

Zhejiang Sanhua Intelligent Controls Co., Ltd.
浙江三花智能控制股份有限公司

ARTICLES OF ASSOCIATION

August 2025

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CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to safeguard the legal rights and interests of Zhejiang Sanhua Intelligent Controls Co., Ltd. (浙江三花智能控制股份有限公司) (the “Company”), its shareholders and creditors, and to regulate the organization and activities of the Company, the Articles of association (“the Articles”) are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Guidelines for Articles of Association of Listed Companies, the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant requirements.

Article 2 The Company is a joint stock limited company established in accordance with the Company Law and other relevant requirements.

On December 19, 2001, as approved by the Leading Group for Listing of Enterprise (上市工作領導小組) of the People’s Government of Zhejiang Province under the document Zhe Shang Shi (2001) No. 108, the Company was established through converting Sanhua-Fujikoki Co., Ltd. (三花不二工機有限公司) in its entirety and registered with Zhejiang Provincial Administration for Industry and Commerce (浙江省工商行政管理局) with a corporate legal person business license.

Article 3 On May 24, 2005, as approved by the China Securities Regulatory Commission (the “CSRC”) under the document Zheng Jian Fa Xing Zi [2005] No. 19, the Company made an initial public offering of 30,000,000 ordinary shares denominated in renminbi (“RMB”) to the general public. All shares issued to domestic investors shall be subscribed in RMB, of which 24,000,000 shares were listed on the Shenzhen Stock Exchange on June 7, 2005. Upon filing with the CSRC on May 8, 2025, the Company issued 414,379,500 overseas-listed ordinary shares (before the full exercise of the over-allotment option) (the “H Shares”) through overseas public offering, and the H Shares were listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on June 23, 2025.

Article 4 Registered name of the Company: 浙江三花智能控制股份有限公司
Chinese name: 浙江三花智能控制股份有限公司
English name: ZHEJIANG SANHUA INTELLIGENT CONTROLS CO., LTD.

Article 5 Domicile of the Company: No. 219 Woxi Avenue, Chengtan Street, Xinchang, Shaoxing, Zhejiang Province; Zip Code: 312530.

Article 6 The registered capital of the Company is RMB FOUR BILLION TWO HUNDRED EIGHT MILLION THIRTEEN THOUSAND NINE HUNDRED AND THIRTY-FIVE (4,208,013,935).

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

Article 8 The chairman of the board of directors is the legal representative of the Company. If the chairman resigns, he shall be deemed to resign as the legal representative at the same time. If the legal representative resigns, the Company shall determine a new legal representative within 30 days from the date of resignation of the legal representative.

Article 9 The total capital of the Company are divided into shares of equal nominal value. Shareholders shall be liable to the Company to the extent of the shares held by them, and the Company shall be liable for its liabilities to the extent of all of its assets.

Article 10 From the date upon which the Articles of Association of the Company come into effect, it shall be a legally binding document regulating the organization and activities of the Company, the rights and obligations between the Company and its shareholders and among shareholders, and shall be a legally binding document upon the Company, its shareholders, directors, supervisors, and senior management. In accordance with the Articles, shareholders may sue shareholders, shareholders may sue directors, supervisors, chief executive officer and other senior management of the Company, shareholders may sue the Company, and the Company may sue its shareholders, directors, supervisors, chief executive officer and other senior management.

Article 11 The other senior management mentioned in the Articles refer to the president, technical officer, board secretary and the person in charge of financial affairs.

CHAPTER 2 BUSINESS OBJECTIVES AND SCOPE

Article 12 The business objectives of the Company are: focus on economies of scale to optimize the product structure, develop core technology and create value continuously, thereby rewarding shareholders and contributing to society.

Article 13 As approved by the company registration authority, the business scope of the Company covers: research and development of household appliances; manufacturing of refrigeration and air conditioning equipment; manufacturing of household appliances; manufacturing of general purpose valves and plugs (exclusive of special equipment); general purpose parts and components; manufacturing of special equipment; manufacturing of pumps and vacuum equipment; manufacturing of electric motors, manufacturing of blowers and fans; inspection and testing services; import and export of goods and technology; power generation business, power transmission business, power supply (distribution) business. (Activities subject to approval in accordance with laws shall be carried out upon the approval by relevant authorities)

CHAPTER 3 SHARES

Section 1 Issuance of Shares

Article 14 The shares of the Company shall take the form of share certificates.

Article 15 The shares of the Company shall be issued on the principles of transparency, fairness and equality, and each share of the same class shall rank *pari passu*.

For the same class of shares issued in the same tranche, each share of the same class shall be issued under the same conditions and at the same price; each subscriber, whether an entity or individual, shall be pay the same price for each share for which he/she subscribes for.

Article 16 The nominal value of the shares issued by the Company is denominated in RMB. The shares issued and listed on the Shenzhen Stock Exchange are referred to as “A Shares”; the shares issued and listed on the Hong Kong Stock Exchange are referred to as “H Shares”.

Article 17 The A Shares issued by the Company shall be deposited collectively in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The H Shares issued by the Company shall primarily be deposited in the custodian company of Hong Kong Securities Clearing Company Limited in accordance with the laws and practices for securities registration and depository of the place where the H Shares of the Company are listed, or may also be held by shareholders in their own names.

Article 18 The Company is established through the conversion of a limited company. Upon the establishment, 83,000,000 shares were subscribed by promoters in total as share capital, representing 73.45% of the total number of ordinary shares issued by the Company, of which 41,500,000 shares were subscribed by Sanhua Holding Group Co., Ltd., 20,750,000 shares by Zhejiang Zhongda Group Co., Ltd., 8,300,000 shares by Zhang Yabo, 7,470,000 shares by Orient Trading Co., Ltd., 2,490,000 shares by Ren Jintu, and 2,490,000 shares by Wang Jianmin.

As verified by the Capital Verification Report (Zhe Tian Kuai Yan) [2001] No. 137 from Zhejiang Pan-China Certified Public Accountants Ltd. (浙江天健會計師事務所有限公司) dated November 7, 2001, capital contribution from all promoters were completed on a one-off basis on November 6, 2001.

Article 19 The number of shares in issue of the Company comprises 4,208,013,935 shares, all of which are ordinary shares, including 3,731,477,535 A ordinary shares, representing 88.68% of the total share capital of the Company, and 476,536,400 H ordinary shares, representing 11.32% of the total share capital of the Company.

Article 20 The Company or its subsidiaries (including the affiliates of the Company) shall not provide any assistance to a person who is acquiring or is proposing to acquire shares in the Company by way of gift, advance, guarantee, indemnity or loans or other means.

Section 2 Increase, Reduction and Repurchase of Shares

Article 21 Based on the operation and development needs of the Company and subject to laws and regulations, the Company may increase its share capital via the following methods upon approval by resolutions at general meeting:

- (I) Public offering of shares;
- (II) Non-public offering of shares;
- (III) Issuing bonus shares to existing shareholders;
- (IV) Converting capital reserve into share capital;
- (V) Other methods permitted by laws, administrative regulations and the CSRC.

Article 22 The Company may reduce its registered share capital in accordance with the Articles of Association. The Company shall reduce its registered share capital in accordance with the Company Law and other relevant requirements and the procedures required by the Articles of Association.

Article 23 The Company shall not purchase its own shares, save as under one of the following circumstances:

- (I) Reduce its registered share capital;
- (II) Merge with other companies which hold shares in the Company;
- (III) For the purpose of employee stock ownership plans or share incentive schemes;
- (IV) Repurchase its shares held by the shareholders who vote against any resolution proposed at any general meeting on the merger or division of the Company upon their request;
- (V) Use shares for the conversion of the convertible corporate bonds issued by a listed company;
- (VI) Necessary for the Company to maintain its value and safeguard the interests of shareholders.

Other than the above circumstances, the Company shall not engage in any activities involving the sales or purchase of its own shares.

Article 24 The Company may purchase its own shares by centralized bidding transactions or other means approved by laws, administrative regulations and the securities regulatory authorities, provided that it complies with the applicable securities regulatory rules of the places where the Company's shares are listed.

If a share repurchase shall be made under the circumstances stipulated in (III), (V) or (VI) of Article 23 hereof, it shall be conducted by way of public centralized bidding(other)12.5(alrh.1667 TD08

After the Company has repurchased its shares in accordance with Article 23 hereof, the shares repurchased under the circumstance set out in (I) above shall be canceled within 10 days from the date of repurchase, the shares repurchased under the circumstances set out in (II) or (IV) above shall be transferred or canceled within six months, and for the shares repurchased under the circumstances set out in (III), (V) or (VI) above, the total number of the Company's shares held by the Company shall not exceed 10% of the total issued shares of the Company, and the shares so repurchased shall be transferred or canceled within three years. Any repurchase of the Company's shares by the Company should perform the information disclosure obligations as stipulated in the Securities Law and the securities regulatory rules of the places where the Company's shares are listed.

Section 3 Transfer of Shares

Article 26 The shares of the Company may be transferred in accordance with laws. Transfer of any H Shares shall be executed with a written instrument of transfer in usual or common form or any other forms accepted by the board of directors (including the standard transfer format or transfer form specified from time to time by the Hong Kong Stock Exchange), which may only be signed by hand or (if the transferor or transferee is a company) affixed with an effective corporate seal. If the transferor or transferee is a recognized clearing house or its agent thereof defined in the relevant provisions in force from time to time of the Hong Kong laws, the instrument of transfer may be signed by hand or by machine imprinted signatures. All instruments of transfer shall be kept at the legal address of the Company or other place designated by the board of directors from time to time.

Article 27 The Company shall not accept its shares to be held as security under a pledge.

Article 28 The shares of the Company issued prior to a public offering shall not be transferred within one year from the date on which the shares of the Company are listed and traded on a stock exchange.

The directors, supervisors, and senior management of the Company shall regularly declare the number of shares held by them and the relevant changes, the number of shares transferred each year during their term of office shall not exceed 25% of the total number of shares of the Company held by them. The shares of the Company held by them shall not be transferred within one year from the date on which shares of the Company are listed and traded on a stock exchange. The shares in the Company held by them shall not be transferred within half a year from the date on which they cease to be employed by the Company. For any directors, supervisors and senior management who leave before the expiration of their terms of service shall continue to comply with the requirements on sell-down as required under relevant laws and regulations including the Company Law and the securities regulatory rules of the places where the Company's shares are listed within their defined terms of service and within six months after the expiration of their terms of service.

For any transfers in respect of the shares of the Company held by promoters, directors, supervisors, or senior management of the Company above, where the securities regulatory rules of the places where the Company's shares are listed provide otherwise in respect of the restrictions on transfer of shares, such rules shall prevail; if such persons made more restrictive covenants or undertaking for the purpose of the 2005 equity division reform or other reasons, whether in terms of time or number, such covenants or undertaking shall be prevail.

Article 29 Any gains from sale of the Company's shares or other securities with equity nature by the Company's directors, supervisors and senior management or shareholders holding more than 5% of its shares within six months after their purchase of the same, and any gains from the purchase of the shares or other securities with equity nature by any of the aforesaid parties within six months after their sale of the same, shall belong to the Company, and the board of directors of the Company shall recover such gains from the abovementioned parties, except for the circumstance that a securities company holds more than 5% of the Company's shares as a result of purchase of all the unsold underwritten shares and other circumstances stipulated by the securities regulatory authorities under the State Council.

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

If the board of directors of the Company fails to comply with the provisions as set out in the first paragraph of this article, shareholders are entitled to request the board of directors to satisfy the same within 30 days. If the board of directors of the Company fails to satisfy the same within the aforesaid period, the shareholders are entitled to initiate legal proceedings directly in the people's court in their personal capacity for the benefit of the Company.

If the board of directors of the Company fails to comply with the provisions as set out in the first paragraph of this article, the responsible directors shall bear joint liabilities in accordance with laws.

CHAPTER 4 SHAREHOLDERS AND GENERAL MEETING

Section 1 Shareholders

Article 30 A shareholder of the Company is a person who lawfully holds shares of the Company.

Shareholders shall enjoy rights and assume obligations according to the class of shares they hold; shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

Article 31 The register of members shall be the sufficient evidence to prove that the shareholders hold the shares of the Company.

Article 32 The Company shall establish a register of members based on the certificates provided by the securities registration authorities. The original H Share register shall be kept in Hong Kong for inspection by shareholders. The Company may close the register of members in accordance with applicable laws and regulations and the securities regulatory rules of the places where the Company's shares are listed. Where a shareholder listed in the register of members or a person requesting to have his/her name entered in the register of members lose his/her share certificates, the said shareholder or person may apply to the Company for the replacement of share certificates in respect of the said shares. The domestic unlisted shareholders whose share certificates have been lost shall apply for replacement of the share certificates pursuant to the relevant provisions of the Company Law. The shareholders

of overseas listed foreign shares shall apply for replacement of the share certificates pursuant to the laws, rules of the stock exchange or other relevant requirements of the place where the original register of the holders of overseas listed foreign shares is maintained. The shareholders shall enjoy rights and assume obligations according to the class of shares they hold; shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

Article 33 When the Company convenes a general meeting, distributes dividends, undergoes liquidation and engages in other activities requiring confirmation of shareholders' identities, the board of directors or the convener of the general meeting shall determine the record date for share registration and the shareholders whose names appear on the register after the close of trading on the record date for share registration shall be the shareholders entitled to relevant rights and interests.

Article 34 Shareholders of the Company shall be entitled to:

- (I) receiving dividends and benefit distributions in other forms *pro rata* to the number of shares held;
- (II) requesting, convening, presiding over, attending or appointing proxies to attend general meeting in accordance with laws;
- (III) exercising voting rights *pro rata* to their shareholding;
- (IV) supervising, advising on or making inquiries about the business operations of the Company;
- (V) transferring, granting or pledging their shares in accordance with the provisions of the laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association;
- (VI) inspecting and copying the Articles of Association, the register of members, minutes of general meetings, resolutions of the board of directors, resolutions of the board of supervisors, financial and accounting reports;
- (VII) participating in the distribution of the remaining properties of the Company *pro rata* to their shareholdings in the event of the termination or liquidation of the Company;
- (VIII) requesting the Company to repurchase the shares from the dissenting shareholders who vote against the Company's resolution on merger or division proposed at a general meeting;
- (IX) other rights conferred by laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.

Article 35 Where a shareholder requests to inspect the relevant information or obtain data as described in the preceding article, he/she shall produce a written document to the Company proving the class and number of shares of the Company he/she holds. Such information or data shall be provided at the request of such shareholder upon verification of the shareholder's identity.

Article 36 If any resolution of a general meeting or a board meeting is in violation of the laws and administrative regulations, shareholders shall have the right to petition a people's court for invalidating the said resolution.

Where the procedures for convening or the method of voting at a general meeting or a board meeting are in violation of the laws, administrative regulations or the Articles, or the contents of any resolution are in breach of the Articles, shareholders shall have the right to petition the people's court for revocation of such resolution within 60 days from the date of the resolution.

Article 37 In the event of any loss caused to the Company as a result of violation of laws, administrative regulations or the Articles by the directors or senior management when performing their duties, a shareholder 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 in 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 by the board of supervisors when performing their duties, a shareholder may request the board of directors in writing to initiate litigation in the people's court.

If the board of supervisors or the board of directors refuses to institute legal proceedings after receiving the written request from shareholders specified in the preceding paragraph, or fails to institute legal proceedings within 30 days from the date of receiving such request, or that the failure to institute litigation immediately may otherwise cause irreparable damage to the interest of the Company in an urgent circumstance, the shareholders specified in the preceding paragraph shall have the right to directly institute legal proceedings in the people's court in their own name for the benefit of the Company.

If others infringe upon the legitimate rights and interests of the Company and cause losses to the Company, the shareholders specified in the first paragraph of this Article may institute legal proceedings in the people's court in accordance with the provisions of the preceding two paragraphs.

Article 38 Where directors or senior management violate laws, administrative regulations or the Articles to the detriment of the interests of the shareholders, the shareholders may institute legal proceedings in the people's court.

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

- (I) to comply with the laws, administrative regulations and the Articles;
- (II) to pay subscription monies based on the shares subscribed and the method of subscription;

- (III) no share capital shall be withdrawn except in circumstances stipulated by laws and regulations;
- (IV) not to abuse shareholders' rights to the detriment of the interests of the Company or other shareholders; not to abuse 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;

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 interests 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.

- (V) other obligations stipulated by laws, administrative regulations and the Articles.

Article 40 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 41 The controlling shareholders and *de facto* controllers of the Company shall not take advantage of their connected relationships to harm the interests of the Company. They shall be held liable for any loss they cause to the Company as a result of violating such provisions.

The controlling shareholders and *de facto* controllers of the Company shall bear a fiduciary duty toward the Company and its public shareholders. The controlling shareholders shall exercise their rights as an investor in strict accordance with the laws. They shall not harm the legitimate rights and interests of the Company and its public shareholders by means of profit distribution, asset restructuring, external investment, appropriation of funds, loan security or other methods, or harm the interests of the Company and its public shareholders by means of their controlling status.

Section 2 General Provisions on General Meeting

Article 42 General meeting is the organ of authority of the Company, which exercises the following powers in accordance with the law:

- (I) decide on the Company's operational policies and investment plans;
- (II) elect and replace directors and supervisors who are not employee representatives, and determine on matters concerning their remuneration;
- (III) consider and approve reports of the board;

- (IV) consider and approve reports of the board of supervisors;
- (V) consider and approve the Company's annual financial budget and final accounting proposals;
- (VI) consider and approve the Company's profit distribution and loss recovery proposals;
- (VII) resolve on the increase or reduction of the Company's registered capital;
- (VIII) resolve on the issuance of corporate bonds;
- (IX) resolve on matters concerning the merger, division, dissolution, liquidation or change of corporate form of the Company;
- (X) amend the Articles of Association;
- (XI) resolve on the engagement or dismissal of accounting firms;
- (XII) consider and approve the guarantee matters stipulated in Article 43;
- (XIII)(XIII)

(VI) any

Article 47 When convening a general meeting, the Company shall engage lawyers to give legal opinions and make announcements on the following matters:

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

Section 3 Convening of General Meeting

Article 48 Independent directors shall be entitled to propose to the board of directors to convene an extraordinary general meeting after being agreed by the simple majority of all independent directors. The board of directors shall, in accordance with the laws, administrative regulations and the Articles, furnish a written reply stating whether it agrees or disagrees with the convening of the extraordinary general meeting within ten days after receiving such proposal from the independent directors.

In the event that the board of directors agrees to convene an extraordinary general meeting, the notice of the meeting shall be issued within five days after the board of directors passes the relevant resolution. In the event that the board of directors disagrees to convene an extraordinary general meeting, it shall state the reasons and make an announcement.

Article 49 The board of supervisors shall be entitled to propose to the board of directors to convene an extraordinary general meeting, and such proposal shall be made in writing. The board of directors shall, in accordance with the laws, administrative regulations and the Articles, furnish a written reply stating whether it agrees or disagrees with the convening of an extraordinary general meeting within ten days after receiving such proposal.

In the event that the board of directors agrees to convene an extraordinary general meeting, the notice of the meeting shall be issued within five days after the board passes the relevant resolution. Any changes to the original proposal made in the notice shall be approved by the board of supervisors.

In the event that the board of directors disagrees to convene an extraordinary general meeting or does not furnish any reply within ten days after receiving such proposal, the board of directors shall be deemed as unable to perform or failed to perform its duty of convening a general meeting, in which case the board of supervisors may convene and preside over a general meeting by itself.

Article 50 Shareholders individually or jointly holding more than 10% of the shares of the Company shall be entitled to request the board of directors to convene an extraordinary general meeting, and such request shall be made in writing. The board of directors shall, in accordance with the laws, administrative regulations and the Articles, furnish a written reply stating whether it agrees or disagrees with the convening of the extraordinary general meeting within ten days after receiving such request.

In the event that the board of directors agrees to convene an extraordinary general meeting, the notice of the meeting shall be issued within five days after the board passes the relevant resolution. Any changes to the original request made in the notice shall be agreed by the relevant shareholders.

In the event that the board of directors disagrees to convene an extraordinary general meeting or does not furnish any reply within ten days after receiving such request, shareholders individually or jointly holding more than 10% of the shares of the Company shall be entitled to propose to the board of supervisors to convene an extraordinary general meeting, and such proposal shall be made in writing.

In the event that the board of supervisors agrees to convene an extraordinary general meeting, the notice of the meeting shall be issued within five days after receiving such request. Any changes to the original request made in the notice shall be agreed by the relevant shareholders.

Failure of the board of supervisors to issue the notice of general meeting within the prescribed time limit shall be deemed as failure of the board of supervisors to convene and preside over a general meeting, and shareholders individually or jointly holding more than 10% of the Company's shares for more than 90 consecutive days are entitled to convene and preside over a general meeting on their own accord.

Article 51 Where the board of supervisors or shareholders decide(s) to convene a general meeting on their own accord, the board of directors shall be notified in writing, and records shall be filed with the CSRC branch at the location of the Company and the stock exchanges.

Prior to announcement on the resolutions passed at the general meeting, the shareholding of the shareholders convening such meeting shall not be less than 10%.

The shareholders convening the meeting shall submit the relevant materials as a proof to the CSRC branch at the location of the Company and the stock exchanges at the time of issuance of notice of the meeting and announcement on the resolutions passed at the meeting.

Article 52 For the general meetings convened by the board of supervisors or shareholders on their own accord, the board of directors and secretary to the board of directors shall cooperate. The board of directors shall provide the register of members as at the record date for share registration.

Article 53 For the general meetings convened by the board of supervisors or the shareholders on their own accord, the necessary expenses in relation to the meetings shall be borne by the Company.

Section 4 Proposal and Notice of General Meeting

Article 54 The content of the proposals shall be within the scope of the terms of reference of the general meeting, and have clear subjects and specific resolutions, and shall comply with the relevant provisions of the laws, administrative regulations and the Articles.

Article 55 When the Company convenes a general meeting, the board of directors, the board of supervisors, as well as shareholder(s) individually or jointly holding more than 1% of the shares of the Company, shall be entitled to put forward proposals to the Company.

Shareholder(s) individually or jointly holding more than 1% of the shares of the Company may put forward provisional proposals and submit the same in writing to the convener ten days prior to the date of the general meeting. The convener shall issue a supplemental notice of the general meeting within two days after receiving such proposals and announce the content of the provisional proposals. If the securities regulatory rules of the places where the Company's shares are listed require the general meeting to be postponed as a result of the supplemental notice, the convening of the general meeting shall be postponed in accordance with the requirements of such securities regulatory rules.

Save for the circumstances referred to in the preceding paragraph, after the convener issues the notice of the general meeting, no changes shall be made to the proposals set forth in the notice of the general meeting and no further proposals shall be added.

The general meeting shall not vote or resolve on proposals not set forth in the notice of the shareholders' general meeting or not in compliance with the provisions of Article 54 of the Articles.

Article 56 The convener shall inform each shareholder of the forthcoming annual general meeting in writing (including by way of announcement) 21 days before the meeting, and shall inform each shareholder of the forthcoming extraordinary general meeting in writing (including by way of announcement) 15 days before the meeting.

When calculating the starting date and ending date of the above notice, the date of the meeting shall be excluded.

Article 57 The notice of general meeting shall include the following:

- (I) time, venue and duration of the meeting;
- (II) the matters and proposals submitted to the meeting for consideration;
- (III) the notice shall state clearly that all ordinary shareholders (including preferred shareholders with voting rights resumed) are entitled to attend the general meeting or appoint proxies in writing to attend and vote at such meeting on their behalf and that such proxies need not to be a shareholder of the Company;
- (IV) the record date for share registration to determine shareholders who are entitled to attend the general meeting;
- (V) the names and telephone numbers of the contact person in relation to the meeting;
- (VI) the time and procedures for online voting or voting by other means.

Online voting or voting by other means shall commence no earlier than 3:00 p.m. before the date of the physical meeting but shall be no later than 9:30 a.m. on the date of the physical meeting, and shall not end earlier than 3:00 p.m. on the date of the conclusion of the physical meeting.

The period between the record date for share registration and the date of the meeting shall be no more than 7 business days. The record date for share registration shall not be changed once confirmed.

Article 58 If the election of directors or supervisors is proposed to be discussed at the general meeting, the notice of the general meeting shall adequately disclose the biographies of the candidates for directors and supervisors, which should include at least the following:

- (I) personal information such as educational background, work experience, concurrent positions;
- (II) whether they are connected with the Company, the controlling shareholders or *de facto* controllers of the Company;
- (III) the number of shares held in the Company;
- (IV) whether they have been subject to penalties by the CSRC and other relevant authorities and been reprimanded by a stock exchange;
- (V) whether they possess the qualification requirements under the securities regulatory rules of the places where the Company's shares are listed.

Each candidate for director or supervisor shall be proposed by way of a separate proposal, except for those elected through a cumulative voting system.

Article 59 After the notice of general meeting is issued, the general meeting shall not be postponed or canceled without a sound reason, and the proposals stated in the notice of general meeting shall not be canceled. In the event of any postponement or cancellation, the convener shall issue a notice and state the reasons at least two trading days before the original date of the general meeting. If there are special provisions under the securities regulatory rules of the places where the Company's shares are listed regarding the procedures for postponing or canceling general meetings, the provisions shall prevail to the extent that they do not violate the domestic regulatory requirements.

Section 5 Holding of General Meeting

Article 60 The board of directors and other conveners shall take all necessary measures to ensure that the general meeting is conducted in an orderly manner. Measures shall be taken to stop acts that interfere with the shareholders' general meeting, provoke troubles and infringe the legitimate rights and interests of shareholders, and report to relevant authorities for investigation and punishment in a timely manner.

Article 61 All shareholders in the register as at the record date for share registration or their proxies shall be entitled to attend the general meeting, and to speak and exercise their voting rights at the meeting pursuant to the relevant laws and regulations and the Articles (unless individual shareholders are required to abstain from voting on certain matters under the securities regulatory rules of the places where the Company's shares are listed).

A shareholder may attend, speak and vote at the general meeting in person or by proxy. A proxy does not need to be a shareholder of the Company.

Article 62 Individual shareholders attending meeting in person shall produce their identity cards or other valid documents or proof and stock account cards to prove their identity. In the case of attending by proxies, the proxies shall produce valid documents and the proxy forms from the shareholders to prove their identity. Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or more persons (whether or not such persons are shareholders) as his/her proxy(ies) to attend and vote on his/her behalf.

Where a shareholder is a legal entity, its legal representative or a proxy entrusted by such legal representative shall attend the meeting. If the meeting is attended by the legal representatives, they shall produce their identity cards and valid proof of their status as legal representatives; if the meeting is attended by agents of such legal representatives, such agents shall produce their identity cards and the written authorization letter legally issued by the legal representative of the legal entity shareholder (except for shareholders who are recognized clearing houses as defined by the relevant regulations in force from time to time under the Hong Kong laws or the securities regulatory rules of the places where the Company's shares are listed (the "Recognized Clearing Houses") and their agents).

Article 63 The proxy form for appointing a proxy to attend the general meeting issued by a shareholder shall include the following:

- (I) the name of the proxy;
- (II) whether the proxy has the right to vote;
- (III) the instructions on voting for, against or abstaining from voting on each item on the agenda to be considered at the general meeting;

The proxy form shall also include the following:

- (I) the name of the proxy;
- (II) whether the proxy has the right to vote;
- (III) the instructions on voting for, against or abstaining from voting on each item on the agenda to be considered at the general meeting;

If the shareholder is a Recognized Clearing House (or its agent), such shareholder shall be entitled to authorize one or more persons it thinks fit to act as its proxy at any general meeting or creditors' meeting. However, if more than one person is appointed as proxies, the proxy form shall clearly state the number and the class of shares represented by each of the proxies. The proxy forms shall be signed by the person authorized by the Recognized Clearing House. The proxies so appointed may represent the Recognized Clearing House (or its agent) in exercising its rights (without being required to present share certificate, notarized proxy forms and/or further evidence to prove they are duly authorized), and shall be entitled to the legal rights equivalent to those of other shareholders, including the right to speak and vote, as if that proxy is an individual shareholder of the Company.

Article 66 A attendance records of the meeting shall be prepared by the Company, which shall contain, among others, the name of the attendee (or the name of the entity), identity card number, residential address, the number of voting shares held or represented by the attendee and name of the person (or the name of the entity) who attends the meeting by proxy.

Article 67 The convener and the lawyers engaged by the Company shall verify the legitimacy of the eligibility of the shareholders based on such register of members provided by the securities registration and clearing institution, and shall register the names of the shareholders as well as the number of voting shares are held by them. The registration for the meeting shall be completed before the chairman of the meeting announces the number of shareholders and proxies attending the physical meeting and the total number of voting shares they represent.

Article 68 When a general meeting is convened, all the directors, supervisors and the secretary to the board of directors shall attend the meeting, and the chief executive officer and other members of the senior management shall be present at such meeting.

Article 69 A general meeting shall be presided over by the chairman of the board of directors. If the chairman is unable to or fails to perform his/her duties, a director jointly elected by more than half of the directors shall preside over the meeting.

For general meetings convened by the board of supervisors, the convener of the board of supervisors shall preside over the meeting. If the convener of the board of supervisors is unable to 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 shall be presided over by a representative elected by the conveners.

Where the chairman of the general meeting violates the Articles and the rules of procedure when holding the meeting and as a result, the general meeting is unable to continue, subject to the consent of the shareholders with more than half of voting rights of all the shareholders attending the general meeting, the general meeting may nominate a person to act as the chairman of the meeting and such meeting may continue.

Article 70 The Company shall formulate the rules of procedure for the general meeting which shall set out in details the convening and voting procedures of a general meeting, including notification, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of resolutions, meeting minutes and their signing, announcements and other contents, and the principles of authorization to the board of directors at the general meeting. The authorization shall be clear and specific. As an appendix to the Articles, the rules of procedure for the general meeting shall be prepared by the board of directors and approved at the general meeting.

Article 71 In the annual general meeting, the board of directors and the board of supervisors shall report to the general meeting their work done in the past year. Independent directors shall also submit a report on their duty performance to the annual meeting to explain their performance.

Article 72 Directors, supervisors and senior management shall provide explanations and clarifications in relation to the enquiries and suggestions from the shareholders during the general meeting.

Article 73 The chairman of the meeting shall, prior to voting, declare the number of shareholders and proxies attending the meeting as well as the total number of voting shares held by them, which shall be subject to the registration of the meeting.

Article 74 The general meeting shall have minutes prepared by the secretary to the board of directors, which shall record the following:

- (I) the time, venue, agenda of the meeting and name of the convener;
- (II) the name of the presiding officer of the meeting and directors, supervisors, chief executive officer and other senior management attending or present at the meeting;
- (III) the number of shareholders and proxies attending the meeting, total number of voting shares held by them, and its proportion in the total number of shares of the Company;
- (IV) the consideration process, summaries of speeches and voting results for each proposal;
- (V) the shareholders' enquiries, opinions or suggestions and the corresponding responses or explanations;
- (VI) names of lawyers, vote counters and scrutinizer;
- (VII) other contents that shall be included in the minutes as specified in the Articles.

Article 75 The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, supervisors, secretary to the board of directors, conveners or their representatives and the chairman of the meeting shall sign on the minutes. The minutes of the meeting shall be kept together with the attendance record of the attending shareholders, authorization letters of proxies, valid information of online voting and voting by other means, for a period of not less than 10 years.

Article 76 The convener shall ensure that the general meeting is conducted continuously until final resolutions are made. In the event that the general meeting is adjourned or resolutions failed to be reached due to an event of force majeure or other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or terminate that meeting, and an announcement shall be timely made. At the same time, the convener shall report to the CSRC branch at the location of the Company and the stock exchanges.

Section 6 Voting and Resolution at General Meeting

Article 77 Resolutions of a general meeting shall be classified as ordinary resolutions and special resolutions.

Ordinary resolutions of a general meeting shall be passed by votes representing more than 1/2 of the voting rights held by the shareholders (including their proxies) attending the general meeting.

Special resolutions of a general meeting shall be passed by votes representing more than 2/3 of the voting rights held by the shareholders (including their proxies) attending the general meeting.

Article 78 The following matters shall be approved by ordinary resolutions at a general meeting:

- (I) work reports of the board of directors and the board of supervisors;
- (II) profit distribution plan and loss make-up plan formulated by the board of directors;
- (III) appointment and dismissal of members of the board of directors and the board of supervisors, their remuneration and payment terms;
- (IV) annual financial budgets and final accounts of the Company;
- (V) the Company's annual report;
- (VI) matters other than those to be approved by special resolutions as stipulated in the laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed or the Articles.

Article 79 The following matters shall be approved by special resolutions at a general meeting:

- (I) increase or reduction of the registered capital of the Company;
- (II) division, merger, dissolution or change of corporate form of the Company;
- (III) amendments to the Articles of Association and its appendixes (including rules of procedure for the general meeting, rules of procedure for the board of directors and rules of procedure for the board of supervisors);

- (IV) purchase or disposal of material assets by the Company within one year, or any guarantee with an amount exceeding 30% of the latest audited total assets of the Company;
- (V) equity incentive plans;
- (VI) spin-off of its subsidiaries for the purpose of listing;
- (VII) the issuance of shares, convertible corporate bonds, preferred shares and other classes of securities approved by the CSRC;
- (VIII) repurchase shares for the purpose of reducing registered capital;
- (IX) material asset restructuring;
- (X) a resolution of a general meeting of the listed company to voluntarily withdraw the listing and trading of its shares on the Shenzhen Stock Exchange and/or the Hong Kong Stock Exchange, and its decision to cease trading on stock exchanges or application for trading or transferring on another stock exchange;
- (XI) other matters that would have a material impact on the Company and therefore need to be approved by a special resolution as determined by a general meeting with an ordinary resolution;
- (XII) other matters that need to be approved by special resolutions as stipulated by laws and regulations, securities regulatory rules of the places where the Company's shares are listed, the Articles of Association and the rules of procedure for the general meeting.

With respect to the proposals referred to in item (VI) and (X), in addition to the approval by votes representing more than two-thirds of the voting rights held by shareholders attending the general meeting, it shall be passed by votes representing more than two-thirds of the voting rights of other shareholders attending the general meeting other than the directors, supervisors, senior management and shareholders who individually or collectively hold more than 5% of the shares of the listed Company.

Article 80 Shareholders (including their proxies) shall exercise their voting rights in respect of the number of voting shares they represent, and each share shall have one vote. When a poll is held, shareholders (including their proxies) having the right to cast two or more votes need not use all of their voting rights in the same way as “for”, “against” or “abstain”.

When material matters affecting the interests of the small and medium-sized investors are considered at a general meeting, the votes of the small and medium-sized investors shall be counted separately. The separate voting results shall be disclosed to the public in a timely manner.

If a shareholder's purchase of the voting shares of the Company violates paragraphs 1 and 2 of Article 63 of the Securities Law, voting rights of the shares in excess of the prescribed proportion shall not be exercised within 36 months after the purchase and shall not be included in the total number of voting shares present at the general meeting.

The shares of the Company held by the Company do not have voting rights, and such shares shall not be included in the total number of voting shares present at the general meeting. Pursuant to the applicable laws and regulations and the Hong Kong Listing Rules, if any shareholder is required to abstain from voting on a particular resolution or restricted to voting only for (or against) a particular resolution, the number of votes cast by such shareholder or his/her proxy in breach of the relevant requirements or restrictions shall not be included in the total number of voting shares.

The board of directors, independent directors and shareholders holding more than 1% of the voting shares or the investor protection institutions established in accordance with laws, administrative regulations or the requirements of the securities regulatory authorities of the State Council may act as solicitors, and publicly solicit the shareholders of the listed company, either by themselves or through an entrusted securities firm or securities service provider, to engage them as proxies to attend the general meeting and exercise shareholder's rights such as rights to propose or vote on their behalf.

Any public solicitation of shareholders' rights shall comply with laws, administrative regulations, relevant requirements of the CSRC and relevant provisions of the Articles, make sufficient disclosure of solicitation documents containing information on specific proposals and voting preference to the shareholders from whom the voting rights are being solicited, and shall be prohibited if it is for the purpose of any compensation or disguised compensation. The Company shall not impose any inappropriate obstacles that impair the legitimate rights and interests of the shareholders, such as limitation in respect of the minimum shareholding proportion, on the solicitation of voting rights.

Any public solicitation of shareholders' rights in violation of the laws, administrative regulations or relevant requirements of the securities regulatory authorities of the State Council, which causes the Company or its shareholders to suffer losses, shall be liable for compensation in accordance with the laws.

Article 81 When a related-party transaction is considered at a general meeting, the related shareholders shall abstain from voting, and the voting shares represented by them shall not be included in the total number of valid voting shares. The announcement of resolutions of the general meeting shall fully disclose the voting results of non-related shareholders. If a related shareholder is unable to abstain from voting due to any special circumstances, voting may proceed according to the normal procedures after the Company obtains an approval from relevant authorities, provided that a detailed explanation shall be included in the announcement of resolutions of the general meeting.

The abstaining and voting procedures for related shareholders are as follows:

- (I) The board of directors shall make a judgement as to whether the related matters to be proposed at a general meeting for consideration constitute related party transactions pursuant to the Articles and the requirements of the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange, and in making such judgement, the number of shares held by the shareholders shall be subject to that recorded on the record date for share registration.

- (II) If the board of directors considers that the related matters to be proposed at the general meeting for consideration constitute related-party transactions, the board of directors shall notify the related shareholder(s) in writing, and obtain a written reply on whether the shareholder(s) will apply for exemption.
- (III) The board of directors shall complete the work specified above before giving the notice of the general meeting, and make an announcement in respect of the result of such work in the notice of general meeting.
- (IV) When voting on the matters related to the related party transactions at the general meeting, the non-related shareholders present at the general meeting shall vote in a manner as required by Article 78 and Article 79 hereof after deducting the number of voting shares held by the related shareholders.

Article 82 While ensuring the lawfulness and validity of the general meetings, the Company shall facilitate the shareholders to attend the general meetings.

Article 83 Save for any special circumstance such as a crisis, the Company shall not enter into any contracts with any person other than the directors, the chief executive officer and other senior management pursuant to which the management of all or a substantial part of the business of the Company will be given to such person, unless otherwise approved at the general meeting by a special resolution.

Article 84 The list of candidates for directors and supervisors shall be submitted as a proposal to the general meeting for voting. The board of directors shall announce the biography and basic information of the candidates for directors and supervisors to the shareholders.

The methods and procedures for nomination of candidates for directors and supervisors are as follows:

- (I) Within the number of persons specified in the Articles and according to the number of persons proposed to be elected, the former board of directors shall propose a recommended list of director candidates. With approval by a resolution of the board of directors, the board of directors shall propose to the general meeting the candidates for directors to be elected at the general meeting. The former board of supervisors shall propose to the general meeting the candidates for supervisors who are shareholder representatives to be elected at the general meeting;
- (II) Shareholders individually or collectively holding more than 3% of the total outstanding voting shares of the Company may propose to the board of directors of the Company the candidates for directors or supervisors who are shareholder representatives, provided that the number of persons nominated shall comply with the Articles and not more than the number of persons proposed to be elected;

- (III) The Company's board of directors, board of supervisors and shareholders individually or collectively holding more than 1% of the total number of issued shares of the Company may propose candidates for independent directors, provided that the number of persons nominated shall comply with the Articles and shall not be more than the number of persons proposed to be elected. The nominator of an independent director shall obtain the consent of the nominee before making the nomination. The nominator shall fully understand the nominee's occupation, academic qualifications, job title, detailed work experience, all part-time jobs, etc., and express an opinion on his or her qualifications and independence to serve as an independent director, and the nominee shall make a public statement confirming that there are no relationships between himself or herself and the Company that would affect his or her ability to make independent and objective judgments. Prior to the general meeting for the election of independent directors, the board of directors of the Company shall announce the above as required.

In addition to the above nomination rights, the board of directors, the board of supervisors and shareholders individually or collectively holding more than 1% of the Company's shares may also submit to the Company's board of directors proposals to challenge or remove an independent director who does not possess the qualifications or capabilities to serve as an independent director, fails to independently perform his or her duties, or fails to safeguard the legitimate rights and interests of the Company and small and medium-sized investors.

Article 85 When a voting is carried out on the election of directors or supervisors at a general meeting, the cumulative voting system may be adopted in accordance with the provisions under the Articles or the resolutions of the general meeting. Among them, the cumulative voting system must be adopted if two or more independent directors are elected at the general meeting or two or more directors or supervisors are elected by the Company in which a single shareholder and parties acting in concert with him or her are interested in 30% or more of the shares. The Company encourages shareholders to actively propose candidates for directors and supervisors in accordance with the Articles and to procure the election of directors and supervisors to be conducted by way of competitive election.

The cumulative voting system referred to in the preceding paragraph means that when directors or supervisors are being elected at a general meeting, each share shall carry the same number of voting rights as the number of directors or supervisors to be elected, and the voting rights held by shareholders may be used collectively. Details for the implementation of the cumulative voting system shall be as follows:

- (I) Calculation of the number of votes in the cumulative voting:
1. The product of the number of voting shares held by each shareholder multiplied by the number of directors to be elected at the general meeting shall be the cumulative votes cast by such shareholder for this vote.
 2. In the event that multiple rounds of elections are held at the general meeting, the cumulative votes of shareholders shall be recalculated based on the number of directors to be elected in each round of election.

3. The secretary to the board of directors of the Company shall announce the cumulative votes of each shareholder before each round of cumulative voting. Any shareholders, independent directors of the Company, supervisors of the Company, scrutineers of the current general meeting, witness lawyers or notaries who have any objection to the announced results shall check the results immediately.

(II) Voting methods:

1. Uncontested election

- (1) A candidate for director shall be elected if he or she receives more than half of the votes of the shares validly voted at the meeting;
- (2) If the number of elected directors is less than the number of directors to be elected, but the number of elected directors exceeds more than two-thirds of the number of members of the board of directors as stipulated in the Articles, the vacancy shall be filled at the next general meeting;
- (3) If the number of elected directors is less than the number of directors to be elected, as a result of which the number of members of the board of directors is less than two-thirds of the number as stipulated in the Articles, a second round of election shall be held for the director candidates who have not been elected.

2. Competitive election

- (1) A candidate for director shall be elected if he or she receives more than half of the votes of the shares validly voted at the meeting and the number of such candidates is equal to or less than the number of directors to be elected;
- (2) If the number of director candidates receiving more than half of the votes of the shares validly voted at the meeting exceeds the number of directors to be elected, the one who receives more votes shall be elected in order of the number of votes received;
- (3) In the event that two and more candidates receive the same number of votes and it is not possible to decide which of them is to be elected, a second round of election shall be held for those candidates;
- (4) In the event that the second round of election still fails to decide on the elected person, a separate election shall be held at the next general meeting;
- (5) If the number of members of the board of directors is less than two-thirds of the number as stipulated in the Articles as a result, the next general meeting shall be held no later than two months after the conclusion of the current general meeting.

Regardless of the nomination methods of candidates for directors and the election methods of directors, and regardless of the term expiration of the board of directors or any change of directors before their term expiration, in any case, the Company may only replace up to one-third of its directors each year.

Article 86 Except for the cumulative voting system, the general meeting shall resolve on all proposals separately. If there are different proposals for the same matter, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the general meeting is adjourned or no resolution is passed for special reasons such as force majeure, the general meeting will not set aside or refrain from voting on the proposals.

Article 87 When a proposal is considered at a general meeting, no amendments shall be made thereto. Otherwise, any changes made thereto shall be considered as a new proposal, and no voting shall be carried out on that proposal at that general meeting.

Article 88 The same voting right may only be exercised once at a general meeting, either by onsite voting, online voting or other means. In the event of multiple casting of the same vote, only the first casting of such vote shall be counted as valid.

Article 89 Voting at general meetings shall be carried out with open ballot.

Article 90 Before the proposal is voted on at a general meeting, two shareholder representatives shall be elected for vote counting and scrutinizing. Shareholders who are interested in the matter under consideration and their proxies shall not count the votes and scrutinize the poll.

When a proposal is voted on at the general meeting, the lawyers, the representatives of the

Unfilled, incorrectly filled, illegible or uncast votes shall be regarded as the voters waiving their voting rights and the voting results of the shares held by them shall be counted as “abstention”.

Article 93 If the presider of the meeting has any doubt as to the result of a resolution put to vote, he or she may demand the votes to be counted. If the presider of the meeting does not have the votes counted, any shareholder or proxy attending the meeting who disagrees with the result announced by the presider may demand the votes to be counted immediately after the announcement of the voting result, and the presider shall have the votes counted immediately.

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

Article 95 If a resolution is not passed, or the general meeting alters a resolution passed at the previous shareholders’ general meeting, a special note shall be included in the announcement of the resolutions of the general meeting.

Article 96 Where a proposal in relation to the election of directors or supervisors is passed at a general meeting, the term of office of the new directors or supervisors shall commence on the date on which the proposal is passed.

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

CHAPTER 5 BOARD OF DIRECTORS

Section 1 Directors

Article 98 Directors of the Company may include executive directors, non-executive directors and independent directors. Non-executive directors refer to directors who do not hold operational management positions in the Company, and independent directors refer to persons who meet the provisions of Article 107 of the Articles (consistent with the meaning of “independent non-executive director” in the Hong Kong Listing Rules). The director of the Company shall be a natural person. A person may not serve as a director of the Company if any of the following circumstances applies:

- (I) persons who have no or restricted capacity for civil conduct;

- (II) persons who were sentenced to criminal punishment for corruption, bribery, embezzlement of property, misappropriation of property or disrupting the socialist market economic order, where less than five years have lapsed since the expiration of the execution period, or who have been deprived of political rights due to any criminal offenses, where less than five years have lapsed since the expiration of the execution period, and less than two years have lapsed since the date of the expiration of the probation period if probation is announced;
- (III) persons who served as a director, factory manager or manager of a company or an enterprise that declared insolvent and liquidated and were personally liable for the insolvency of such company or enterprise, and less than three years have lapsed since the date of completion of the insolvency and liquidation of that company or enterprise;
- (IV) persons who served as the legal representative of a company or an enterprise of which the business license was revoked and was ordered to close down due to violation of laws and who was personally liable for such revocation and order, where less than three years have lapsed since the date of the revocation of the business license and closure, as ordered, of that company or enterprise;
- (V) persons who are listed as defaulters by a people's court since he/she has a substantial amount of personal debts due and unsettled;
- (VI) persons who are penalized by CSRC to be prohibited from participating in the securities markets by serving as directors, supervisors or senior management of a listed company with a period yet to be expired;
- (VII) persons who are publicly determined by a stock exchange as unsuitable to serve as directors, supervisors or senior management of a listed company with a period yet to be expired;
- (VIII) other circumstances stipulated in laws, administrative regulations, departmental rules or the listing rules of the places where the Company's shares are listed.

If the election or appointment of a director is in violation of this article, such election, appointment or employment shall be invalid. If any of the circumstances under this article occurs during the period of employment of a director, the Company shall dismiss the director from his/her duties and re-elect a director in accordance with the provisions of the Articles.

Article 99 Directors shall be elected or replaced at a general meeting, and the specific election and appointment procedures are set out in Articles 84, 85 and 86 of the Articles. Each term of office of a director shall be three years. Upon the expiry of a director's term of office, the director may be re-elected and re-appointed in accordance with the provisions of the securities regulatory rules of the places where the Company's shares are listed. Any director may be removed from office prior to the expiry of his/her term of office by an ordinary resolution passed at a general meeting, provided that such removal shall not prejudice the director's claim for damages under any contract.

The term of office of a director who is re-elected or appointed to fill a casual vacancy shall commence from the date of taking office, until the current term of office of the board of directors ends.

A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations, departmental rules and the Articles until a re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.

A director appointed by the board of directors to fill a casual vacancy or as an addition to the board of directors shall hold office for a term commencing from the date of his/her appointment until the first annual general meeting after his/her appointment, and shall then be eligible for re-election and re-appointment.

The chief executive officer or other senior management may concurrently serve as a director,

- (VII) shall not accept commissions from the Company's transactions for their own benefit;
- (VIII) shall not disclose confidential information of the Company without authorization;
- (IX) shall not abuse his/her connected relationship to the detriment of the interests of the Company;
- (X) other fiduciary obligations stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed and the Articles.

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

Article 101 Directors shall abide by laws, administrative regulations and the Articles, and shall bear the following duty of diligence towards the Company:

- (I) shall exercise the rights conferred by the Company prudently, seriously and diligently to ensure that the commercial activities of the Company comply with the laws, administrative regulations and the requirements of various economic policies of the PRC, and the business activities shall not go beyond the scope of the business stipulated in the business license;
- (II) shall treat all shareholders fairly;
- (III) shall maintain a timely awareness of the operation and management of the Company;
- (IV) shall sign written confirmation on the securities offering documents and regular reports of the Company, and to ensure the Company gives a timely and fair disclosure of information and the truthfulness, accuracy and completeness of information disclosed therein. Where the directors are unable to ensure the truthfulness, accuracy and completeness of the content of the securities offering documents and regular reports or have objection, their opinions and reasons shall be stated in the written confirmation and disclosed by the Company. Directors could directly apply for disclosure if the Company fails to disclose;
- (V) shall provide relevant information and materials to the board of supervisors truthfully, and shall not obstruct the exercise of powers by the board of supervisors or the supervisors;
- (VI) other duty of diligence stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed and the Articles.

Article 102 A director who fails to attend two consecutive meetings of the board of directors in person without authorizing another director to attend on his/her behalf, shall be deemed to be unable to perform his/her duties. The board of directors shall propose to the general meeting to remove such director.

Article 103 A director may resign before expiry of his/her term of office. A resigning director shall submit a written resignation report to the board of directors. The board of directors shall make disclosure of relevant information within two days.

The Company shall complete a by-election within sixty days after a director tenders his/her resignation to ensure that the composition of the board of directors and its special committees is in compliance with laws and regulations as well as securities regulatory rules of the places where the Company's shares are listed and the Articles.

Where the number of members of the board of directors falls below the minimum requirement due to the resignation of any director, or the proportion of independent directors in the board of directors or its special committees does not meet the requirements of the laws and regulations as well as securities regulatory rules of the places where the Company's shares are listed or the Articles as a result of resignation of any independent director, or there is no accounting professional among independent directors, before a newly elected director takes office, the original director shall perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules and the Articles.

Save for the circumstances set out in the preceding paragraph, the resignation of a director shall take effect when the resignation report is delivered to the board of directors.

Article 104 When a director's resignation takes effect or his/her term of office expires, he/she shall duly complete all handover procedures with the board of directors. His/her fiduciary obligations towards the Company and shareholders shall not necessarily cease after the expiry of his/her term of office. Within three months after his/her resignation takes effect or his/her term of office expires, the director's fiduciary obligations as set forth in Article 100 of the Articles shall continue to be in effect, and the obligation of confidentiality therein shall be perpetual.

Article 105 Unless provided for under the Articles or legally authorized by the board of directors, no director may act in his/her own capacity on behalf of the Company or the board of directors. When a director acts in his/her own capacity and a third party would reasonably believe that the director is acting on behalf of the Company or the board of directors, the director shall declare his/her position and capacity in advance.

Article 106 If a director violates laws, administrative regulations, departmental rules or the provisions of the Articles when performing his/her duties and causes losses to the Company, he/she shall be liable for compensation.

Article 107 The methods of nomination and election procedures for independent directors shall be carried out in accordance with the relevant provisions of laws, administrative regulations and departmental rules. The Company may have independent directors, and the number of independent directors shall be not less than three and account for at least one-third of the board of directors. Independent directors shall be independent in accordance with the securities regulatory rules of the places where the Company's shares are listed. The specific qualifications, powers and authorities and rules of procedures of independent directors are stipulated in the Policy of Independent Non-Executive Directors (《獨立非執行董事制度》) of the Company.

Any independent director who does not have the qualifications or capacity of independent director, or fails to perform his/her duties independently, or fails to safeguard the legitimate rights and interests of the Company and small and medium-sized investors, shareholders individually or jointly holding more than one percent of the Company's shares may submit proposals to the board of directors of the Company in relation to their queries against the independent director or his/her dismissal. The independent director concerned shall promptly provide explanation on the queries and make disclosure thereof. The board of directors of the listed company shall promptly hold a special meeting for discussions upon receipt of the relevant proposals of queries or dismissal and disclose the discussion results.

Section 2 Board of Directors

Article 108 The Company shall have a board of directors, which shall be accountable to the general meeting.

Article 109 The board of directors shall consist of ten directors, comprising four executive directors, two non-executive directors and four independent non-executive directors. The Company shall have one chairman.

Article 110 The board of directors shall exercise the following functions and authority:

- (I) convene general meetings and submit work reports to the general meetings;
- (II) implement resolutions of the general meetings;
- (III) determine the business plans and investment plans of the Company;
- (IV) formulate the Company's annual financial budget plan and final accounts plan;
- (V) formulate the Company's profit distribution plan and loss recovery plan;
- (VI) formulate plans for the Company for increase or reduction of registered capital, issuance of bonds or other securities and listing;
- (VII) formulate plans for major acquisitions of the Company, acquisition of the Company's shares, or plans for merger, division, dissolution and change of corporate form;
- (VIII) within the scope authorized by the general meeting or the Articles, decide on matters such as the Company's external investment, acquisition and sale of assets, asset pledges, external guarantees, entrusted financial management and related transactions; matters beyond the scope of authorization shall be submitted to the general meetings for consideration;
- (IX) decide on the establishment of the Company's internal management body;

- (X) appoint or dismiss the Company's chief executive officer and secretary to the board of directors; appoint or dismiss the Company's president, technology director, financial director and other senior management based on the nomination of the chief executive officer, and decide on the matters in relation to their remuneration, rewards and punishments;
- (XI) formulate the Company's basic management system;
- (XII) formulate proposed amendments to the Articles;
- (XIII) manage the Company's information disclosure matters;
- (XIV) make proposal to the general meeting on the engagement or change of the accounting firm performing audits for the Company;
- (XV) listen to the work reports from the chief executive officer of the Company and review the work of the chief executive officer;
- (XVI) subject to compliance with the provisions of the securities regulatory rules of the places where the Company's shares are listed, decide on the acquisition of the Company's own shares by the Company under the circumstances stipulated in Article 23(III), (V) and (VI) of the Articles as passed by a resolution by more than two-thirds of the directors attending the board meeting;
- (XVII) the board of directors of the Company shall establish special committees for audit, strategic management and ESG, nomination, remuneration and evaluation, and formulate the working procedures for special committees. Special committees shall be accountable to the board of directors and perform their duties in accordance with the Articles and the authorization by the board of directors, and the proposals shall be submitted to the board of directors for consideration and approval. The members of the special committees shall be entirely composed of directors, among which independent directors constitute the majority of the audit committee, nomination committee, remuneration and evaluation committee and serve as the conveners. The convener of the audit committee shall be an accounting professional, and the members of the audit committee shall be directors who do not serve as a senior management of the Company. The board of directors shall be responsible for formulating the working procedures of the special committees and regulating the operation of the special committees;
- (XVIII) other functions and authority conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed or the Articles.

Article 111 The Company's board of directors shall explain to the general meeting about the non-standard audit opinions issued by certified public accountants on the Company's financial report.

Article 112 The board of directors shall formulate the rules of procedure for the board meetings to ensure that the board of directors implement the resolutions of the general meetings, improve work efficiency and ensure scientific decision-making.

The rules of procedure for the board of directors shall specify the holding and voting procedures of the board of directors. The rules of procedure for the board of directors shall serve as an annex to the Articles and shall be formulated by the board of directors, and shall take effect after it is approved by the general meeting.

Article 113 The board of directors shall determine the scope of authority for matters such as external investment, purchase and sale of assets, asset pledges, external guarantees, entrusted financial management and related transactions, and set up strict review and decision-making procedures; for major investment projects, relevant experts and professionals shall be engaged to conduct reviews and it shall be reported to the general meeting for approval.

Subject to compliance with the securities regulatory rules of the places where the Company's shares are listed, the board of directors shall have the right to decide on the loans, external investment, assets disposal (leasing, entrusted operation, joint operation with others, purchase, sale, loss reporting, replacement, pledge and liquidation, acquisitions, etc.) and related-party transactions in respect of the following matters:

- (I) external loans that account for less than 30% of the Company's latest total audited net assets in terms of single amount and account for less than 50% of the Company's latest total audited net assets in terms of cumulative amount for a fiscal year;
- (II) external investments that account for less than 30% of the latest total audited net assets;
- (III) assets under leasing, entrusted operation, joint operation with others, purchase, sale, loss reporting, replacement, pledge and liquidation that account for less than 20% of the Company's latest total audited net assets;
- (IV) asset acquisitions that account for less than 30% of the latest total audited net assets;
- (V) specific approval authority of the board of directors for related-party transactions shall be implemented in accordance with the current Rules Governing the Listing of Securities on the Shenzhen Stock Exchange;
- (VI) other functions and authority conferred by the general meeting.

Article 114 The board of directors shall have one chairman. The chairman shall be elected by more than half of all the members of the board of directors.

Article 115 The chairman shall exercise the following functions and authority:

- (I) preside over the general meetings and convene and preside over the board meetings;
- (II) supervise and inspect the implementation of resolutions of the board of directors;
- (III) sign on the shares, corporate bonds and other securities issued by the Company;
- (IV) sign on the important documents of the board of directors and other documents to be signed by the legal representative of the Company;

- (V) exercise the functions and authority of the legal representative;
- (VI) when a force majeure emergency such as an extreme natural disaster occurs, exercise the special authority to handle company affairs in compliance with legal provisions and in the interests of the Company, and report to the board of directors of the Company and the general meeting subsequently;
- (VII) the chairman shall have the right to decide on external loans, external investments and asset acquisitions that account for less than 10% of the Company's latest total audited net assets;
- (VIII) the chairman shall have the right to decide on the leasing, entrusted operation, joint operation with others, purchase, sale, loss reporting, replacement, pledge or liquidation of assets that account for less than 10% of the Company's latest total audited net assets;
- (IX) other functions and authority conferred by the board of directors.

Article 121 The board meetings shall be held only when more than half of the directors are present. Resolutions made by the board of directors must be passed by more than half of all directors.

Resolutions of the board of directors are voted by way of poll with each director having one vote.

Article 122 If any director is related to the enterprise involved in the resolution at a board meeting, the said director shall not exercise his/her voting rights on the said resolution for himself/herself or on behalf of another director. Such board meeting may be held when more than half of the non-related directors attend the meeting. The resolution of such board meeting shall be passed by more than half of the non-related directors. If the number of non-related directors attending the board meetings is fewer than three, the matters shall be submitted to the general meeting for consideration. Where the laws and regulations and securities regulatory rules of the places where the Company's shares are listed have any additional restrictions in respect of the participation and voting by directors in board meetings, such provisions shall prevail.

Article 123 Directors shall attend the meetings of the board of directors in person. Where a director is unable to attend a meeting for any reason, he/she may authorize another director to attend the meeting on his/her behalf in writing. The authorization letter shall set out the name of the authorized person, the matters to be authorized, scope of authorization and valid period, which shall be signed or sealed by the director who authorizes. The directors who attend the meeting on behalf of another director shall exercise the rights as directors within the scope of authorization. If a director fails to attend a board meeting and does not authorize a representative to attend on his/her behalf, he/she shall be deemed to have waived his/her voting rights at such meeting.

Article 124 The board of directors shall keep minutes of its decisions on the matters discussed at the meeting. The minutes shall be signed by the attending directors.

The meeting minutes of the board of directors shall be kept as company files for no less than ten years.

Article 125 Minutes of a board meeting shall include the following:

- (I) date and venue of the meeting and name of the convener;
- (II) names of the attending directors and names of the directors (proxies) appointed by others to attend the board meeting;
- (III) agenda of the meeting;
- (IV) key points of directors' speeches;
- (V) the voting method and result for each resolution (the voting result should specify the number of votes for and against the proposal or abstention).

Directors shall be accountable for the resolutions of the board of directors. Where the board resolution is in violation of laws, administrative regulations or the Articles of Association resulting in significant loss to the Company, directors taking part in passing the resolution shall be liable for compensation to the Company. Directors who have been proved to have indicated their opposition during the voting and recorded in the minutes may be waived from such liabilities.

CHAPTER 6 CHIEF EXECUTIVE OFFICER AND OTHER SENIOR MANAGEMENT

Article 126 The Company has one chief executive officer who is appointed or dismissed by the board of directors.

The Company's chief executive officer, president, technical officer, secretary to the board of directors and financial officer are the senior management of the Company.

Article 127 The circumstances set forth herein under which a person may not serve as a director also applies to senior management.

Requirements hereof with respect to the directors' obligations of fiduciary and diligence also applies to senior management.

Article 128 Persons who hold administrative positions other than directors or supervisors in any entity of the controlling shareholder of the Company shall not be appointed as senior management of the Company.

Article 129 The term of office of a chief executive officer shall be three years, and renewable upon re-election.

Article 130 The chief executive officer shall be accountable to the board of directors and shall exercise the following functions and authority:

- (I) be in charge of the production, operation and management of the Company, organize the implementation of the resolutions of the board of directors, and report to the board of directors;
- (II) arrange the implementation of the Company's annual business plans and investment plans;
- (III) draft plans for the establishment of the internal management structure of the Company;
- (IV) propose the basic management system of the Company;
- (V) formulate detailed rules and regulations of the Company;
- (VI) propose the appointment or dismissal by the board of directors of the Company's president, technical officer and financial officer;

(VII) decide on the appointment or dismissal of the executive officers other than those who shall be appointed or dismissed by the board of directors;

(VIII) other functions and authority conferred by the Articles or the board of directors.

The chief executive officer shall attend meetings of the board of directors.

Article 131 The chief executive officer shall formulate his/her working rules, which shall be implemented upon approval by the board of directors.

Article 132 The working rules for the chief executive officer include the following:

(I) conditions, procedures for convening and participants of the chief executive officer meetings;

(II) respective duties and division of responsibilities between chief executive officer and other senior management;

(III) the use of funds and assets of the Company, limits of authority to enter into material contracts and systems for reporting to the board of directors and the board of supervisors;

(IV) other matters deemed necessary by the board of directors.

Article 133 The chief executive officer may resign before expiry of his/her term of service. The specific procedures and methods for resignation of the chief executive officer shall be stipulated in the labor contract between the chief executive officer and the Company.

Article 134 The Company shall, according to its own conditions, specify the procedures for the appointment and dismissal of the president, the relationship between the president and the chief executive officer as well as the functions and authority of the president in the Articles.

Article 135 The Company shall have a secretary to the board of directors, who is responsible for the organization of the Company's general meetings and meetings of the board of directors, custody of documents as well as information management regarding the shareholders of the Company, dealing with information disclosure and other matters.

The secretary to the board of directors shall comply with relevant requirements under the laws, administrative regulations, departmental rules and the Articles.

Article 136 If a senior management member violates the laws, administrative regulations, departmental rules or the Articles when performing his/her duties that result in loss to the Company, he/she shall be liable for compensation.

CHAPTER 7 BOARD OF SUPERVISORS

Section 1 Supervisors

Article 137 The circumstances of disqualification for directors under the Articles shall also be applicable to supervisors.

Directors and senior management of the Company, as well as their spouses and immediate family members shall not serve as supervisors during the term of office of such directors and senior management.

Article 138 The supervisors shall comply with the laws, administrative regulations and the Articles. They shall owe a fiduciary and diligence duty to the Company, and shall not accept any bribes or other illegal income by abusing the powers of his/her position, or misappropriate the property of the Company.

Article 139 The term of office of a supervisor shall be three years. A supervisor may be renewable by re-election upon the expiration of his/her term of office.

Article 140 When a supervisor's term of office expires before a new supervisor is appointed, or when a supervisor resigns during his/her term of office, leading to the number of members in the board of supervisors falling below the statutory requirement, the original supervisor shall continue to perform his/her duties according to the laws, administrative regulations and the Articles until the newly appointed supervisor takes up his/her appointment.

Article 141 A supervisor shall ensure that the information disclosed by the Company is true, accurate and complete.

Article 142 A supervisor may be present at the meetings of the board of directors, and make enquiries or recommendations regarding resolutions of the board of directors.

Article 143 A supervisor shall not take advantage of his/her related relation with the Company to the detriment of the interests of the Company, and where the Company suffers losses thereto, the supervisors shall be liable for compensation.

Article 144 If a supervisor is in breach of the requirements under the laws, administrative regulations, departmental rules or the Articles when performing his/her duties and causes losses to the Company, he/she shall be liable for compensation.

Section 2 Board of Supervisors

Article 145 The Company shall have a board of supervisors, which shall consist of three supervisors, one of whom shall act as convener. The convener of the board of supervisors shall be elected by the votes of more than half of all supervisors. The convener of the board of supervisors shall convene and preside over the meetings of the board of supervisors; if the convener of the board of supervisors is unable to or fails to perform his/her duties, a supervisor shall be nominated by more than a half of the supervisors to convene and preside over the meetings of the board of supervisors.

The board of supervisors shall consist of shareholder representatives and an appropriate ratio of the Company's employee representatives, of which no less than one-third, i.e., one employee representative, shall be included in the board of supervisors. The employee representatives of the board of supervisors shall be democratically elected by employees of the Company at the employee representatives' meeting, employee meeting or otherwise.

Article 146 The board of supervisors shall exercise the following functions and authority:

- (I) review the securities issuance documents and regular reports of the Company prepared by the board of directors and to provide written review opinions, and the supervisors shall sign a written confirmation. Supervisors shall ensure that the Company discloses information in a timely and fair manner and the information disclosed is true, accurate and complete. In the event that the truthfulness, accuracy, completeness of the securities issuance documents and regular reports cannot be guaranteed or is disputed, the supervisors shall express their opinions and state reasons in the written confirmation which the Company shall disclose. Where the Company refuses to disclose, the supervisors may directly apply for disclosure;
- (II) inspect the financial conditions of the Company;
- (III) supervise the performance of duties in the Company by the directors and senior management, and propose dismissal of directors and senior management who are in violation of laws, administrative regulations, the Articles or resolutions of the general meetings;
- (IV) demand rectifications to be made by a director and senior management when his/her acts impair the Company's interests;
- (V) propose the convening of extraordinary general meetings and, in cases where the board of directors does not perform the obligations to convene and preside over the general meetings as stipulated by the Company Law, to convene and preside over the general meetings;
- (VI) put forward proposals to the general meetings;
- (VII) initiate legal proceedings against the directors and senior management in accordance with relevant requirements under the Company Law;
- (VIII) conduct investigations upon discovery of abnormality in the Company's operations; and where necessary, engage an accounting firm, law firm or other professional institution to assist in its work at the Company's expense.

Article 147 The board of supervisors shall convene a meeting at least once every six months. The supervisors may propose to hold an extraordinary meeting of the board of supervisors.

Resolutions of the board of supervisors shall be passed by more than half of the supervisors.

Article 148 The board of supervisors shall formulate rules of procedure for the board of supervisors and specify methods for discussions and voting procedures to ensure the work efficiency and scientific decision-making of the board of supervisors.

The rules of procedure of the board of supervisors stipulate the procedures for convening the meetings of the board of supervisors and voting thereof. The rules of procedure of the board of supervisors shall be included in or annexed to the Articles of Association, which shall be drafted by the board of supervisors and approved at a general meeting.

Article 149 The board of supervisors shall make minutes of the decisions on matters discussed and supervisors present at the meeting shall sign on the minutes.

A supervisor shall have the right to request for an explanatory note in the minutes regarding his/her speech at the meeting. The minutes of meetings of the board of supervisors shall be kept as company files for at least ten years.

Article 150 A notice of meeting of the board of supervisors shall include the following contents:

- (I) date, venue, and duration of the meeting;
- (II) reasons and subjects of discussion;
- (III) date of issuance of notice.

CHAPTER 8 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION, AUDIT AND EXTERNAL GUARANTEE

Section 1 Financial Accounting System

Article 151 The Company shall formulate its financial accounting system in accordance with the laws, administrative regulations and the requirements of relevant state departments.

Article 152 The Company shall submit to the CSRC and the stock exchanges where the Company's shares are listed the annual financial and accounting report as required within four months from the end of a fiscal year, and the CSRC branch and the stock exchanges the interim financial and accounting report within two months from the end of the first six months of a fiscal year, as well as the CSRC branch and the places where the Company's shares are listed the quarterly financial and accounting report within one month from the end of the first three months and the first nine months of a fiscal year.

The aforesaid financial and accounting report shall be prepared in accordance with the relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the places where the shares are listed.

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

Article 154 The Company shall, when allocating its after-tax profits for the current year, allocate 10% of its profits to the Company's statutory reserve. When the cumulated amount of the statutory reserve of the Company reaches 50% of its registered capital, no further allocations is required.

If the statutory reserve of the Company is insufficient to make up for its losses for the previous years, the profits for the current year shall first be used to cover the losses before any statutory reserve is allocated according to the preceding paragraph.

After allocating the statutory reserve out of its after-tax profits, the Company may also, subject to the resolution at a general meeting, allocate its after-tax profits to its discretionary reserve.

The remaining after-tax profits shall, after covering the losses and making allocations to the reserve, be distributed to the shareholders in proportion to their respective shareholdings, except those which shall not be distributed in accordance with the shareholding proportion under the Articles.

If the general meeting has, in violation of the preceding paragraph, distributed profits to the shareholders before the Company has made up for its losses and made allocations to the statutory reserve, the shareholders must return to the Company the profits distributed in violation of the provisions.

The Company's shares held by the Company are not entitled to any profit distribution.

The Company shall appoint one or more payment receiving agent(s) in Hong Kong for shareholders of H Shares. The payment receiving agent(s) shall, on behalf of relevant shareholders of H Shares, receive dividends and other amounts payable by the Company in respect of H Shares and keep such payments for future payments to such shareholders of H Shares. The payment receiving agent(s) appointed by the Company shall satisfy the requirements under the laws and regulations and the securities regulatory rules of the places where the Company's shares are listed.

Article 155 Reserves of the Company are used for covering the Company's losses, expanding the Company's production and operation or being converted to increase the capital of the Company. However, the capital reserve shall not be used to cover the Company's losses.

When the statutory reserve is converted into capital, the balance of the statutory reserve shall not fall below 25% of the Company's registered capital before the conversion.

Article 156 After the profit distribution plan has been resolved at the Company's general meeting, or after formulation by the board of directors of the Company of a specific plan in accordance with the conditions and cap of the interim dividend distribution for the following year considered and approved at the annual general meeting, the Company shall complete the distribution of dividends (or shares) within two months. If the specific plans are not able to be implemented within two months under the laws and regulations and the securities regulatory rules of the places where the Company's shares are listed, the implementation date of the specific plan may be correspondingly adjusted in accordance with such regulations and actual circumstances.

Article 157 The Company's profit distribution policy is as follows:

(I) Principles for profit distribution

1. Profit distribution by the Company shall emphasize a reasonable return on investment for shareholders. The profit distribution policy shall maintain consistency and stability.
2. Profit distribution by the Company shall neither exceed the scope of the cumulative distributable profits, nor shall it harm the Company's ability to continue as a going concern. The board of directors, the board of supervisors and the general meeting of the Company shall give due consideration to the opinions of small and medium-sized investors in deciding and demonstrating its profit distribution policy.

(II) Form of profit distribution

The Company may distribute dividends in the form of cash, stocks, or a combination of both, or other methods permitted by laws and regulations. The Company shall prioritize the use of cash dividends for profit distribution. The Company shall adopt cash dividends for profit distribution provided that the conditions for cash distribution are satisfied. Where the Company distributes profit in the form of stock dividends, true and reasonable factors such as the growth of the Company and the dilution to net assets per share shall be taken into account.

(III) Conditions for cash dividends

The Company records distributable profits (i.e. the remaining after-tax profits after covering the Company's losses and making allocations to the reserve) during the year, and there is sufficient cashflow so that payment of cash dividends would not affect the Company's subsequent continuing operation.

(IV) Ratios and intervals for cash dividends

Subject to the principles of profit distribution and the above conditions for cash dividends, the Company shall, in principle, distribute cash dividends once a year. Within any three consecutive years, the cumulative profits distributed by the Company in cash shall not be less than 30% of the average distributable profits realized in the most recent three years. The specific dividend ratios shall be determined by the board of directors of the Company according to relevant regulations and the Company's operating conditions, and considered and resolved at the general meeting of the Company.

(V) Conditions for the distribution of stock dividends

The Company may, when necessary, distribute profits in the form of stock dividends based on its accumulated distributable profits, reserves and cash flow conditions, providing that sufficient distribution in cash dividends and the reasonable capital size of the Company are ensured. The specific dividend ratios shall be considered and approved by the board of directors of the Company, before submitting to the general meeting for consideration and resolution.

(VI) In the event that a shareholder misappropriates the Company's funds in violation of the regulations, the Company shall deduct the cash dividends distributed to that shareholder to repay the funds he/she has misappropriated.

(VII) Decision-making procedures for profit distribution

1. The annual dividends distribution plan of the Company shall be proposed and budgeted by the management and board of directors of the Company based on factors such as the Company's profitability, fund demand, and shareholder return plan for every accounting year;
2. Subject to the provisions of national laws, regulations, and the Articles, the board of directors may propose a plan to distribute interim dividends or special dividends;
3. The board of supervisors shall supervise the implementation and the decision-making process of the dividend policy and shareholder return plan made by the board of directors and management, and consider the profit distribution policy formulated or modified by the board of directors subject to the approval by a majority of the supervisors;
4. Before considering the specific plan for cash dividends at the general meeting, the Company shall actively communicate and interact through various channels with shareholders, especially small and medium-sized shareholders, fully listen to their opinions and demands, and promptly answer the questions which concern small and medium-sized shareholders;
5. The Company shall disclose the details about the formulation and implementation of the cash dividend policy in the annual report, and make specific explanations on the following matters:
 - (1) Whether the policy is in compliance with the requirements of the Articles of Association or the resolutions passed at the general meeting;
 - (2) Whether the basis and ratio of the dividend distribution are specific and clear;
 - (3) Whether the relevant decision-making procedure and system are sound;
 - (4) The Company shall disclose specific reasons for not distributing cash dividends, and measures to be taken to enhance the investors' return;
 - (5) Whether there are opportunities for small and medium-sized shareholders to fully express their views and demands, and whether their legal rights and interests are sufficiently protected, etc.

6. The formulation or modification of the Company's profit distribution policy shall be proposed by the board of directors to the general meeting, and the profit distribution policy proposed by the board of directors shall be approved by more than half of all directors; independent directors shall have the right to express opinions if they consider that the cash dividend plan may damage the benefits of the Company and small and medium-sized shareholders. If the opinions of the independent directors are not adopted or not fully adopted by the board of the directors, the opinions of the independent directors and the specific reasons for not adopting shall be recorded in the resolutions of the board of the directors and shall be disclosed;
7. If the formulation or modification of the Company's profit distribution policy is submitted to the general meeting for consideration, it shall be approved by more than half of the voting rights held by the shareholders (including the shareholders' proxies) who attend at the general meeting; any adjustment or alteration to the cash dividend policy determined in the Articles shall satisfy the conditions stipulated in the Articles of Association, and undergo appropriate decision-making procedures after substantiation, and shall be approved by more than two third of the voting rights held by the shareholders who attend at the general meeting;
8. The board of directors shall explain its proposed applications for the retained undistributed profits in the profit distribution plan;
9. When the Company holds an annual general meeting to consider the annual profit distribution plan, it may consider and approve the conditions, proportion cap and amount cap of interim cash dividends for next year. The dividend cap of the interim dividend for next year considered at the annual general meeting shall not exceed the net profit attributable to shareholders of the Company for the corresponding period. The board of directors shall formulate a specific interim dividend plan in accordance with the resolutions of the general meeting and subject to the conditions of profit distribution;
10. If the Company needs to adjust its dividend policy and shareholder return plan due to significant changes in external business environment or its own trading position, for the purpose of protecting the interests of the shareholders, the Company shall carefully examine and explain the reasons, and subject to consideration and approval at the general meeting submitted by the board of directors.

Section 2 Internal Audit

Article 158 The Company shall implement an internal audit system and have dedicated audit personnel to perform internal audit and supervision on the Company's financial income and expenses and economic activities.

Article 159 The internal audit system and the responsibilities of the audit personnel of the Company shall take effect upon approval by the board of directors. The head of audit shall be accountable to and report to the board of directors.

Section 3 Appointment of Accounting Firm

Article 160 The Company shall appoint an accounting firm which complies with the Securities Law to conduct financial statements audit, net assets verification and other related consulting services, etc. The term of appointment is one year and can be renewed.

Article 161 The appointment of an accounting firm by the Company shall be agreed by a majority of all members of the audit committee before being submitted to the board of directors for consideration, and shall be determined by the general meeting, and the board of directors shall not appoint an accounting firm before the decision of the general meeting is made.

Article 162 The Company shall guarantee to provide the accounting firm it appoints with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information, and shall not refuse, conceal or make false statements.

Article 163 The audit fees payable to the accounting firm shall be determined by the general meeting.

Article 164 The Company shall notify the accounting firm 30 days in advance when it dismisses or no longer renews the accounting firm. The accounting firm may express its opinions when the resolution regarding the dismissing of the accounting firm is voted at the general meeting of the Company.

Where the accounting firm proposes to resign, it shall explain to the general meeting whether the Company has any improper situation.

CHAPTER 9 NOTICE AND ANNOUNCEMENT

Section 1 Notice

Article 165 Notices of the Company shall be made in the following forms:

- (I) by e-mail;
- (II) by hand;
- (III) by mail;
- (IV) by way of announcement;
- (V) by any other means stipulated by securities regulatory rules of the places where the Company's shares are listed or the Articles.

Article 166 Where a notice is served by way of an announcement, upon the publication of such announcement, all relevant persons shall be deemed to have received the notice.

Unless the context otherwise requires, the “announcement” referred to in the Articles shall mean, in respect of an announcement issued to the shareholders of A Shares or issued within the PRC as required under relevant regulations and the Articles, the publication of information on the website of the Shenzhen Stock Exchange and media that meets the conditions stipulated by the CSRC; in respect of an announcement issued to the shareholders of H Shares or issued in Hong Kong as required under relevant regulations and the Articles, the publication of an announcement on the Company’s website, the website of the Hong Kong Stock Exchange, and other websites as stipulated by the Hong Kong Listing Rules from time to time in accordance with the relevant requirements of the Hong Kong Listing Rules.

For the purpose of providing and/or distributing corporate communication to shareholders of H Shares in accordance with requirements under the listing rules of the places where the Company’ shares are listed, to the extent that the Company complies with such listing rules of the places where the Company’ shares are listed, the Company may also provide or distribute corporate communication to shareholders of H Shares by electronic means or by publishing information on the Company’s website or the websites of the stock exchanges of the places where the Company’ shares are listed, in lieu of delivery by hand or prepaid mail.

Article 167 The notice of meeting for the general meetings of the Company shall be served by announcement.

Article 168 The notice of meeting for the meeting of board of directors shall be served by any means prescribed in Article 171.

Article 169 The notice of meeting for the meeting of board of supervisors shall be served by any means prescribed in Article 171.

Article 170 For the Company’s notice delivered by e-mail, it shall be deemed to have been received on the date it is sent. Where the Company’s notice is delivered by hand, it shall be deemed to have been received upon signing (or affixing the seal) by the recipient on the note of receipt and the receipt date shall be the date of serving. Where the Company’s notice is delivered by post, it shall be deemed to have been received on the fifth working day from the date the notice is delivered to the post office. Where the Company’s notice is delivered by way of an announcement, it shall be deemed to have been received on the date on which the announcement is first published.

Article 171 Where a notice of meeting is not sent to a person who is entitled to receive due to accidental omission or such person fails to receive the notice of meeting, the validity of the meeting and the resolutions of the meeting shall not be affected.

Section 2 Announcement

Article 172 The information of the Company shall be disclosed by the Company in newspaper(s) and on the website(s) (including the HKEX news website (www.hkexnews.hk)) designated by securities regulatory authorities.

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

Section 1 Merger, Division, Capital Increase and Capital Reduction

Article 173 A merger may be in the form of merger by absorption or merger by establishment of a new company.

In the case of merger by absorption, the company being absorbed shall be dissolved. Merger by establishment of a new company shall refer to the establishment of a new company as a result of merger of two or more companies and the merger parties shall be dissolved.

Article 174 In the event of 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 ten days from passing of the resolution on merger, and make an announcement on the newspaper(s) and website(s) (including the HKEX news website of Hong Kong Stock Exchange (www.hkexnews.hk)) designated by securities regulatory authorities within 30 days. Creditors may require the Company to repay the debts or to provide corresponding guarantee

The Company shall notify its creditors within ten days from passing of the resolution on reduction of registered capital, and make an announcement on the newspaper(s) and website(s) (including the HKEX news website of Hong Kong Stock Exchange (www.hkexnews.hk)) designated by securities regulatory authorities within 30 days. Creditors are entitled to demand the Company to repay the debts or to provide corresponding guarantee within 30 days from receipt of notification or within 45 days from the day of announcement if they do not receive the notification.

The reduced registered capital of the Company shall not be lower than the minimum statutory amount.

Article 179 Changes in particulars of the companies as a result of merger or division shall be registered with the company registration authorities in accordance with the laws. Deregistration of a company shall be performed in accordance with the laws when the Company is dissolved. Incorporation registration of a company shall be performed in accordance with the laws when a new company is incorporated.

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

Section 2 Dissolution and Liquidation

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

- (I) Expiry of term of business stipulated in the Articles or occurrence of any other causes for dissolution stipulated in the Articles;
- (II) A general meeting has resolved on the dissolution of the Company;
- (III) Dissolution due to the merger or division of the Company;
- (IV) The Company's business license is revoked, or the Company is ordered to close down or dissolve in accordance with the laws;
- (V) When the Company has serious difficulties in its operation and management and the Company's subsistence will cause material damages to the interests of its shareholders, and where the Company is unable to resolve the difficulties through any other means, the shareholders who hold more than 10% of the voting rights of the Company may apply to the People's Court for dissolution of the Company.

Article 181 Under the circumstances set out in item (I) of Article 180 in the Articles, the Company may subsist through amendments to the Articles.

Where amendments to the Articles are made in accordance with the preceding paragraph, such amendments shall be passed by votes representing more than two-thirds of the voting rights held by shareholders attending the general meeting.

Article 182 Where the Company is dissolved pursuant to items (I), (II), (IV) and (V) of Article 180 in the Articles, a liquidation team shall be set up within 15 days from the date of occurrence of event that causes dissolution and shall commence liquidation. The liquidation team shall consist of members determined by the directors or the general meeting. In case no such liquidation team is established to timely proceed with liquidation, the creditors may make an application to the People’s Court for the appointment of relevant persons to form the liquidation team for liquidation.

Article 183 The liquidation team shall exercise the following authority during the liquidation period:

- (I) liquidate the Company’s assets and prepare a balance sheet and an inventory list of assets respectively;
- (II) notify creditors and publish announcement;
- (III) handle outstanding businesses of the Company related to liquidation;
- (IV) settle all taxes in arrears and taxes arising in the course of liquidation;
- (V) liquidate creditor’s rights and debts;
- (VI) dispose of the Company’s remaining assets after the debts are paid off;
- (VII) conduct civil lawsuits on behalf of the Company.

Article 184 The liquidation team shall, within ten days from its establishment, notify the creditors, and make an announcement on the newspaper(s) and website(s) (including the HKEX news website of Hong Kong Stock Exchange (www.hkexnews.hk)) designated by securities regulatory authorities within 60 days. The creditors shall declare their creditors’ rights to the liquidation team within 30 days from receipt of notification or within 45 days from the day of announcement if they do not receive the notification.

Creditors declaring creditors’ rights shall state the relevant information of the creditors’ rights and provide proof materials. The liquidation team shall register the creditors’ rights.

During the period for declaration of creditors’ rights, the liquidation team shall not make repayment to creditors.

Article 185 Upon sorting of the Company’s assets and preparation of balance sheet and inventory list of assets, the liquidation team shall formulate a liquidation plan and submit it to the general meeting or the People’s Court for confirmation.

The Company’s assets, after being used respectively for payment of liquidation expenses, employees’ wages, social insurance premiums and statutory compensation, payment of tax in arrears and the Company’s debts, shall be distributed in proportion to the shareholding of the shareholders.

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

Article 186 Upon sorting of the Company's assets and preparation of balance sheet and inventory list of assets, if the liquidation team is aware that the Company's assets are inadequate for repayment of debts, it shall apply to the People's Court for declaration of insolvency.

Upon declaration of the Company's insolvency pursuant to the ruling of the People's Court, the liquidation team shall hand over the liquidation matters to the People's Court.

Article 187 Upon completion of liquidation, the liquidation team shall formulate a liquidation report and shall submit the same to the general meeting or the People's Court for confirmation and submit to the company registration authorities and apply for deregistration, and announce the termination of the Company.

Article 188 The members of the liquidation team shall devote themselves to their duties and fulfill their obligations of liquidation according to laws.

The members of the liquidation team shall not take any bribe or other illegal proceeds by taking advantage of his/her position, nor may he/she misappropriate the properties of the Company.

Where any members of the liquidation team cause any loss to the Company or any creditor with intention or due to material negligence, he/she shall be liable to compensation.

Article 189 Where the Company is declared insolvent in accordance with laws, it shall implement insolvency liquidation in accordance with the relevant laws relating to insolvency of an enterprise.

CHAPTER 11 AMENDMENT TO ARTICLES OF ASSOCIATION

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

- (I) Following the amendment of the Company Law, the relevant laws, administrative regulations or the securities regulatory rules of the places where the Company's shares are listed, the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws, administrative regulations or the securities regulatory rules of the places where the Company's shares are listed;
- (II) There is any change to the Company's particulars which result in inconsistency with the matters set out in the Articles of Association;
- (III) A general meeting has decided on making amendments to the Articles of Association.

Article 191 Where the approval from the competent authority is required for the amendments to the Articles resolved by the general meeting, such amendments shall be submitted to the competent authority for approval. Where an amendment to the Articles involves the particulars of the Company's registration, changes shall be made to the registration pursuant to the laws.

Article 192 The board of directors shall amend the Articles pursuant to the resolution of the general meeting on such amendment and the clearance opinion from the competent authority.

Article 193

Article 198 The board of directors of the Company shall be responsible for the interpretation of the Articles.

Article 199 Appendixes to the Articles include the rules of procedure for general meetings, the rules of procedure for meetings of the board of directors and the rules of procedure for meetings of the board of supervisors. In case of any conflict between the Articles and the laws, administrative regulations, normative documents and securities regulatory rules of the places where the Company's shares are listed that are promulgated from time to time, such laws, administrative regulations, normative documents and securities regulatory rules of the places where the Company's shares are listed shall prevail.

Article 200 The Articles shall take effect upon approval by the general meeting.

Zhejiang Sanhua Intelligent Controls Co., Ltd.
August 2025