevant voting.

If the principal is a corporation, its legal representative or a person authorized by resolution of the Board of Directors or other decision-making body shall attend the Company's general meeting as a representative.

**Article 64** The meeting register for the attendees shall be prepared by the Company. The meeting register shall specify the name of the attendees (or the entity name), the ID card number, the domicile address, the number of shares with voting rights he/she holds or represents, names of the principals (or the entity name) and other relevant matters.

**Article 65** The convenor shall verify the legitimacy of the shareholders' qualifications based on the register of members provided by the securities depository and clearing institution and register the names (or entity names) of the shareholders and the number of shares for which they hold voting rights. The registration of the meeting shall be terminated before the presiding officer of the meeting announces the number of shareholders and proxies present at the meeting and the total number of shares holding voting rights.

**Article 66** When the general meeting is held, all the Directors, Supervisors and secretary to the Board of Directors of the Company shall attend the meeting, while the general manager and other senior management officers shall be present at the meeting. Subject to the securities regulatory rules of the place where the Shares of the Company shares are listed, the aforesaid persons may attend or take part in the meeting through the internet, video, telephone or other means with equivalent effect.

**Article 67** A general meeting is chaired by the chairman of the Board of Directors. When the chairman of the Board of Directors is unable or fails to perform his/her duties, a Director jointly elected by more than half of the Directors shall preside over the meeting.

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

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

When convening a general meeting, if the chairman of the meeting violates the rules of procedure and makes it impossible to continue, with the consent of shareholders holding more than half of the vote rights present at the general meeting, the general meeting may elect one person to serve as the chairman of the meeting and the meeting shall continue.

**Article 68** The Company shall formulate the rules of procedure for the general meeting, which stipulate in detail the convening and voting procedures of the general meeting, including notification, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of resolutions of the meeting, minutes of the meeting and signing and publication thereof, as well as the principle of authorization of the general meeting to the Board of Directors and the content of authorization shall be clear and specific. The rules of procedure for the general meeting shall be annexed to the Articles of Association and shall be prepared by the Board of Directors and approved by a general meeting.

**Article 69** At the annual general meeting, the Board of Directors and the Board of Supervisors shall report on their works in the past year. Each independent non-executive Director shall also report on their performance of duty.

**Article 70** The Directors, Supervisors and senior management officers shall provide explanations and statements relating to the queries and suggestions put forward by the shareholders at the general meeting.

**Article 71** The chairman of the meeting shall announce the number of shareholders and proxies attending the meeting and the total number of shares with voting rights they hold prior to voting. The number of shareholders and proxies present the meeting and the total number of shares with voting rights they hold shall be based on the register of meeting.

**Article 72** The general meeting shall have meeting minutes, which shall be prepared by the secretary to the Board of Directors. The meeting minutes shall contain the following:

- (1) the time, venue of, and the agenda for, the meeting, and the name or title of the convener;
- (2) names of the chairman of the meeting and the Directors, Supervisors and senior management officers attending the meeting or attending the meeting as non-voting attendees;
- (3) the number of shareholders and proxies present at the meeting, the total number of voting shares held and their respective proportions in the total number of shares of the Company;
- (4) the consideration process, summaries of speeches and voting results for each proposal;
- (5) the inquiries or suggestions of the shareholders and the corresponding responses or explanations;
- (6) names of counting officer and scrutineer;
- (7) other contents that should be included in the meeting minutes as required by the Articles of Association.

**Article 73** The convener shall ensure the minutes of the meeting are true, accurate and complete. The attending Directors, Supervisors, secretary to the Board of Directors, convener or their representatives, and the chairman of the meeting shall sign the meeting minutes. The meeting minutes shall be maintained together with the meeting register, the power of attorney for proxy attendance, and information on the valid voting by online and other forms for a period of not less than 10 years.

**Article 74** The convener shall ensure that the general meeting is held continuously until a final resolution is made. In the event that the general meeting is suspended or no resolution can be reached due to force majeure or other special causes, necessary measures shall be taken to resume the general meeting as soon as possible or directly terminate the general meeting, and an announcement shall be made promptly. If the securities regulatory rules of the place where the Shares of the Company are listed have other provisions, such provisions shall prevail to the extent that they do not violate domestic laws, administrative regulations and the Articles of Association.

## **Section 6 Voting and Resolutions at General Meetings**

**Article 75** Resolutions of the general meeting are classified into ordinary resolutions and special resolutions.

Ordinary resolutions made by the general meeting shall be passed by more than half of the voting rights held by the Shareholders (including Shareholders' proxies) present at the general meeting.

Special resolutions made by the general meeting shall be passed by more than two-thirds of the voting rights held by the Shareholders (including Shareholders' proxies) present at the general meeting.

**Article 76** The following matters shall be passed by way of an ordinary resolution at the general meeting:

- (1) work reports of the Board of Directors and the Board of Supervisors;
- (2) the profit distribution plans, and loss compensation plans drawn up by the Board of Directors;
- (3) the appointment and removal of members of the Board of Directors and the Board of Supervisors who are not represented by employee representatives, and the remuneration and payment methods of members of the Board of Directors and the Board of Supervisors;
- (4) the Company's annual budgets and final accounts;
- (5) the annual report of the Company;
- (6) matters other than those required by laws, administrative regulations, the securities regulatory rules of the place where the Shares of the Company are listed or the Articles of Association to be passed by way of a special resolution.

**Article 77** The following matters shall be passed by way of a special resolution at the general meeting:

- (1) the Company increases or decreases its registered capital;
- (2) the division, spin-off, merger, dissolution and liquidation of the Company or the change of Company form;
- (3) modification of the Articles of Association;
- (4) the Company purchases or sells major assets within one year or the amount of guarantee exceeds 30% of the Company's latest audited total assets;
- (5) equity incentive plans;
- (6) adjustment of profit distribution policy;

- (7) other matters that are stipulated in laws, administrative regulations, securities regulatory rules of the place where the Shares of the Company are listed or the Articles of Association which, considered by the shareholders at the general meeting and resolved by way of an ordinary resolution, may have a material impact on the Company and shall be adopted by way of a special resolution.

**Article 78** Shareholders (including the Shareholders' proxies) exercise their voting rights based on the number of voting shares they represent, and each Share is entitled to one vote. When voting at a meeting, a shareholder (including its proxy) entitled to two or more votes need not cast all his/her votes in the same way.

When the general meeting considers major matters affecting the interests of small and medium investors, the votes of small and medium investors shall be counted separately. The results of individual vote counting should be disclosed publicly in a timely manner.

The Shares held by the Company have no voting rights, and such Shares are not included in the total number of Shares with voting rights present at the general meeting.

According to applicable laws and regulations and the Listing Rules of the Hong Kong Stock Exchange, if any Shareholder is required to restrain from voting on a particular resolution or is restricted from voting in favor of (or against) a particular resolution, the votes cast by or on behalf of such Shareholder in contravention of the relevant requirement or restriction shall not be counted towards the total number of Shares carrying voting rights.

If a Shareholder's purchase of the Company's voting shares violates the provisions of (1) and (2) of Article 63 of the Securities Law, the portion of the Shares over the prescribed ratio shall not be allowed to exercise voting rights for a period of thirty-six months after the purchase and shall not be counted towards the total number of voting Shares present at the general meeting.

The Board of Directors, independent non-executive directors and Shareholders holding more than 1% of the voting shares or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may solicit shareholder voting rights. When soliciting Shareholder voting rights, specific voting intentions and other information must be fully disclosed to the persons being solicited. It is prohibited to collect voting rights from shareholders in a paid or disguised pay way. Except for statutory conditions, the Company may not impose any minimum shareholding ratio restrictions on the solicitation of voting rights.

**Article 79** When matters relating to connected transactions are considered at a general meeting, the connected shareholders shall abstain from voting and the number of voting shares represented by them shall not be counted into the total number of valid votes; the announcement of any resolution made at the general meeting should fully disclose the voting information of the non-connected Shareholders.

Prior to the consideration of matters relating to connected transactions at a general meeting, the Company shall determine the scope of connected shareholders in accordance with the relevant national laws and regulations. The connected shareholders or their authorized representatives may attend the general meeting and explain their views to the shareholders present in accordance with the procedures of the meeting, but they shall abstain from voting. When matters relating to connected transactions are resolved at a general meeting, the connected shareholders shall take the initiative to abstain from voting; if the connected shareholders do not take the initiative to abstain from voting, the other attending shareholders shall have the right to request the connected shareholders to abstain from voting. In the event that connected shareholders abstain from voting, the other shareholders shall vote in accordance with their voting rights and pass the corresponding resolutions in accordance with the provisions of the Articles of Association; the abstain from voting by the connected shareholders and the voting procedures shall be notified by the chairman of the general meeting and recorded in the minutes of the meeting.

For the consideration of connected transaction matters, the disqualification and voting procedures for connected shareholders are as follows:

- (1) Where a matter under consideration at a general meeting is related to a shareholder, such shareholder shall disclose his/her connected relationship to the Board of Directors prior to the date of the general meeting;
- (2) When the general meeting is considering matters relating to connected transactions, the chairman of the general meeting shall announce the shareholders who are connected, and explain the connection between the connected shareholders and the connected transaction;
- (3) The chairman of the general meeting shall announce the disqualification of the connected shareholders and the voting on the connected transaction matters shall be conducted by the non-connected shareholders;
- (4) A resolution on a connected transaction shall be passed by a majority of the number of voting shares of the non-connected shareholders present at the meeting; if the transaction matter falls within the scope of a special resolution, it shall be passed by more than two-thirds of the number of voting shares of the non-connected shareholders present at the meeting.

**Article 80** Without prior approval by way of a special resolution at the general meeting, the Company shall not enter into any contract with any person other than the Directors, Supervisors, general managers and other senior management whereby the management and administration of the whole or any substantial part of the business of the Company is to be handed over to such person, unless the Company is in a crisis or other special circumstances.

**Article 81** The list of candidates for Directors and Supervisors shall be proposed to the general meeting for voting by the Board or the Board of Supervisors by way of resolution. If the list of candidates for Directors is proposed in accordance with Article 53 of the Articles of Association by way of additional resolution, documents such as qualifications and biographies for approval and screening shall be submitted to the Nomination Committee of the Board 10 working days before the general meeting.

If the following situations are involved, the general meeting shall adopt a cumulative voting system in the election of Directors and Supervisors:



- (1) electing two or more independent non-executive Directors of the Company;
- (2) electing two or more Directors or Supervisors during the period when a single shareholder and its persons acting in concert are interested in 30% or more shares of the Company.

If Directors will be elected by cumulative voting at a general meeting, the voting of independent non-executive Directors and other Directors shall be carried out separately. The Directors and Supervisors to be elected will be listed in a descending order of the number of votes obtained to determine the elected Directors and Supervisors according to the number of Directors and Supervisors to be elected. For Directors and Supervisors that are not elected by cumulative voting, each of the Director or Supervisor candidate shall be proposed by a separate resolution.

Accumulative voting system referred to in the preceding paragraph means a system whereby each share, in an election of Directors or Supervisors at a general meeting, carries the number of voting rights equivalent to the number of the Directors or Supervisors to be elected, and a shareholder may concentrate his/her voting rights. The Board shall announce the biographies and basic particulars of the candidates for Directors and Supervisors to the shareholders.

The Board shall formulate the implementation rules of the cumulative voting system and submit the same to the general meeting for approval.

The nomination methods and procedures for Directors are as follows:

- (1) The list of candidates for the first session of the Board shall be proposed by the promoters of the Company and elected by the Company's founding meeting. During the change of session of the Board, the list of candidates for the next session of the Board shall be proposed by the Nomination Committee of the previous session of the Board and submitted to the general meeting for voting by way of resolution.
- (2) Shareholders who hold or jointly hold over 3% of the total number of voting shares issued by the Company have the right to propose new candidates for Directors in accordance with the provisions of the Company Law and the Articles of Association.

The nomination methods and procedures for Supervisors are as follows:

- (1) For shareholder representative Supervisors, the list of candidates for the first session of the Board of Supervisors shall be proposed by the promoters of the Company and elected by the Company's founding meeting. During the change of session of the Board of Supervisors, the list of candidates for the next session of the Board of Supervisors shall be proposed by the previous session of the Board of Supervisors and submitted to the general meeting for voting by way of resolution. Shareholders who hold or jointly hold over 3% of the total number of voting shares issued by the Company have the right to propose new candidates for Supervisors.
- (2) The employee representative Supervisors and their replacement shall be elected by the Company's employee representative assembly or other forms of democratic election, and shall directly enter the Board of Supervisors.

The Board and the Board of Supervisors shall seek shareholders' opinions as much as possible when nominating Directors and Supervisors.

**Article 82** In addition to the cumulative voting system, the general meeting shall resolve all the proposals separately. Where there are several proposals for the same matter, such proposals shall be resolved in the order of time at which they are submitted. Unless the general meeting is adjourned or no resolutions can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused to vote at the general meeting.

**Article 83** No alteration to the proposals will be allowed when they are being considered at the general meeting. Otherwise, the relevant changes shall be deemed to be a new proposal which cannot be resolved at the present general meeting.

**Article 84** In case of repeat voting by the same voting right, only the first vote is valid.

**Article 85** The voting at the general meeting shall be conducted in the form of open ballot.

**Article 86** Before a resolution is voted on at a general meeting, two representatives of the shareholders shall be elected as vote counters and scrutinizers. Any shareholder who is connected with the matter to be considered and proxies of such shareholder shall not participate in vote counting or scrutinizing.

When voting on the resolutions at a general meeting, shareholder representatives and supervisor representatives shall count and scrutinize the votes jointly, and the voting result shall be announced forthwith. Voting on the resolutions shall be recorded in the minutes of meeting.

Shareholders or their proxies that vote online or by other means shall have the right to check and inspect their voting results through the relevant voting system.

**Article 87** Before the results are officially announced, all related parties such as the companies, vote counters, vote scrutinizers, substantial shareholders involved in the general meeting are obliged to keep the results confidential.

**Article 88** Shareholders present at the general meeting shall express their opinions on the proposal put forward for voting in one of the following options: for, against, or abstain, except that the securities registration and clearing institution, as the nominal holder of shares under the Mainland-Hong Kong Stock Connect, makes a declaration according to the intentions of the actual holders.

Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by them shall be counted as "abstain".

**Article 89** If the chairman of the meeting has any doubt as to the result of a resolution put to the vote, the chairman may have the votes counted. If the chairman of the meeting has not counted the votes, any shareholder, present in person or by proxy, who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the result, demand that the votes to be counted and the chairman of the meeting shall have the votes counted immediately.

**Article 90** The resolutions of the general meeting shall be announced in a timely manner, and the announcement shall contain the number of shareholders and proxies present, the total number of voting shares held by them and the proportion to the total number of voting shares of the Company, voting methods, the voting result for each proposal and the details of each resolution approved.

**Article 91** If the proposal is not passed, or if the resolutions of the previous general meeting have been changed by the current general meeting, a special highlight shall be made in the announcement of the resolutions of the general meeting.

**Article 92** If a proposal relating to the election of Directors or Supervisors is approved at a general meeting, the term of office for the newly elected Directors or Supervisors shall commence from date of approval of the said resolution at the general meeting.

**Article 93** When the general meeting has passed proposals regarding cash distribution, bonus issue or conversion of capital common reserve into share capital, the specific proposals will be implemented within 2 months after the close of the general meeting. If the specific proposals cannot be implemented within 2 months due to the provisions of laws, regulations and the securities regulatory rules of the place where the Company's shares are listed, the implementation date of the specific proposals may be adjusted accordingly in accordance with such provisions and the actual situation.

## **CHAPTER 5 BOARD OF DIRECTORS**

### **Section 1 Directors**

**Article 94** Directors of the Company include executive Directors, non-executive Directors and independent non-executive Directors. Non-executive Directors refer to Directors who do not carry out operation and management duties in the Company. Independent non-executive Directors refer to Directors who meet the requirements of Article 103 of the Articles of Association. Directors shall possess the qualifications required by laws, administrative regulations and rules for their positions. Directors of the Company are natural persons, and a person shall not serve as a Director of the Company if any of the following circumstances applies:

- (1) a person who has no capacity or has restricted capacity for civil conduct;
- (2) a person who has been sentenced to criminal punishment for corruption, bribery, embezzlement of property, misappropriation of property or disruption of the socialist market economic order; or has been deprived of political rights because of committing an offence, in each case where less than 5 years have elapsed since the expiration of the execution period, and in the case of a suspended sentence, less than 2 years have elapsed since the expiration of the probation period;
- (3) a person who is a former director, factory manager or president of a company or an enterprise which was insolvent and liquidated and who was personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;
- (4) a person who was the legal representative of a company or an enterprise whose business license has been revoked and was ordered to cease its business due to the violation of laws and who is personally liable for the revocation, where less than 3 years have elapsed since the date of the revocation of the business license or order of closure of such company or enterprise;

- (5) a person who has a relatively large amount of personal indebtedness which is overdue and outstanding;
- (6) a person who has been banned from entering the securities market by the CSRC and whose term has not yet expired;
- (7) Other contents stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed or departmental rules.

Any election, appointment or engagement of a Director in violation of this Article shall be invalid. If a Director falls under the circumstances stipulated in this Article during his/her term of office, the Board shall propose to the general meeting to remove such Director in accordance with the procedures stipulated in the Articles of Association.

**Article 95** The Directors shall be elected or replaced by the general meeting, and may be removed from their office prior to the conclusion of their term by the general meeting. The term of office of a Director is three years and upon the expiration of the term, it may be renewable upon re-election in accordance with the securities regulatory rules of the place where the Company's shares are listed.

A Director's term of office shall commence from the date on which he/she takes office and up to the expiry of the current term of office of the Board. If, upon the expiry of a Director's term of office, a new Director cannot be elected on a timely basis, before the re-elected Director starts his/her term of office, such Director shall continue to perform his/her duties as director in accordance with laws, administrative regulations, departmental rules and the Articles of Association.

The general manager or other senior management personnel can concurrently serve as a Director, but the number of Directors who also serve as the general manager or other senior management positions shall not be more than one-half of the total number of Directors of the Company.

No employee representatives are to be appointed as Directors by the Board. The election and appointment procedures for Directors are the responsibility of the Nomination Committee of the Board.

**Article 96** The Directors shall comply with laws, administrative regulations and the Articles of Association, and shall fulfill the fiduciary obligation to the Company as follows:

- (1) not to take advantage of his/her functions and powers to accept bribes or other illegal income, and not to misappropriate the property of the Company;
- (2) not to misappropriate the funds of the Company;
- (3) not to deposit the Company's assets or funds in an account opened in his/her own name or in the name of any other individual;
- (4) not to lend the Company's funds to others or provide guarantees for others with the Company's property in violation of the Articles of Association and without the prior approval of the general meeting or the Board of Directors;
- (5) not to enter into any contract or transaction with the Company in violation of the provisions of the Articles of Association, or without the consent of the general meeting;

- (6) not to take advantage of his/her position to seek business opportunities that should belong to the Company for himself/herself or others, or engage in business similar to that of the Company for himself/herself or others, without the prior approval of the general meeting;
- (7) not to accept commissions from the Company's transactions for his/her own benefit;
- (8) not to disclose the secrets of the Company without authorization;
- (9) not to take advantage of his/her affiliation to harm the interests of the Company;
- (10) other fiduciary obligations stipulated in the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Shares of the Company are listed and the Articles of Association.

The income derived by a Director in violation of this Article shall be returned to the Company. If it causes any losses to the Company, he/she shall be liable for compensation.

**Article 97** The Directors shall comply with laws, administrative regulations and the Articles of Association, and bear the following responsibilities of diligence to the Company:

- (1) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the requirements of PRC laws, administrative regulations, departmental rules and relevant PRC economic policies and are not beyond the business scope specified in the business license of the Company;
- (2) to treat all Shareholders fairly;
- (3) to keep abreast of the Company's business operation and management;
- (4) to sign written confirmations of the Company's periodic reports, to ensure that the information disclosed by the Company is true, accurate and complete;
- (5) to provide the status reports and information to the Board of Supervisors truthfully, and not to hinder the Board of Supervisors or Supervisors from exercising their powers;
- (6) other responsibilities of diligence stipulated in the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Shares of the Company are listed and these Articles of Association.

**Article 98** A Director who fails to attend two consecutive Board meetings in person or to delegate other Directors to attend the meetings on his/her behalf shall be deemed to be incapable of performing his/her duties, and the Board of Directors shall propose to the general meeting to remove such Director. Subject to the securities regulatory rules of the place where the Shares of the Company are listed, a Director who attends a Board meeting by means of internet, video, telephone or other means with equivalent effect shall also be deemed to be attending the meeting in person.

**Article 99** A Director may resign before the expiry of his/her term of office. A director who resigns shall submit a written resignation to the Board of Directors. The Board of Directors shall announcement the resignation within two days.

In the event that the Board of Directors of the Company falls below the quorum minimum as a result of the resignation of a Director or that there is no accounting professional among the independent non-executive directors as a result of the resignation of an independent non-executive director, the original Director shall still perform the duties of a Director in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association until the newly elected director assumes office. The resignation of a Director shall not take effect until the next director fills the vacancy created by his/her resignation.

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

**Article 100** Upon a Director's resignation becomes effective or his/her term of office expires, he or she shall complete all of the handover procedures with the Board of Directors, and his or her fiduciary obligations to the Company and the shareholders shall not necessarily be discharged after the expiration of his/her term of office, nor after his/her term of office or his/her resignation becomes effective. His/her obligation to maintain the confidentiality of the Company's trade secrets shall remain in effect after the expiration of his/her term of office until such secrets become public information. The duration of the other obligations shall be determined on an equitable basis, depending on the length of time between the occurrence of the event and the departure from office, and the circumstances and conditions under which the relationship with the Company is terminated.

**Article 101** Without the legal authorization by the Articles of Association or the Board of Directors, no director shall act on behalf of the Company or the Board of directors in his/her personal capacity. Where a Director acts in his/her capacity, the Director shall declare in advance his/her position and identity in circumstances where a third party would reasonably believe that the Director is acting on behalf of the Company or the Board of Directors.

**Article 102** A Director who violates laws, administrative regulations, departmental rules or the provisions of the Articles of Association in the course of performing his/her duties and causes losses to the Company shall be liable for compensation.

**Article 103** The terms of office, nomination and election procedures, powers and responsibilities of the independent non-executive directors and other related matters shall be implemented in accordance with the relevant provisions of the law, the relevant regulations of the CSRC and the stock exchange where the Company is listed.

## **Section 2 Board of Directors**

**Article 104** The Company shall have a Board of Directors, which shall be accountable to the general meeting.

The Company has established an Audit Committee, a Remuneration Committee, and a Nomination Committee under the Board based on actual conditions and needs.

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. Their proposals shall be submitted to the Board of Directors for review and decision. The members of the special committees are all composed of Directors, with independent non-executive directors constituting the majority of the Audit Committee, the Remuneration Committee and the Nomination Committee and acting as convenors, and the convenors of the Audit Committee being accounting professionals. The Board of Directors is responsible for formulating work procedures for the special committees and regulating their operations.

**Article 105** The Board of Directors consists of 5 to 15 Directors, including one chairman.

**Article 106** The Board of Directors exercises the following powers:

- (1) to convene general meetings and report to general meetings;
- (2) to implement the resolutions of the general meeting;
- (3) to determine the Company's business plans and investment plans;
- (4) to formulate the Company's profit distribution plans and loss compensation plans;
- (5) to formulate plans for the Company to increase or reduce its registered capital, issue bonds or other securities, and list;
- (6) to formulate plans for the Company's major acquisitions, repurchase of the Shares of the Company under the circumstances stipulated in (1) and (2) of Article 24 of the Articles of Association, or merger, division, dissolution and change of corporate form;
- (7) to decide, subject to the securities regulatory rules of the place where the Shares of the Company are listed, on the repurchase of the Shares of the Company under the circumstances specified in (3), (5) and (6) of Article 24 of the Articles of Association;
- (8) to decide on the purchase or sale of material assets (including but not limited to land, buildings, equipment, production lines and equity) by the Company, provided that such purchase or sale (including but not limited to land, buildings, equipment, production lines and equity) by the Company within one year with an accumulative amount of more than 30% of the latest total audited assets of the Company shall be reported to a general meeting for review and consideration;
- (9) to decide on major external investments (including but not limited to the establishment of new companies or branches), provided that such external investments (including but not limited to the establishment of new companies or branches) within one year with an accumulative amount of more than 30% of the latest audited total assets of the Company shall be reported to a general meeting for review and consideration;
- (10) to decide on major entrusted financial management, provided that the cumulative amount of the Company's entrusted financial management within one year of more than 30% of the latest audited total assets of the Company shall be reported to a general meeting for review and consideration;
- (11) to decide on the establishment of the Company's internal management agencies and branches;
- (12) to decide on the appointment or dismissal of the Company's general manager, secretary to the Board of Directors and other senior management personnel, and determine their remuneration, rewards and punishments; decide on the appointment or dismissal of the Company's deputy general manager, financial controller and other senior management personnel based on the nomination of the general manager personnel and decide on their remuneration and rewards and punishments;

- (13) to formulate and modify the Company's basic management system;
- (14) to formulate a plan to amend the Articles of Association;
- (15) to manage information disclosure matters of the Company;
- (16) to propose to the general meetings to engage or change the accounting firm that provide audits for the Company;
- (17) to listen to the work report of the General Manager of the Company and examine the work of the General Manager;
- (18) other duties and powers stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Shares of the Company are listed, the Articles of Association or the general meetings.

**Article 107** The Board of Directors shall make explanations to the general meeting on the non-standard audit opinions issued by the certified public accountants on the Company's financial reports.

**Article 108** The board of directors shall formulate the rules of procedures of the Board of Directors, to ensure the implementation of resolutions of the general meetings, enhance the working efficiency and ensure scientific decision-making.

The rules of procedures of the Board of Directors shall be prepared by the Board of Directors, approved by a general meeting, and annexed to the Articles of Association.

**Article 109** The Board of Directors shall determine the authority over external investment, acquisition and disposal of assets, pledge of assets, external guarantee, entrustment of financial management, connected transactions and external donations, and establish strict review and decision-making procedures. Major investment projects shall be assessed and examined by relevant experts and professionals and shall be approved at a general meeting.

**Article 110** The Board of Directors has one Chairman, who is elected by a majority of all Directors.

**Article 111** The chairman of the Board exercises the following powers:

- (1) to preside over the general meetings, and convene and preside over Board meetings;
- (2) to supervise and inspect the implementation of board resolutions;
- (3) to sign documents of the Board of Directors and other documents that should be signed by the Company's legal representative;
- (4) to exercise the powers of the legal representative;
- (5) in the event of force majeure emergencies such as severe natural disasters, to exercise special powers to handle Company affairs in compliance with legal provisions and the Company's interests, and report to the Company's Directors and general meeting afterwards;
- (6) other powers and functions conferred by the Board of Directors.



**Article 112** If the Chairman is unable or fails to perform his duties, a Director shall be jointly elected by more than half of the Directors to perform such duties.

**Article 113** Board meetings are categorized into regular meetings and ad hoc meetings. The Board of Directors shall hold at least four meetings each year, convened by the Chairman of the Board. All Directors and Supervisors shall be notified in writing of the regular meetings of the Board of Directors 14 days prior to the convening of the meeting.

**Article 114** Shareholders representing more than 1/10 of the voting rights, more than 1/3 of the Directors or the Board of Supervisors may propose to convene an ad hoc meeting of the Board. The chairman of the Board shall convene and preside over a board meeting within 10 days after receiving the proposal.

**Article 115** The Board of Directors may convene an ad hoc Board meeting by giving telephone notice or written notice (including personal delivery, mail, fax, and email). The notification should be delivered to all Directors three days before the meeting. In case of an urgent matter, with the unanimous consent of all Directors, an ad hoc Board meeting may also be convened without being subject to the aforementioned notification time limit, but it shall be recorded in the Board minutes and signed by all attending Directors.

The first meeting of the renewed Board of Directors may be convened on the same day as the renewal of the Board, and the time for convening the meeting shall not be subject to the aforementioned notification time limit set forth in the first paragraph.

**Article 116** The notice of a Board meeting shall contain the following contents:

- (1) date and venue of the meeting;
- (2) duration of the meeting;
- (3) reason to convene the meeting and matters to be discussed;
- (4) date of issue of notice.

**Article 117** Board meetings must be attended by more than half of the Directors. Resolutions made by the Board of Directors, unless otherwise provided by laws, administrative regulations and the Articles of Association, must be approved by more than half of all Directors.

“One person, one vote” is implemented as to the voting on the resolutions.

**Article 118** Directors who are related to the enterprise involved in the matters resolved at the Board meeting may not exercise voting rights on the resolution, nor may they exercise voting rights on behalf of other Directors. The Board meeting can be held if more than half of the unrelated directors are present, and resolutions made at the Board meeting must be passed by more than half of the unrelated Directors. If the number of unrelated Directors present at the Board of Directors is less than 3, the matter shall be submitted to the general meeting for consideration. If laws, regulations, and the securities regulatory rules of the place where the Shares of the Company are listed have any additional restrictions on Directors’ participation in Board meetings and voting, those provisions shall prevail.

Directors, Supervisors, the General Manager and other senior management officers of the Company who have a material interest, directly or indirectly, in a contract, transaction or arrangement entered into or contemplated by the Company (except for the employment contract of the Directors, Supervisors, the General Manager and other senior management officers with the Company) shall disclose to the Board of Directors, as soon as practicable, the nature and extent of his/her interest, irrespective of whether or not the matter concerned requires the approval of the Board of Directors in the normal course of events.

**Article 119** Except in accordance with the laws and regulations, the regulatory rules of the place where the Shares of the Company are listed or the Articles of Association, the voting method for resolutions of the Board of Directors shall be: written voting.

On the premise of ensuring the Directors to fully express their opinions, the ad hoc Board meetings may be convened and the resolutions may be made by means of communication (including but not limited to telephone, video, fax, etc.), and must be signed by the attending Directors.

Written voting shall not be adopted at regular Board meetings, or at meetings to review matters in which the Board of Directors believes any substantial shareholders or Directors may have material conflicts of interest, or in other situations not allowed by laws and regulations, regulatory rules of the place where the Shares of the Company are listed, or the Articles of Association.

**Article 120** Board meetings shall be attended by the Director in person; if a Director is unable to attend for any reason, he/she may authorize another Director in writing to attend on his/her behalf. The letter of authorization shall state the name of the agent, matters entrusted, scope of authorization and validity period, and shall be signed or stamped by the principal. The authorized Director shall exercise the rights entrusted to him/her within the scope of authorization. If a Director fails to attend a Board meeting or appoint a representative to attend, he/she shall be deemed to have given up his/her right to vote at the meeting.

**Article 121** The Board meeting shall make minutes for the decisions of the matters discussed in the meeting, and the attending Directors and the minute-taker shall sign the meeting minutes.

The minutes of the Board meeting shall be kept as corporate files for a period of not less than ten years.

**Article 122** The minutes of the Board meetings shall contain the following information:

- (1) the date and venue of the meeting and the name of the convener;
- (2) the name of the directors present and name of the directors (proxies) appointed by others to attend the Board meeting;
- (3) agenda of the meeting;
- (4) the main points of the Directors' speeches;
- (5) the voting method and results of each resolution (the results shall indicate the number of votes in favour of, against or abstained).

## CHAPTER 6 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT OFFICERS

**Article 123** The Company shall have a general manager as appointed or dismissed by the Board of Directors.

The Company has one financial controller and a secretary to the Board of Directors, who are appointed or dismissed by the General Manager at the request of the Board.

The General Manager, the financial controller, the secretary to the Board of Directors and other senior management personnel recognised by the Board of Directors of the Company shall be the senior management officers of the Company. Directors may be employed concurrently as General Manager, financial controller, or other senior management personnel.

**Article 124** The circumstances stipulated in the Article 94 with respect to disqualified directors of the Company shall apply to senior management officers of the Company.

The fiduciary duties and duties of diligence regarding the Directors set out in Article 96 and items (4) to (6) of Article 97 respectively shall apply to senior management officers.

**Article 125** A person who holds an executive position other than that of director or supervisor in the Company's controlling shareholder or de facto controller shall not serve as a senior management officer of the Company. Senior management officers of the Company shall only receive remuneration from the Company and shall not be paid by the controlling shareholders on their behalf.

**Article 126** The general manager and other senior management officers shall be appointed for a term of three years and eligible for reappointment for a second consecutive term.

**Article 127** The general manager is responsible to the Board and exercises the following powers:

- (1) to preside over the Company's production, operation, and management work, organize the implementation of Board resolutions, and report work to the Board of Directors;
- (2) to organize and implement the Company's annual business plans and investment plans;
- (3) to formulate a plan for the establishment of the Company's internal management organization;
- (4) to formulate the Company's basic management system;
- (5) to formulate specific regulations of the Company;
- (6) to propose to the Board of Directors to appoint or dismiss the Company's deputy general manager and financial controller;
- (7) to decide to appoint or dismiss management personnel other than those who shall be appointed or dismissed by the Board of Directors;

- (8) to approve transactions and connected transactions other than those required to be reviewed and approved by the general meetings and the Board of Directors, but if laws, regulations and regulatory authorities have relevant provisions, such provisions shall prevail;
- (9) other powers stipulated in the General Manager Working Rules;
- (10) other powers conferred by the Articles of Association or the Board of Directors.

The General Manager shall attend the Board meetings.

**Article 128** The General Manager shall formulate the General Manager Working Rules and submit them to the Board of Directors for approval before implementation.

**Article 129** The General Manager Working Rules shall include the following:

- (1) the conditions and procedures for convening meetings of the General Manager and the participants of the meetings;
- (2) the specific duties of each of the general manager and other senior management personnel and their division of labour;
- (3) authority on the utilization of capital and assets of the Company and execution of major contracts and the reporting system to the Board of Directors and the Board of Supervisors;
- (4) other matters considered necessary by the Board of Directors.

**Article 130** The General Manager may resign before the expiration of his/her term of office. The specific procedures and methods concerning the resignation of the General Manager are stipulated in the employment contract between the General Manager and the Company.

**Article 131** The financial controller of the Company shall be appointed or dismissed by the Board of Directors of the Company upon nomination by the General Manager.

**Article 132** The Company has a Board secretary, who is responsible for the preparation of the Company's general meetings and Board meetings, document storage, management of the Company's Shareholder information, and handling information disclosure matters.

Board secretary shall abide by the relevant provisions of laws, administrative regulations, departmental rules and the Articles of Association.

**Article 133** If any senior management officer violates the laws, administrative regulations, departmental rules or the Articles of Association in performing his/her duties, thereby incurring any loss of the Company, the said senior management officers shall be liable for compensation.

**Article 134** The senior management officers of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all Shareholders. If any senior management officers of the Company cause damage to the interests of the Company and its public shareholders due to failure in faithfully performing their duties or violation of his or her fiduciary duties, he or she shall be liable for compensation in accordance with the laws.

## CHAPTER 7 BOARD OF SUPERVISORS

### Section 1 Supervisors

**Article 135** The circumstances stipulated in the Article 94 with respect to disqualified directors of the Company shall apply to Supervisors.

No Director, General Manager, and other senior management officers may serve concurrently as a Supervisor.

**Article 136** Supervisors shall comply with laws, administrative regulations and the Articles of Association and bear fiduciary obligations and diligence obligations towards the Company. They shall not abuse their authority to accept bribes or other illegal income and shall not misappropriate the property of the Company.

**Article 137** Each session for the Board of Supervisors has a term of three years. Upon expiry of the term of office, a Supervisor may be re-appointed after being re-elected.

**Article 138** A supervisor shall continue to perform his/her duties in accordance with the laws, administrative regulations and the Articles of Association until a duly re-elected Supervisor takes office; if the re-election is not conducted in a timely manner upon the expiry of his/her term of office, or if the resignation of the supervisor results in the Board of Supervisors to be below the minimum quorum.

**Article 139** Supervisors shall ensure that the information disclosed by the Company is true, accurate and complete, and sign written confirmation opinions on regular reports.

**Article 140** Supervisors may attend Board meetings, and raise questions or proposals regarding resolutions of the Board meetings.

**Article 141** The Supervisors shall not damage the Company's interests by taking advantage of their connection relationships and shall be liable to compensate the Company for any loss so caused.

**Article 142** Supervisors who are in breach of laws, administrative regulations, departmental rules, or the Articles of Association in the course of performing their duties shall be liable to compensate the Company for any loss so caused.

### Section 2 Board of Supervisors

**Article 143** The Company shall have a Board of Supervisors, which shall consist of three Supervisors. The Board of Supervisors shall have a chairman, who is elected by a majority of all Supervisors. The chairman of the Board of Supervisors shall convene and preside over meetings of the Board of Supervisors. If the chairman is unable or fails to perform his/her duties, a Supervisor jointly elected by not less than one half of the Supervisors shall convene and preside over the meeting.

The Board of Supervisors shall include Supervisors assumed by shareholder representatives and Supervisors assumed by employee representatives, and the number of Supervisors assumed by employee representatives shall not be less than one third of the Supervisors. Supervisors assumed by employee representatives shall be elected by the Company's employees through employee representative meetings, employee assembly or through other forms of democratic election.

**Article 144** The Board of Supervisors shall exercise the following powers:

- (1) to review the regular reports of the Company prepared by the Board of Directors and submit its written opinions thereon;
- (2) to examine the financial matters of the Company;
- (3) to supervise the performance of duties of the Directors and senior management and propose the removal of Directors or senior management who violate the laws, administrative regulations, the Articles of Association or resolutions of the general meetings;
- (4) to demand remedial action of a Director or senior management member if the act of such Director or senior management member is detrimental to the interest of the Company;
- (5) to propose the holding of extraordinary general meetings and, in the event that the Board of Directors fails to convene and preside over a general meeting in accordance with the Company Law, to convene and preside over such a meeting;
- (6) to propose motions to the general meetings;
- (7) to initiate litigation against Directors or senior management members in accordance with Article 151 of the Company Law;
- (8) to conduct an investigation and, if necessary, to engage professional organizations, such as accounting firms and law firms at the cost of the Company, to assist its work if irregularities in the operation of the Company are found;
- (9) other duties and powers stipulated by the Articles of Association or the general meetings.

**Article 145** At least one meeting of the Board of Supervisors shall be held every six months. Supervisors may propose to convene extraordinary meetings of the Board of Supervisors.

Resolutions of the Board of Supervisors shall be passed by more than half of the Supervisors.

**Article 146** The Board of Supervisors shall formulate the rules of procedure for the meetings of the Board of Supervisors regarding the procedures for discussion and voting, so as to ensure that the Board of Supervisors can work efficiently and make decisions in a scientific manner.

The rules of procedure for the meetings of the Board of Supervisors formulated by the Board of Supervisors shall be annexed to the Articles of Association and shall be approved at the general meeting.

**Article 147** The Board of Supervisors shall maintain minutes of the meetings so as to record the decisions on the matters considered. Participating Supervisors shall sign on the minutes for confirmation.

Supervisors are entitled to request that an explanation of their comments made at the meetings be noted in the minutes. The minutes of the meetings of the Board of Supervisors shall be kept for at least 10 years as documents of the Company.

**Article 148** The notice of a meeting of the Board of Supervisors shall contain the following contents:

- (1) date and venue of the meeting, and the duration of the meeting;
- (2) reason to convene the meeting and matters to be discussed;
- (3) date of issue of notice.

## **CHAPTER 8 FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDITING**

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

**Article 149** The Company shall establish its financial and accounting systems in accordance with the laws, administrative regulations and the requirements of the relevant authorities of China.

The fiscal year of the Company shall coincide with the calendar year, i.e., from January 1 to December 31 on the Gregorian calendar.

**Article 150** The Company shall prepare a financial report at the end of each fiscal year in a timely manner.

The financial statements of the Company shall, in addition to being prepared in accordance with the accounting standards and regulations of China, be prepared in accordance with either the international accounting standards, or that of the place outside China where the shares of the Company are listed. If there is any material difference between the financial statements prepared in accordance with these two sets of accounting standards, such difference shall be stated in the notes to the financial statements.

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

**Article 151** The Company shall not maintain accounts other than those provided by the laws. The assets of the Company shall not be deposited in an account maintained in the name of any individual.

**Article 152** When distributing the profit after tax for the current year, the Company shall set aside 10% of its profit after tax for the statutory reserve. No further allocations will be required when the accumulated amount of the statutory reserve reaches over 50% of the registered capital of the Company.

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

After allocation to the statutory reserve, subject to the approval by shareholders at a general meeting, the profit after tax may also be appropriated to discretionary reserve.

After making up for losses and allocating to the reserves, the Company shall distribute any remaining profit after tax to the shareholders in proportion to their respective shareholdings, save for distribution which is not made in proportion to shareholdings as specified in the Articles of Association.

If the general meeting distributes profit to shareholders prior to making up for losses and allocating to the statutory reserve in violation of the aforementioned provisions, the shareholders shall return to the Company the profit distributed in violation of the provisions. Shareholders and the responsible Directors, Supervisors and senior management shall be responsible for compensation of any losses caused to the Company.

The shares of the Company held by the Company shall not participate in profit distribution.

The Company shall appoint one or more receiving agents on behalf of the holders of H Shares in Hong Kong. The receiving agents shall receive and keep on behalf of such holders of H Shares the dividends declared and other payments payable by the Company in respect of the H Shares and make payment to such holders of H Shares. The receiving agents appointed by the Company shall be in compliance with the laws, regulations and the securities regulatory rules of the place where the shares of the Company are listed.

**Article 153** The Company's reserve shall be used to make up for the Company's losses, expand its production and operation, or be converted into an increase in the Company's capital.

When the reserve is used to make up for the Company's losses, the discretionary reserve and the statutory reserve shall be used first; if it still cannot make up for the losses, the capital reserve may be used in accordance with the regulations.

When the statutory reserve is converted to increase the registered capital, the reserved reserve fund shall not be less than 25% of the registered capital of the Company before the increase.

**Article 154** After the general meeting passed the resolution regarding the profit distribution plan, the Board of Directors of the Company shall complete dividends (or shares) distribution within two months after the general meeting.

**Article 155** The Company may distribute profit in cash, shares, or a combination of cash and shares, or other ways as permitted by law. The distribution of profit shall neither exceed the scope of the cumulative distributable profit, nor shall it be detrimental to the Company's ability to operate as a going concern. The profit distributed by the Company in cash in a single fiscal year shall not be less than 10% of the distributable profit realized in that year.

## **Section 2 Internal Auditing**

**Article 156** The Company shall adopt an internal auditing system, establish an internal audit department and engage professional auditors to conduct internal auditing and supervision of its financial revenues and expenditures, and economic activities.

**Article 157** The internal auditing system of the Company and duties of the auditors shall be approved by the Board of Directors before implementation. The person in charge of the audit shall be responsible to and report to the Board of Directors.



### **Section 3 Engagement of Accounting Firms**

**Article 158** The Company shall engage an accounting firm in accordance with the Securities Law to audit its financial statements, verify its net assets and provide other relevant consultancy services. The accounting firm so appointed shall hold office for 1 year and can be reappointed.

**Article 159** The appointment of the accounting firm of the Company shall be decided at a general meeting, and the Board of Directors shall not appoint the accounting firm prior to obtaining approval at the general meeting.

**Article 160** The Company guarantees that the accounting documents, account books, financial and accounting reports and other accounting materials provided to the accounting firm engaged are true and complete. The Company shall not refuse to provide or conceal information and shall not provide false information.

**Article 161** The audit fees of the accounting firm shall be determined by the general meeting.

**Article 162** When the Company dismisses or does not renew the engagement of an accounting firm, it shall give 15 days' advance notice to the accounting firm. The accounting firm may present its views when the dismissal of the accounting firm is voted at the general meeting.

Where an accounting firm resigns, it shall make a representation to the general meeting as to whether the Company has any irregularity.

### **CHAPTER 9 NOTICES**

**Article 163** The notices of the Company shall be sent by the following means:

- (1) by hand;
- (2) by email or fax;
- (3) by announcement;
- (4) by publishing on the websites designated by the Company and the Hong Kong Stock Exchange in accordance with laws, administrative regulations and the listing rules of the stock exchange of the place where the shares of the Company are listed;
- (5) by other means agreed by the Company and/or the recipients in advance or approved by the recipients after receipt of the notices;
- (6) by other means approved by the relevant regulatory authorities of the place where the shares of the Company are listed or provided by the Articles of Association.

**Article 164** If the notice is issued by the Company by way of an announcement, once the announcement is published, all relevant personnel shall be deemed to have received the notice.

Unless the context otherwise requires, in respect of the announcements issued to holders of H Shares or announcements required to be issued in Hong Kong in accordance with the relevant provisions or the Articles of Association, “announcement” referred to in the Articles of Association shall publish on the Company’s website, the website of the Hong Kong Stock Exchange and other websites as stipulated in the Listing Rules of the Hong Kong Stock Exchange from time to time in accordance with the relevant requirements of the Listing Rules of the Hong Kong Stock Exchange.

Regarding the provision and/or distribution of corporate communications to holders of H Shares by the Company in accordance with the requirements of the listing rules of the place where the shares of the Company are listed, subject to the compliance with the relevant listing rules, the Company may also send or provide such corporate communications to holders of H Shares electronically or by way of publishing on the Company’s website or the website of the stock exchange of the place where the shares of the Company are listed, instead of such delivery by hand or postage-prepaid mail.

**Article 165** Notices of general meetings of the Company shall be given to the Shareholders by means of an announcement.

**Article 166** Notices of Board meetings of the Company shall be delivered by hand or by express delivery, or by email, fax, telephone, text message or other effective means.

**Article 167** Notices of meetings of the Board of Supervisors of the Company shall be delivered by hand or express delivery, or by email, fax, telephone, text message or other effective means.

**Article 168** If the notice of the Company is delivered by hand, the addressee shall sign (or seal) on the delivery receipt, and the date of receipt signed by the addressee shall be the date of service; if the notice of the Company is delivered by express delivery, the date of service shall be the third business day from the date of delivery to the delivery party; if the notice of the Company is delivered by email, the date of service shall be the second business day from the date of the email arrives the information system of the recipient; if the notice of the Company is delivered by fax, the date of service shall be the second working day from the fax arrives the information system of the recipient.

**Article 169** The meeting and the resolution of the meeting shall not be null and void if the notice of the meeting fails to be delivered to or received by any person entitled to the notice due to accidental omission.

## **CHAPTER 10 MERGER, DIVISION, CAPITAL INCREASE AND REDUCTION, DISSOLUTION AND LIQUIDATION**

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

**Article 170** Merger of the Company may take the form of absorption or establishment of a new company.

The absorption of a company by another company is known as merger by absorption, whereby the company being absorbed shall be dissolved. The merger of two or more companies to establish a new company is known as merger by a new establishment whereby the merged parties shall be dissolved.

**Article 171** In the event of a merger, the merger parties shall enter into a merger agreement and prepare a balance sheet and an inventory list of assets. The Company shall notify its creditors within 10 days from the passing of the resolution on the merger and publish an announcement within 30 days in the newspapers (or on the National Enterprise Credit Information Publicity System) and the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Creditors may require the Company to repay the debts or to provide corresponding guarantees within 30 days from receipt of the notification or within 45 days from the date of the announcement if they do not receive the notification.

**Article 172** At the time of the merger, the debts and liabilities of the merging parties shall be assumed by the surviving company or the newly established company after the merger.

**Article 173** When the Company undergoes a division, its assets shall be divided accordingly.

In the event of a division, a balance sheet and an inventory list of assets shall be prepared. The Company shall notify its creditors within 10 days from the passing of the resolution on division and publish an announcement within 30 days on the newspapers (or on the National Enterprise Credit Information Publicity System) and the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

**Article 174** The debts of the Company prior to the division shall be assumed jointly and severally by the surviving companies after the division, unless provided otherwise in a written agreement reached by the Company and the creditors in respect of repayment of the debts prior to the division.

**Article 175** Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and an inventory list of assets.

The Company shall notify its creditors within 10 days from the passing of the resolution on reduction of registered capital and publish an announcement within 30 days on the newspapers (or on the National Enterprise Credit Information Publicity System) and the website of Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The creditors shall have the right to require the Company to repay the debts or to provide corresponding guarantees within 30 days from receipt of the notification or within 45 days from the date of the announcement if they do not receive the notification.

The registered capital of the Company after the capital reduction shall not be less than the statutory minimum.

**Article 176** In the case of a merger or division of the Company, the registration of changes shall be filed with the company registration authority in accordance with the law; in the case of dissolution, the Company shall be deregistered in accordance with the law; in the case of establishment of a new company, the registration of the establishment of such company shall be completed in accordance with the law.

In the event the Company increases or decreases its registered capital, it shall register the change with the company registration authority in accordance with the law.

## **Section 2 Dissolution and Liquidation**

**Article 177** The Company shall be dissolved for the following reasons:

- (1) the expiration of the business period as stipulated in the Articles of Association or the occurrence of other grounds for dissolution as stipulated in the Articles of Association;
- (2) dissolution resolved by the general meeting;
- (3) required dissolution due to merger or division of the Company;
- (4) the business license being revoked, ordered to close, or revoked in accordance with the law;
- (5) serious difficulties in its business operation management and serious damages to the interests of its shareholders for its continued existence which cannot be resolved through any other means, shareholders who hold an aggregate of over 10% of the total voting rights of the Company may apply to the People's Court to dissolve the Company.

The Company shall, within 10 days of the occurrence of the reasons for dissolution stipulated in the preceding paragraph, publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System.

**Article 178** Where the Company falls under any of the circumstances specified in (1) and (2) of Article 177 of the Articles of Association and has not distributed any property to its shareholders, the Company may continue to exist by amending the Articles of Association or by resolution of the general meeting.

Amendments to the Articles of Association pursuant to the preceding Article shall be approved by more than two-thirds of the voting rights held by the shareholders present at the general meeting.

**Article 179** Where the Company is dissolved pursuant to (1), (2), (4) or (5) of Article 177, it shall establish a liquidation committee for liquidation within 15 days after the dissolution circumstance arises. The members of the liquidation committee shall be determined by the Directors or the general meeting. If the liquidation committee is not duly set up within the specified period, the interested parties may apply to the People's Court to appoint relevant persons to form a liquidation committee to carry out liquidation.

**Article 180** The liquidation committee shall exercise the following functions and powers during the period of liquidation:

- (1) to liquidate the Company's assets and prepare a balance sheet and an inventory list of assets;
- (2) to inform creditors by notice or announcement;

- (3) to deal with the unsettled business of the Company in relation to the liquidation;
- (4) to pay off taxes owed and incurred in the course of liquidation;
- (5) to clear up claims and debts;
- (6) to distribute the remaining assets of the Company after the settlement of its debts;
- (7) to participate in civil proceedings on behalf of the Company.

**Article 181** The liquidation committee shall notify all creditors within 10 days after its establishment and publish an announcement within 60 days on the newspapers (or on the National Enterprise Credit Information Publicity System) and the website of Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The creditors shall declare their rights to the liquidation committee within 30 days from receipt of the notification or within 45 days from the date of the announcement if they do not receive the notification.

When a creditor declares its creditor's rights, it shall explain the relevant matters of the creditor's rights and provide supporting materials. The liquidation committee shall register the creditor's rights.

The liquidation committee shall not pay off any debts to any creditors during the period of declaration of creditor's rights.

**Article 182** After the liquidation committee has liquidated the assets of the Company and has prepared a balance sheet and an inventory list of assets, it shall formulate a liquidation proposal and submit it to the general meeting or the People's Court for confirmation.

After the payment of liquidation expenses, employees' wages, social insurance expenses and statutory compensation, outstanding taxes, and the debts owed by the Company, the remaining assets of the Company shall be distributed to the shareholders in proportion to their shareholding.

During the liquidation period, the Company subsists but may not engage in business activities unrelated to liquidation. The Company's assets shall not be distributed to the Shareholders until making the repayment pursuant to the provisions of the preceding paragraph.

**Article 183** After the liquidation committee liquidated the Company's properties and prepared the balance sheet and property inventory, if the property of the Company is found to be insufficient to pay off its debts, it shall apply to the People's Court for bankruptcy liquidation according to law.

After the People's Court accepts the bankruptcy application, the liquidation committee shall transfer the liquidation matters to the bankruptcy administrator designated by the People's Court.

**Article 184** After the conclusion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report, submit it to the general meeting or the People's Court for confirmation and to the company registration authority to apply for deregistration of the Company, and publicly announce the Company's termination.

**Article 185** The members of the liquidation committee shall be obliged to perform their liquidation duties with fidelity and diligence.

If a member of the liquidation committee is negligent in performing the liquidation duties and causes losses to the Company, he/she shall be liable for compensation; where losses are caused to creditors due to willfulness or gross negligence, they shall be liable for compensation.

**Article 186** Where the Company is declared bankrupt according to the law, bankruptcy liquidation shall be conducted in accordance with the law on enterprise bankruptcy.

## **CHAPTER 11 AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

**Article 187** Under any of the following circumstances, the Company shall amend the Articles of Association:

- (1) Following the revision of the Company Law or relevant laws, administrative regulations and the securities regulatory rules of the place where the Shares of the Company are listed, any terms stipulated in the Articles of Association contradict the provisions of the revised laws, administrative regulations and the securities regulatory rules of the place where the Shares of the Company are listed;
- (2) There is any change in the Company that results in inconsistency with the matters set out in the Articles of Association;
- (3) The general meeting has decided on making amendments to the Articles of Association.

**Article 188** If the amendment to the Articles of Association adopted by a resolution of the general meeting is subject to the approval of the competent authority, it shall be submitted to the competent authority for approval; if it involves matters of company registration, the registration of the changes shall be made in accordance with the law.

**Article 189** The Board shall amend the Articles of Association in accordance with the resolutions of the general meeting and the approval opinions of relevant competent authorities.

**Article 190** Where disclosure of the revision of the Articles is required under laws and provisions, it shall be announced in accordance with the relevant provisions.

## **CHAPTER 12 SUPPLEMENTARY PROVISIONS**

**Article 191** Definitions:

- (1) Controlling shareholders – as defined in applicable laws and regulations and the rules of securities regulation of the place where the Shares of the Company are listed.
- (2) De facto controller refers to a natural person, legal person or other organization which, through an investment relationship, agreement or other arrangements, can control the conduct of the Company.

- (3) Connected relationship refers to the relationship between the controlling shareholders, de facto controllers, the Directors, Supervisors and senior management officers of the Company and the enterprise directly or indirectly controlled by the Company, and other relationships that may lead to the transfer of interests of the Company, provided that the state-controlled enterprises are not affiliated because they are controlled by the state. However, enterprises controlled by the state are not connected only because they are both controlled by the state.

**Article 192** These Articles of Association are written in Chinese. In case of any inconsistency between the Articles of Association and the Articles of Association in any other language or of a different version, the latest Chinese version of the Articles of Association approved and registered by the Hefei Municipal Market Supervision Administration shall prevail.

**Article 193** Unless otherwise stipulated by the Articles of Association, the expressions of “above”, “within” and “below” used in the Articles of Association shall include the numbers indicated, while the expressions of “less than”, “beyond”, “lower than”, “more than” and “over” shall not include the number indicated.

**Article 194** In the event of any conflict between the Articles of Association and the laws, administrative regulations, other relevant regulatory documents and the securities regulatory rules of the place where the Shares of the Company are listed as promulgated from time to time, the laws, administrative regulations, other relevant regulatory documents and the securities regulatory rules of the place where the Shares of the Company are listed shall prevail.

**Article 195** The interpretation of the Articles of Association shall be vested to the Board of Directors of the Company.

**Article 196** Annexes to the Articles of Association include rules of procedures of the general meeting, the rules of Procedures of the Board of Directors and the rules of procedures of the Board of Supervisors.

**Article 197** The Articles of Association, having been considered and approved by the general meeting, shall become effective and enforceable on the date on which the issuance of H Shares by the Company is filed with the China Securities Regulatory Commission and listed and traded on the Hong Kong Stock Exchange.

訊飛醫療科技股份有限公司  
Xunfei Healthcare Technology Co., Ltd.

December 2024