

Qingdao Gon Technology Co., Ltd.

Articles of Association
(Applicable after the issuance and listing of H Shares)

January 2026

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Chapter 1 General Provisions

Article 1 To safeguard the legitimate rights and interests of the Company, its shareholders, employees and creditors, and to regulate the organization and activities of the Company, these articles of association are compiled in accordance with the Company Law of the People's Republic of China (hereinafter the "Company Law"), the Securities Law of the People's Republic of China (hereinafter the "Securities Law"), the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter the "Hong Kong Listing Rules") and other relevant provisions.

Article 2 The Company is a joint stock limited company (hereinafter the "Company") established in accordance with the Company Law, the Securities Law and other relevant provisions.

The Company was established with all shareholders of the original Qingdao Gon Technology Development Co., Ltd.(青島國恩科技發展有限公司) as the promoters through the overall conversion of the audited book net assets of the original Qingdao Gon Technology Development Co., Ltd. and conducting overall alteration. The Company is registered with the Qingdao Administration for Market Regulation with its unified social credit code is: 913702007255650680.

Article 3 The Company was approved by the China Securities Regulatory Commission (hereinafter referred to as the "CSRC") on 9 June 2015 to make an initial public offering of 20,000,000 RMB ordinary shares, which were listed on the Shenzhen Stock Exchange on 30 June 2015.

After a filing with the CSRC on 8 December 2025, the Company was approved by the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange") on 3 February 2026 to make an initial public offering of 30,000,000 overseas listed foreign shares (hereinafter referred to as "H Shares") (before the full exercise of the over-allotment option) in Hong Kong, which were listed on the Hong Kong Stock Exchange on 4 February 2026.

Article 4 Registered company name: 青島國恩科技股份有限公司

Full English name: QINGDAO GON TECHNOLOGY CO., LTD.

Article 5 Company address: No. 2 Road, Qingda Industrial Park, Jihongtan Street, Chengyang District, Qingdao City.

Postal code: 266111

Article 6 The Company's registered capital is RMB271.25 million.

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 of the board of directors who serves as the legal representative resigns, he is deemed to resign from the post of legal representative at the same time. If the legal representative resigns, the Company shall confirm a new legal representative within 30 days from the date of resignation of the legal representative.

Article 9 The legal representative engages in civil activities in the name of the Company and the legal consequences thereof shall be borne by the Company. The restrictions on the powers of the legal representative imposed by these articles of association or the shareholders' meeting shall not be asserted against a third party acting in good faith. If the legal representative causes damage to others while performing duties, the Company shall bear civil liability. After the Company assumes civil liability, it may seek compensation from the at-fault legal representative in accordance with laws or these articles of association.

Article 10 Shareholders shall be liable to the Company only to the extent of their subscribed shares, and the Company shall be liable for its debts with all of its assets.

Article 11 These articles of association shall, from their effective date, constitute a legally binding document that regulates the organization and conduct of the Company, as well as the rights and obligations between the Company and its shareholders and among shareholders, and shall be legally binding on the Company, its shareholders, directors and senior management. Under these articles of association, shareholders may sue other shareholders, shareholders may sue the Company's directors and senior management, shareholders may sue the Company, and the Company may sue its shareholders, directors and senior management.

Article 12 Members of the senior management mentioned in these articles of association refer to the general manager, deputy general manager, financial officer and secretary to the board of directors of the Company.

Article 13 The Company has established a party organization in accordance with the provisions of the constitution of the communist party of China to engage in party activities. The Company shall provide necessary conditions for activities of the party organization.

Chapter 2 Business Purpose and Scope

Article 14 The Company's business purpose is to achieve steady and sustainable development by prioritizing users and reputation, achieve continuous asset appreciation and create sound economic and social benefits.

Article 15 The Company's business scope, as legally registered, includes: research, development, production and sale of plastic raw materials and products, modified plastics, plastic alloy materials, functional plastic plates and molds; research, development, production and sale of composite materials and products; research, development, production and sale of artificial turf, artificial grass fibers and rubber sports products; design and construction of plastic sports fields; processing and sale of electrical and electronic components and automotive parts; general cargo road transportation; special cargo transportation (containers); import and export of goods (excluding items prohibited by laws and administrative regulations; items restricted by laws and administrative regulations require a license). (For business requiring a license, a license shall be obtained).

Chapter 3 Shares

Section 1 Issuance of Shares

Article 16 The Company's shares are in the form of registered shares.

Article 17 The issuance of the Company's shares shall follow the principles of openness, fairness and impartiality, and each share of the same class shall have equal rights.

For shares of the same class issued in the same tranche, the issuance conditions and price per share shall be identical; and each subscriber shall pay the same price per share for the shares subscribed.

Article 18 The nominal amount of the Company's shares is denominated in Renminbi. The shares issued by the Company and listed on the Shenzhen Stock Exchange are hereinafter referred to as "A Shares"; and the shares issued by the Company and listed on the Hong Kong Stock Exchange are hereinafter referred to as "H Shares".

Article 19 The A Shares issued by the Company are centrally deposited with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd; and the H Shares issued by the Company shall be primarily deposited with a custodian company under the Hong Kong Securities Clearing Company Limited in accordance with laws and practices of securities registration and depository of the place where the shares are listed, and may also be held by shareholders in their own names.

Article 20 The Company's promoters and their subscription amounts, shareholding percentages, methods of capital contribution and time of capital contribution are as follows:

No.	Shareholders	Number of shares	Percentage of total share capital (%)	Time of capital contribution	Form of subscription
1	Wang Aiguo (王愛國)	42,000,000	70.00	July 2011	Net assets
2	Nanhai Innovation (Tianjin) Equity Investment Fund Partnership (Limited Partnership) (南海創新(天津)股權投資基金合夥企業(有限合夥))	6,600,000	11.00	July 2011	Net assets
3	Qingdao Century Xinghao Investment Co., Ltd. (青島世紀星豪投資有限公司)	6,000,000	10.00	July 2011	Net assets
4	Xu Bo (徐波)	3,000,000	5.00	July 2011	Net assets
5	Tianjin Dachen Chuangshi Equity Investment Fund Partnership (Limited Partnership) (天津達晨創世股權投資基金合夥企業(有限合夥))	1,027,200	1.712	July 2011	Net assets
6	Tianjin Dachen Shengshi Equity Investment Fund Partnership (Limited Partnership) (天津達晨盛世股權投資基金合夥企業(有限合夥))	892,800	1.488	July 2011	Net assets
7	Shandong Zhongjian Investment Management Co., Ltd. (山東中健投資管理有限公司)	480,000	0.80	July 2011	Net assets
Total		60,000,000	100.00	-	-

Article 21 Upon completion of the public offering of H Shares (assuming the over-allotment option is not exercised), the Company has a total of 301,250,000 shares, all are ordinary shares, including 271,250,000 ordinary A Shares, representing 90.04% of the Company's total share capital, and 30,000,000 ordinary H Shares, representing 9.96% of the Company's total share capital.

Article 22 The Company or its subsidiaries (including affiliated entities of the Company) shall not provide financial assistance to others by way of gifts, advances, guarantees or loans for acquiring shares of the Company or its parent company, except for employee stock ownership plans implemented by the Company.

For the benefit of the Company, with a resolution passed by the shareholders' meeting, or the board of directors passed a resolution according to these articles of association or the authorization by the shareholders' meeting, the Company may provide financial assistance to others for acquiring shares of the Company or its parent company, but the accumulated total amount of financial assistance shall not exceed 10% of the total issued share capital. The resolution passed by the board of directors shall be approved by more than two-thirds of directors.

Section 2 Increase, Decrease and Repurchase of Shares

Article 23 The Company may increase its capital by the following methods in light of the needs of its operation and development, in compliance with laws and regulations and upon resolutions passed by the shareholders' meeting:

- (1) issuance of shares to non-specific investors;
- (2) issuance of shares to specific investors;
- (3) distribution of bonus shares to existing shareholders;
- (4) conversion of common reserve fund into share capital; and
- (5) other methods stipulated by laws, administrative regulations and the CSRC.

Article 24 The Company may decrease its registered capital. The decrease of the Company's registered capital shall be carried out in accordance with the procedures stipulated by the Company Law and other relevant regulations and these articles of association.

Article 25 The Company may acquire its own shares in the following circumstances in accordance with the requirements of laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and these articles of association:

- (1) reducing registered capital of the Company;
- (2) merging with other companies which hold shares of the Company;
- (3) using the shares in employee stock ownership plans or equity incentives;

- (4) shareholders who object to resolution of the shareholders' meeting on the merger or division of the Company requesting the Company to purchase their shares;
- (5) using the shares for the conversion of convertible corporate bonds issued by a listed company into shares; and
- (6) when it is necessary to maintain the value of the Company and the interests of shareholders.

Save as stated above, the Company shall not acquire its own shares.

Article 26 Subject to applicable securities regulatory rules of the place where the Company's shares are listed, the Company may acquire its own shares through public and centralized transactions or other methods recognized by laws and regulations, the CSRC and the Hong Kong Stock Exchange.

If the Company acquires its own shares under the circumstances specified in items (3), (5) and (6) in the first paragraph of article 25 of these articles of association, it shall do so through public and centralized transactions.

Article 27 If the Company acquires its own shares under the circumstances specified in items (1) and (2) in the first paragraph of article 25 of these articles of association, a resolution passed by the shareholders' meeting is required; if the Company acquires its own shares under the circumstances specified in items (3), (5) and (6) in the first paragraph of article 25 of these articles of association, it shall be carried out in accordance with the provisions of these articles of association or under the authorization of the shareholders' meeting with a resolution passed by a board meeting attended by more than 2/3 of directors.

After the Company has acquired its own shares pursuant to the provisions of the first paragraph of article 25 of these articles of association, such shares shall be cancelled within 10 days from the date of acquisition under the circumstances specified in item (1); or be transferred or cancelled within 6 months under the circumstances specified in items (2) and (4); or be transferred or cancelled within 3 years under the circumstances specified in items (3), (5) and (6) provided that the number of such shares held by the Company in aggregate shall not exceed 10% of the total issued shares of the Company.

Notwithstanding the foregoing, if applicable laws and regulations, other provisions of these articles of association and the laws or securities regulatory authorities of the place where the Company's shares are listed provide otherwise for the matters covered in this article, the Company shall comply with such provisions, provided that such compliance shall not violate applicable domestic laws and regulations, including the Company Law, the Securities Law and the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies.

After acquiring its own shares, the Company shall fulfill information disclosure obligations in accordance with the provisions of the Securities Law and the securities regulatory rules of the place where the Company's shares are listed.

Section 3 Transfer of Shares

Article 28 Shares of the Company may be transferred in accordance with laws. All transfers of H Shares shall be carried out by written transfer instruments in ordinary or common form or in any other form acceptable to the board of directors (including the standard transfer format or transfer form prescribed by the Hong Kong Stock Exchange from time to time); such transfer instruments may only be executed by hand signature or affixed with the company's valid seal (if the transferor or transferee is a company). If the transferor or transferee is a recognized clearing house (as defined by relevant ordinances from time to time in force under the laws of Hong Kong) or its nominee, the transfer instrument may be executed either by hand signature or machine imprint. All transfer instruments shall be kept at the Company's registered office or at such other places as the board of directors may from time to time designate.

Article 29 The Company shall not accept its own shares as the subject of a pledge.

Article 30 Shares issued by the Company before the public offering of A Shares may not be transferred within one year from the date on which the Company's shares are listed and traded on the Shenzhen Stock Exchange.

Directors and senior management members of the Company shall report to the Company on the shares they hold in the Company and any changes therein. During their term of office as determined at the time of appointment, they shall not transfer more than 25% of the total number of shares of the same class they hold in the Company in each year; the shares they hold in the Company shall not be transferred within one year from the date on which the Company's shares are listed and traded. The above personnel shall not transfer the shares they hold in the Company within six months after leaving their positions.

If laws, administrative regulations or securities regulatory rules of the place where the Company's shares are listed provide otherwise on the transfer restrictions of the Company's shares, such provisions shall prevail.

Article 31 If the Company's directors, senior management members or shareholders holding more than 5% of the Company's shares sell the Company's shares or other equity securities they hold within six months of purchase, or repurchase them within six months of sale, the gains derived therefrom shall belong to the Company, and the Company's board of directors shall recover such gains. However, this does not apply to a securities company holding more than 5% of the shares due to purchase of residual shares from underwriting, nor to other circumstances prescribed by the CSRC and the Hong Kong Stock Exchange.

The shares or other equity securities held by directors, senior management members and natural person shareholders mentioned in the preceding paragraph include those shares or other equity securities held by their spouses, parents and children, and those held in other people's accounts.

If the Company's board of directors fails to execute the provisions of the first paragraph, shareholders have the right to request the board of directors to execute within 30 days. If the board of directors fails to execute within the above period, shareholders have the right to directly file a lawsuit with a people's court in their own names for the benefit of the Company.

If the Company's board of directors fails to execute the provisions of the first paragraph, the directors responsible shall bear joint and several liability according to laws.

Chapter 4 Shareholders and General Meeting

Section 1 Shareholders

Article 32 The Company shall keep a register of members according to the evidence provided by securities registration and clearing authorities and the register of members is sufficient evidence to prove that the shareholders hold the shares of the Company. The original register of holders of H Shares shall be kept in Hong Kong; the overseas agency so engaged shall maintain consistency between the original copy and the duplicate of the register of holders of overseas listed shares at all times. The Hong Kong branch register of members shall be available for inspection by shareholders, but the Company may close the register of members in accordance with applicable laws and regulations and the securities regulatory rules of the place where the Company's shares are listed. Shareholders shall enjoy rights and assume obligations according to the class of the shares they hold; shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations. The Company shall enter into a securities registration and service agreement with the share registration and clearing authorities, make regular inquiry about the details of the substantial shareholders and the changes in their shareholdings (including the pledge of their equity rights) and keep up with the shareholding structure of the Company.

If any shareholder recorded in, or any person who requests to have its name entered in, the register of holders of H Shares loses his/her share certificate(s) ("original share certificate(s)"), he/she may apply to the Company for replacement of new share certificate(s) in respect of his/her shares ("relevant shares").

If a holder of H Shares loses his/her share certificate(s) and applies for replacement, such application shall be dealt with in accordance with laws, rules of the stock exchange or other relevant regulations of the place where the original copy of the register of holders of H Shares is kept.

Article 33 When the Company convenes a shareholders' meeting, distributes dividends, goes into liquidation or conducts other acts that need to confirm the identity of shareholders, the board of directors or the convener of the shareholders' meeting shall determine the record date. The shareholders recorded in the register of members at the close of business on the record date shall be the shareholders who are entitled to the relevant rights and interests.

Article 34 Shareholders of the Company shall enjoy the following rights:

- (1) to receive dividends and other forms of distribution of interests in proportion to their respective shareholdings;
- (2) to request, convene, preside over, attend or appoint a proxy to attend shareholders' meetings and exercise corresponding voting rights in accordance with laws;
- (3) to supervise and make recommendations or inquiries on the operation of the Company;
- (4) to transfer, bestow or pledge the shares held by them according to laws, administrative regulations and these articles of association;
- (5) to inspect and copy the Company's articles of association, register of members, minutes of shareholders' meetings, resolutions of board meetings and financial accounting reports, and qualified shareholders may also inspect the Company's accounting books and accounting vouchers.

- (6) to participate in the distribution of the Company's remaining assets in proportion to their shareholdings upon the termination or liquidation of the Company;
- (7) to request the Company to acquire their shares if they object to a resolution of a shareholders' meeting on the merger or division of the Company;
- (8) other rights provided by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or these articles of association.

Article 35 Shareholders who request to inspect or copy relevant materials of the Company shall comply with the provisions the Company Law, the Securities Law and other laws, administrative regulations and securities regulatory rules of the place where the Company's shares are listed.

Article 36 If the content of the resolutions of the Company's shareholders' meetings or board meetings violates laws or administrative regulations, shareholders have the right to request a people's court to declare it invalid.

If the convening procedures or voting methods of the shareholders' meeting or the board meeting violate laws, administrative regulations or these articles of association, or the content of the resolution violates these articles of association, shareholders have the right to request a people's court to revoke the resolution within 60 days from the date on which the resolution is made, unless there are only minor flaws in the convening procedures or voting methods of the shareholders' meeting or the board meeting resulting in no substantive impact on the resolution.

If relevant parties such as the board of directors and shareholders dispute the validity of a resolution of a shareholders' meeting, they shall promptly file a lawsuit with a people's court. Before the people's court makes a judgement or ruling to revoke a resolution, the relevant parties shall execute the resolution of the shareholders' meeting. The Company, its directors and senior management members shall perform their duties diligently to ensure the normal operation of the Company.

If a people's court makes a judgement or ruling on the relevant matter, the Company shall fulfil its obligations to disclose the information in accordance with laws, administrative regulations, the regulations of the CSRC and the stock exchange of the place where the Company's shares are listed, fully explain the impact of the judgement or ruling, and actively cooperate in the enforcement of the judgement or ruling after it has come into effect. Where previous matters need to be corrected, the Company shall handle the same in a timely manner and fulfil its obligations to disclose the information accordingly.

Article 37 A resolution of a shareholders' meeting or board meeting of the Company shall not be valid under any of the following circumstances:

- (1) no shareholders' meeting or board meeting has been convened to pass the resolution;
- (2) the resolution is not voted on at the shareholders' meeting or board meeting;
- (3) the number of persons attending the meeting or the number of voting rights held by them has not reached the number of persons or the number of voting rights held as stipulated in the Company Law or these articles of association;
- (4) the number of persons or the number of voting rights held by them voting in favor of the resolution does not reach the number of persons or the number of voting rights held as stipulated in the Company Law or these articles of association.

Article 38 If a director or a senior management member other than a member of the audit committee violates laws, administrative regulations or these articles of association when performing duties of the Company, thus causing losses to the Company, the shareholders who individually or jointly hold more than 1% of shares of the Company for more than 180 consecutive days shall have the right to request the audit committee in writing to lodge a legal action with a people's court. If a member of the audit committee violates laws, administrative regulations or these articles of association when executing duties of the Company, thus causing losses to the Company, the aforesaid shareholders may request the board of directors in writing to lodge a legal action with a people's court.

If the audit committee or the board of directors refuses to take legal action upon receipt of the request in writing from the shareholders as prescribed in the preceding paragraph, or does not lodge a legal action within 30 days from the date of receiving such a request, or in case of emergency or failure to take immediate legal action will cause irreparable damage to the interests of the Company, the shareholders prescribed in the preceding paragraph shall have the right to lodge a legal action directly with a people's court in their own names in the interest of the Company.

If some other persons infringe the legitimate rights and interests of the Company, thus causing losses to the Company, the shareholders prescribed in the first paragraph of this article may lodge a legal action with a people's court in accordance with the provisions of the preceding two paragraphs.

If the directors, supervisors or senior management members of a wholly-owned subsidiary of the Company violate laws, administrative regulations or these articles of association when performing duties, thus causing losses to the Company, or if some other persons infringe the legitimate rights and interests of a wholly-owned subsidiary of the Company and caused losses, shareholders who individually or jointly hold more than 1% of the Company's shares for more than 180 consecutive days may, in accordance with the preceding three paragraphs of article 189 of the Company Law, submit a written request to the supervisory committee or the board of directors of the wholly-owned subsidiary to lodge a legal action with a people's court, or lodge a legal action directly with a people's court in their own names.

If a wholly-owned subsidiary of the Company does not have a supervisory committee or supervisors, but has an audit committee, the provisions of paragraphs one and two of this article shall apply.

Article 39 In the event of the directors or senior management members violates laws, administrative regulations or these articles of association, thereby damaging the interests of the shareholder(s), the shareholder(s) may file an action with the people's court.

Article 40 The obligations of shareholders are as follows:

- (1) To abide by laws, administrative regulations and these articles of association;
- (2) To provide share capital according to the shares subscribed for and share participation methods;
- (3) Not to return shares unless prescribed otherwise in laws and regulations;
- (4) Not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of shareholders to damage the interests of the Company's creditors;
- (5) To perform other duties prescribed in laws, administrative regulations, and these articles of association.

Article 41 Any shareholder who abuses shareholders' rights and causes the Company or other Shareholders to suffer a loss shall be liable for making compensation in accordance with laws. Any shareholder who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and seriously damages the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

Section 2 Controlling Shareholders and Actual Controllers

Article 42 Controlling shareholders and actual controllers of the Company shall exercise their rights and perform their obligations in accordance with laws, administrative regulations, the CSRC rules and the rules of the stock exchange where the shares of the Company are listed to protect the interests of the listed company.

Article 43 Controlling shareholders and actual controllers of the Company shall comply with the following provisions:

- (1) To exercise their rights as shareholders in accordance with laws and not abuse their control or use their affiliation to prejudice the legitimate interests of the Company or other shareholders;
- (2) To strictly implement the public statements and undertakings made and shall not change or waive them;
- (3) To fulfill information disclosure obligations in strict accordance with the relevant regulations, to proactively cooperate with the Company in information disclosure and to inform the Company in a timely manner of material events that have occurred or are proposed to occur;
- (4) Not to appropriate the Company's funds in any way;
- (5) Not to order, instruct or request the Company and relevant personnel to provide guarantees in violation of laws and regulations;
- (6) Not to make use of the Company's undisclosed material information to gain benefits, not to disclose in any way undisclosed material information relating to the Company, and not to engage in insider trading, short-swing trading, market manipulation and other illegal and unlawful acts;
- (7) Not to prejudice the legitimate rights and interests of the Company and other shareholders through unfair related transactions, profit distribution, asset restructuring, foreign investment or any other means;
- (8) To ensure the integrity of the Company's assets, and the independence of personnel, finance, organization and business, and not to affect the independence of the Company in any way;
- (9) Other provisions of laws, administrative regulations, the CSRC, the rules of the stock exchange where the shares of the Company are listed and these articles of association.

Where a controlling shareholder or actual controller of the Company does not act as a director of the Company but actually carries out the affairs of the Company, the provisions of these articles of association relating to the duties of loyalty and diligence of directors shall apply.

Where a controlling shareholder or actual controller of the Company instructs a director or senior management member to engage in an act that is detrimental to the interests of the Company or the shareholders, he/she shall be jointly and severally liable with such director or senior management member.

Article 44 When the controlling shareholders and actual controllers pledge the shares of the Company held or actually controlled by them, they shall maintain the controlling right in the Company and the stability of production and operation.

Article 45 When the controlling shareholders and actual controllers transfer their shares in the Company, they shall comply with the requirements of laws, administrative regulations, the CSRC and the rules of the stock exchange where the shares of the Company are listed on share transfer restrictions and the undertakings made by them on share transfer restrictions.

Section 3 General Rules of the General Meeting

Article 46 The general meeting shall consist of all the shareholders. The general meeting is the organ of authority of the Company, and shall exercise the following functions and powers in accordance with laws:

- (1) To elect and replace directors, and to decide on matters relating to the remuneration of directors;
- (2) To consider and approve the reports of the board of directors;
- (3) To consider and approve the Company's profit distribution plans and loss recovery plans;
- (4) To resolve on the increase or reduction of the registered capital of the Company;
- (5) To resolve on the issue of bonds of the Company;
- (6) To resolve on the merger, division, dissolution, liquidation or change of corporate form of the Company;
- (7) To amend these articles of association;
- (8) To resolve on the appointment and dismissal of the accounting firm that undertakes the auditing activities of the Company;
- (9) To consider and approve the guarantee matters stipulated in article 47 of these articles of association;
- (10) To consider matters where the Company purchases or sells significant assets within one year with an amount exceeding 30% of the Company's latest audited total assets;
- (11) To consider and approve the change in use of proceeds;
- (12) To consider share incentive schemes and employee share ownership schemes;

- (13) To consider other matters that shall be decided by the shareholders' meeting as stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or these articles of association.

Unless otherwise stipulated by laws, administrative regulations, departmental rules, or securities regulatory rules of the stock exchange where the Company's shares are listed, the authorities of the aforementioned shareholders' meeting shall not be delegated to the board of directors or any other institution or individual to be exercised by proxy.

Article 47 Matters involving provision of guarantee by the Company shall be considered and approved by more than half of all directors and more than two-thirds of the directors attending the meeting of the board of directors, and shall be disclosed in a timely manner. The following guarantees to be provided by the Company shall be submitted for consideration by the general meeting after considered and approved by the board of directors:

- (1) any single guarantee with an amount exceeding 10% of the latest audited net assets of the Company;
- (2) any guarantee provided after the total amount of external guarantees provided by the Company and its controlled subsidiaries exceeds 50% of the latest audited net assets of the Company;
- (3) any guarantee provided after the total amount of external guarantees provided by the Company and its controlled subsidiaries exceeds 30% of the latest audited total assets of the Company;
- (4) any guarantee to be provided to a party with a gearing ratio over 70% shown in its latest financial statements;
- (5) guarantee where the aggregated amount of guarantee provided in the latest 12 months exceeds 30% of the latest audited total assets of the Company;
- (6) guarantee to be provided to shareholders, actual controllers and their related parties;
- (7) other guarantees as prescribed by the CSRC, the stock exchanges where the Company's shares are listed or the articles of association.

When the guarantees specified in item (5) of the first paragraph of this article is considered at the general meeting, it shall be approved by more than two-thirds of the voting rights held by shareholders attending the meeting.

When the resolution on providing guarantee for shareholders, actual controllers and their related parties is considered at a general meeting, such shareholder or shareholders controlled by such actual controller shall not participate in the voting, and the resolution shall be passed by more than half of the voting rights held by other shareholders present at the general meeting.

External guarantees provided by a controlled subsidiary of the Company must be considered and approved by the board of directors or the general meeting of the subsidiary, and further reviewed by the Company's board of directors or general meeting. Before convening the general meeting, the controlled subsidiary shall submit the guarantee proposal to the Company's board of directors or general meeting for consideration, and shall send a representative to attend the meeting.

If a controlled subsidiary of the Company is involved in any external guarantee as stipulated in the first paragraph of this article, the implementation thereof shall be subject to the consideration and approval of the Company's general meeting.

Article 48 General meetings are classified into annual general meetings and extraordinary general meetings. The annual general meeting shall be held once every year within 6 months after the end of the previous financial year.

Article 49 In any of the following circumstances, the Company shall convene an extraordinary general meeting within 2 months from the date upon which the circumstance occurs:

- (1) where the number of directors is less than the number stipulated in the Company Law or two-thirds of the number prescribed in these articles of association;
- (2) where the losses of the Company that have not been made up represent one-third of its total share capital;
- (3) where such meeting is requested by shareholders individually or jointly holding more than 10% of the shares of the Company;
- (4) where such meeting is deemed necessary by the board of directors;
- (5) where such meeting is proposed to be convened by the audit committee;
- (6) other circumstances specified in laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the articles of association.

If the Company is unable to convene a general meeting within the period as aforesaid, the Company shall report to the local office of the CSRC and the Shenzhen Stock Exchange, explain the reason and publish an announcement.

Article 50 The place for the Company to hold the general meeting is the specific location, which shall be the Company's registered address or any other venue designated by the notices of the general meeting.

The general meeting will be held at a venue in the form of an on-site meeting. The Company will also provide online voting for convenience of shareholders. Besides being held at a venue in the form of an on-site meeting, the general meeting may also be held simultaneously using electronic communication methods. Shareholders who participate in the shareholders' meeting through the abovementioned means are deemed to be present at the meeting.

Article 51 When the Company holds the general meeting, it will hire lawyers to provide legal opinions on the following matters and make an announcement:

- (1) whether the procedures of convening and holding the meeting have complied with laws, administrative regulations and these articles of association;
- (2) whether the qualifications of the persons attending the meeting and the qualifications of the convener are legal and valid;

- (3) whether the voting procedures and voting results of the meeting are legal and valid;
- (4) legal opinions on other relevant issues as required by the Company.

Section 4 Convening of General Meeting

Article 52 The board of directors shall convene the general meeting on time within the specified period.

Subject to the consent of more than half of all the independent directors, the independent directors have the right to propose to the board of directors to convene an extraordinary general meeting. With regard to the proposal made by the independent directors for convening an extraordinary general meeting, the board of directors shall, in accordance with laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and these articles of association, provide a written response indicating whether it agree or disagree to convene the extraordinary general meeting within 10 days upon receipt of the proposal.

Where the board of directors agrees to convene the extraordinary general meeting, a notice of convening such meeting shall be issued within 5 days after the resolution of the board of directors is made. Where the board of directors does not agree to convene the extraordinary general meeting, it shall provide reasons and make an announcement, and engage a law firm to issue and publicly disclose a legal opinion verifying the validity of such reasons and their compliance with applicable laws and regulations.

Article 53 The audit committee is entitled to propose to the board of directors to convene an extraordinary general meeting and such proposal shall be made in writing to the board of directors. The board of directors shall, in accordance with laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and these articles of association, give a written reply on whether or not it agrees to convene the extraordinary general meeting within 10 days upon receipt of the proposal.

Where the board of directors agrees to convene the extraordinary general meeting, a notice of convening such meeting shall be issued within 5 days after the resolution of the board of directors is made. Any change to the original proposal in the notice shall be subject to the approval of the audit committee.

Where the board of directors does not agree to convene the extraordinary general meeting or fails to reply within 10 days after receipt of the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the general meeting, and the audit committee may convene and preside over the meeting by itself. Where the board of directors does not agree to convene the extraordinary general meeting, it shall provide reasons and make an announcement, and engage a law firm to issue and publicly disclose a legal opinion verifying the validity of such reasons and their compliance with applicable laws and regulations. Meanwhile, the board of directors shall support the audit committee in convening the general meeting at its own, and not postpone or refuse to support in disclosure.

Article 54 Shareholders who individually or jointly hold more than 10% of the Company's shares are entitled to request the board of directors to convene an extraordinary general meeting or add proposals to the agenda of the shareholders' meeting, such requisition shall be made in writing to the board of directors. The board of directors shall, in accordance with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and these articles of association, give a written reply on whether or not it agrees to convene the extraordinary general meeting within 10 days upon receipt of the requisition.

Where the board of directors agrees to convene the extraordinary general meeting, a notice of convening such meeting shall be issued within 5 days after the resolution of the board of directors is made. Any change to the original requisition in the notice shall be subject to the approval of relevant shareholders.

Where the board of directors does not agree to convene the extraordinary general meeting or fails to reply within 10 days after receipt of the requisition, shareholders who individually or jointly hold more than 10% of the Company's shares shall have the right to propose the audit committee to convene the extraordinary general meeting and such requisition shall be made in writing to the audit committee.

Where the audit committee agrees to convene the extraordinary general meeting, a notice of convening such meeting shall be issued within 5 days after receipt of the requisition. Any change to the original requisition in the notice shall be subject to the approval of relevant shareholders.

If the audit committee fails to issue the notice of the meeting within the specified period, it shall be deemed that the audit committee does not convene and preside over the general meeting. Shareholders who individually or jointly hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the general meeting by themselves.

Where the board of directors and the audit committee does not agree to convene the general meeting, they shall make an announcement and provide reasons, and engage a law firm to issue and publicly disclose a legal opinion verifying the validity of such reasons and their compliance with applicable laws and regulations. Meanwhile, they shall support the shareholders in convening the general meeting at its own, and not postpone or refuse to support in disclosure.

Article 55 If the general meeting is convened by the audit committee or shareholders on their own, it shall notify the board of directors in writing and file a record with the Shenzhen Stock Exchange at the same time.

The audit committee or the convening shareholder shall submit the relevant documentary evidence to the Shenzhen Stock Exchange concurrently with the issuance of the shareholders' meeting notice and the announcement of the meeting resolutions.

Before the announcement of the resolution of the general meeting, the shareholding of shareholders who convene the meeting shall not be less than 10%.

Article 56 With regard to the general meeting convened by the audit committee or the shareholders on its/their own initiative, the board of directors and its secretary shall offer cooperation. The board of directors shall provide a register of members as of the equity registration date. Where the board of directors does not provide a register of members, the convener may apply for obtaining it to the securities registration and clearing institution by providing relevant announcement on convention of a general meeting. The register of members obtained by the convener may not be used for other purposes except convention of a general meeting.

Article 57 Where the audit committee or the shareholders convene a general meeting on their own, the necessary expenses incurred thereof shall be borne by the Company.

Section 5 Proposals and Notices of General Meeting

Article 58 The content of proposals shall fall within the terms of reference of the general meeting, have clear topics and specific matters to be resolved, and comply with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and these articles of association.

Article 59 When the Company convenes a general meeting, the board of directors, the audit committee and shareholders who individually or jointly hold more than 1% of the Company's shares shall be entitled to put forward proposals to the Company.

Shareholders who individually or jointly hold more than 1% of the Company's shares may submit provisional proposals in writing to the convener 10 days prior to the convening of the general meeting. The convener shall issue a supplementary notice of the general meeting within 2 days upon receipt of the proposals to announce the contents of the provisional proposal and submit the provisional proposals to the general meeting for consideration, however, except for the provisional proposals that violates the requirements of laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed or these articles of association, or are not within the terms of reference of the general meeting.

Except as provided in the preceding paragraph, the convener shall not change the proposals set out in the notice of the general meeting or add any new proposal after the said notice is served.

Proposals not set out in the notice of the general meeting or not complying with these articles of association shall not be voted on or resolved at the general meeting.

Article 60 The convener shall notify all shareholders by announcement 21 days prior to the convention of an annual general meeting, or 15 days prior to the convention of an extraordinary general meeting.

When calculating the aforementioned starting period, it does not include the day of the meeting.

Article 61 Notice of the general meeting shall contain:

- (1) The date, venue and duration of the meeting;
- (2) Matters and proposals submitted for consideration at the meeting;
- (3) A clear statement that: All holders of ordinary shares and shares with special voting rights shall have the right to attend shareholders' meetings and may appoint proxies in writing to attend and vote at such meetings; such shareholder proxies need not be shareholders of the Company;
- (4) The date of record for the determination of shareholders who are entitled to attend the general meeting;
- (5) Name and telephone number of permanent contact person;
- (6) Voting period and procedures for online or other means of voting.

The notice and supplementary notice of shareholders' meetings shall provide full and detailed disclosure of the full specifics of all proposals.

Article 62 In the event that matters involving the election of directors are to be considered at the general meeting, the notice of such general meeting shall fully disclose the detailed information of the candidates for such directors, which shall at least include the following:

- (1) Personal particulars including education background, working experience and any part-time job;
- (2) Whether there is any connected relationship with the Company or its controlling shareholders and actual controller;
- (3) Disclosure of the shareholdings in the Company;
- (4) Whether they have been penalized by the CSRC and other related authorities and reprimanded by any stock exchange;
- (5) The other information that must be disclosed according to securities regulatory rules of the place where the Company's shares are listed.

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

Article 63 Upon serving a notice convening a general meeting on the shareholders, the general meeting shall not be postponed or canceled without any justified cause, and the proposals set out in the notice convening the general meeting should not be canceled. Should there be any postponement or cancellation, the convener shall make an announcement at least two working days before the convening of the meeting and explain the reasons thereof. Where securities regulatory rules of the places where the Company's shares are listed have special provisions on the procedures for postponing or cancelling shareholders' meetings, such provisions shall be followed provided that they do not violate the domestic regulatory requirements.

Section 6 Holding of General Meeting

Article 64 The board of directors of the Company and other convenors shall take necessary measures to ensure the normal order of shareholders' meetings. Measures shall be taken to stop and timely report to the relevant departments for investigation and punishment any behaviors that disrupt the shareholders' meetings, cause disturbances and infringe upon the lawful rights and interests of shareholders.

Article 65 All shareholders of ordinary shares and shares with special voting rights whose names appear on the register of members on the record date or their proxies are entitled to attend the general meeting and speak and exercise their voting rights in accordance with the relevant laws, regulations, securities regulatory rules of the place where the shares of the Company are listed and these articles of association, unless individual shareholders are required to abstain voting from individual matter as stipulated by securities regulatory rules of the place where the shares of the Company are listed.

Shareholders may attend a general meeting in person, or may appoint a proxy to attend and speak and vote on his/her behalf. The proxy does not need to be a shareholder of the Company. The shareholders that have the right to attend shareholders' meetings and exercise voting rights may attend and vote at shareholders' general meetings by one or multiple proxies (the proxies may be not shareholders).

Article 66 An individual shareholder that attends the meeting in person shall produce his or her own identity card or other valid documents or proof evidencing his or her identity. If he or she appoints a proxy to attend the meeting on his or her behalf, the proxy shall produce his or her own identity card and the power of attorney issued by the shareholder.

Shareholders who is a partnership shall attend at a meeting by its executing partner or a proxy authorized by the executing partner. If the executing partner attends the meeting, he or she shall produce his or her own identity card and a valid proof of his or her executing partner status. If the proxy attends the meeting, he or she shall produce his or her own identity card and the power of attorney issued by the executing partner of the partnership shareholder.

Shareholder who is a corporation shall attend at a meeting by its legal representative or a proxy authorized by the legal representative. If the legal representative attends the meeting, he or she shall produce his or her own identity card and a valid proof of his or her legal representative status. If a proxy has been appointed to attend the meeting, such proxy shall present his or her own identity card and the power of attorney issued by the legal representative of the shareholder as a corporation (except for shareholder who is a recognized clearing house and its nominees as defined in the relevant ordinances in force from time to time under laws of Hong Kong or securities regulatory rules of the place where the shares of the Company are listed).

Article 67 The power of attorney issued by a shareholder to appoint another person to attend a general meeting shall contain the following particulars:

- (1) the name or title of the principal, and the category and quantity of shares held in the Company;
- (2) the name of the proxy;
- (3) the specific instructions from shareholders, including the instructions to vote in favor of or against, or to abstain from voting on each matter set out on the agenda of the general meeting and so on;
- (4) the signing date and validity of the power of attorney;
- (5) the signature (or seal) of the principal. If the principal is a partnership shareholder, the seal of the partnership shall be affixed. If the principal is a legal person shareholder, the seal of the legal entity shall also be affixed.

Article 68 For letters authorizing a voting proxy signed by other representatives of the shareholders, the letters authorizing the representative to sign or other documents of authorization shall be notarized. Such notarized authorization letters or other documents of authorization shall, along with the letters authorizing proxies, be placed at the Company's address or any other places specified in the notice convening the meeting.

The proxy form shall be deposited at the Company's residence or such other place as is specified in the notice of meeting 24 hours before the time appointed for holding the meeting in respect of which such proxy form is given, or 24 hours before the time appointed for taking the poll. Where the proxy form is signed by a person under a power of attorney on behalf of the appointer, the power of attorney or other authorization document under which such proxy form is signed shall be notarized. A notarially certified copy of that power of attorney or other authorization document shall, together with such proxy form, be deposited at the Company's residence or such other place as is specified in the notice of meeting.

In the case of the appointer as a legal entity, its legal representative or such other person as may be authorized by a resolution of its board of directors or other decision-making organ shall, as its representative, attend the general meetings of the Company on its behalf.

If the shareholder is a recognized clearing house (or its nominees), it may authorize one or more persons it deems fit to act as its representative at any general meeting or any meeting of creditors; however, if more than one person is so authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized, and shall be signed by authorized personnel of the recognized clearing house. A person so authorized may exercise rights on behalf of the recognized clearing house (or its nominees) (no shareholding voucher, notarized authorization and/or further evidence of the duly authorization is required), and shall enjoy statutory rights equivalent to those of other shareholders, including the right to speak and vote as if such person is an individual shareholder of the Company.

Article 69 The register of attendees shall be prepared by the Company, which shall set out the attendees' names (or the names of the entities they represent), ID numbers, numbers of shares with voting rights held or represented and names of the appointors (or the names of the entities they represent) and so on.

Article 70 The convener and the lawyers engaged by the Company shall jointly verify the legality of the shareholders' qualifications according to the register of members, and register the names of the shareholders and the numbers of shares with voting rights they hold. The meeting registered shall be closed by the time the chairman of the meeting announces the number of shareholders and proxies present at the meeting as well as the total number of shares with voting rights they hold.

Article 71 Where any directors and senior management members are required to attend the general meeting, such directors and senior management members shall be present at the meeting and reply the enquiries from shareholders.

Article 72 General meetings shall be presided over by the chairman of the board of directors. Where the chairman of the board of directors is unable or fails to perform his/her duties, the meeting shall be presided over by the director elected jointly by more than half of directors.

A general meeting convened by the audit committee itself shall be presided over by the chairman of the audit committee. Where the chairman of the audit committee is unable or fails to perform his/her duties, the meeting shall be presided over by a member of the audit committee elected jointly by more than half of its members.

A general meeting convened by shareholders on their own initiative shall be chaired by the convener or the representative nominated by the convener.

When a general meeting is held and the chairman of the meeting violates the rules of procedure for the general meeting which makes it impossible for the general meeting to continue, subject to the approval of more than half of the attending shareholders with voting rights, a person may be elected at the general meeting to act as the chairman of the meeting so as to carry on with the meeting.

Article 73 The Company shall formulate the rules of procedure for general meetings, which shall specify in details the holding, convening and voting procedures for the general meeting, including notice, registration, consideration of the proposals, voting, vote counting, announcement of voting results, formation of meeting resolutions, minutes of meeting and signing, and the content of announcement, as well as the principles for authorization by the general meeting to the board of directors, and the content of authorization shall be clear and specific. The rules of procedure for general meetings shall be an appendix to these articles of association, formulated by the board of directors and approved at the general meeting.

Article 74 At the annual general meeting, the board of directors shall report their work in the previous year to the general meeting. Each of the independent directors shall also make their personal work reports.

Article 75 Directors and senior management members shall provide explanations and clarifications on the queries and suggestions from shareholders at the general meeting.

Article 76 The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting as well as the total number of shares with voting rights held by them, which shall be the number of shareholders and proxies attending the meeting and the total number of shares with voting rights held by them as indicated in the register of meeting.

Article 77 The general meeting shall keep minutes of meeting, which shall be responsible by the secretary to the board of directors. The minutes of meeting shall contain the following content:

- (1) the time, venue and agenda of the meeting, and the name of the convener;
- (2) the names of the chairman of the meeting and the directors and senior management members attending the meeting;
- (3) the number of shareholders and proxies attending the meeting, the total number of voting shares held by them and the proportion of these shares to the total number of shares of the Company;
- (4) the deliberation process of each proposal, summaries of the speeches and the voting results;
- (5) the details of the queries, comments or recommendations of the shareholders, and the corresponding responses or explanations;
- (6) the names of the lawyer, the counter and the scrutineer of votes;
- (7) other contents that shall be recorded in the minutes of meeting as provided in these articles of association.

Article 78 The convener shall ensure that the contents of the minutes of meeting are true, accurate and complete. The directors, secretary to the board of directors, the convener or representative thereof, and the chairman of the meeting who have attended the meeting shall sign on the minutes of meeting. The minutes of meeting shall be kept for a term of at least 10 years together with the book of signatures of the shareholders attending the meeting, the forms of proxies of the attending proxies, and the valid information on voting through internet and other means.

Article 79 The convener shall ensure that the general meeting is held continuously until final resolutions have been reached. In the event that the general meeting is suspended or the shareholders fail to reach any resolution due to force majeure or for other special reasons, necessary measures shall be taken to resume convening the meeting as soon as possible or directly terminate the meeting and made an announcement in a timely manner. Meanwhile, the convener shall report to the local office of the CSRC and the stock exchanges.

Section 7 Voting and Resolutions at General Meeting

Article 80 Resolutions of the general meeting include ordinary resolutions and special resolutions.

An ordinary resolution at a general meeting shall be passed by one half or above of the voting rights held by shareholders attending at the general meeting.

A special resolution at a general meeting shall be passed by two-thirds or above of the voting rights held by shareholders attending at the general meeting.

Article 81 The following matters shall be resolved by an ordinary resolution at a general meeting:

- (1) work reports of the board of directors;
- (2) plans formulated by the board of directors for the distribution of profits and for making up losses;
- (3) appointment and removal of the members of the board of directors, their remunerations and methods of payment;
- (4) matters other than those required by laws and administrative regulations and securities regulatory rules of the place(s) where the shares of the Company are listed or by these articles of association to be adopted by special resolution.

Article 82 The following matters shall be resolved by a special resolution at a general meeting:

- (1) The increase or reduction of share capital of the Company;
- (2) The split, merger, dissolution and liquidation of the Company;
- (3) Amendments to these articles of association;
- (4) The acquisition or disposal of major assets or guarantees within one year reaches or exceeds 30% of the Company's latest audited total assets;
- (5) Equity incentive plan;
- (6) To adjust or amend the profit distribution policy;
- (7) Any other matters as required by laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed or these articles of association, and any other matters considered by the general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be adopted by a special resolution.

Article 83 A shareholder (including proxy) may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote. On a voting by ballot at a meeting, a shareholder (including his/her proxies) entitled to two or more votes does not need to cast all his/her votes for, against, or abstain.

When significant matters affecting the interests of the minority shareholders are considered at the general meeting, the votes cast by minority investors shall be counted separately. The results of separate counting shall be disclosed to the public in a timely manner.

The shares held by the Company shall have no voting rights and shall not be counted in the total shares with voting rights present at the shareholders' meeting.

If shareholders purchase voting shares of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised for a period of thirty-six months after the purchase and shall not be counted as part of the total number of voting shares present at the general meeting.

Under applicable laws and regulations and the Hong Kong Listing Rules, if any shareholder is required to abstain from voting on a resolution or is restricted to voting only in favor of (or against) a resolution, votes cast by such shareholder or its representative in breach of such requirements or restrictions shall be excluded from the voting results.

The board of directors, independent directors, shareholders holding more than 1% of the shares carrying voting rights or investor protection agencies established in accordance with laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed may, as the collector, independently or by entrusting a securities company or securities service agency, publicly exercise shareholder rights such as proposal rights and voting rights on behalf of the shareholder. The collector shall disclose the solicitation documents, and the Company shall cooperate in this regard. It is forbidden to solicit shareholders' voting rights with compensation or compensation in disguised form. The Company shall not impose a minimum shareholding proportion limit on the solicitation of voting rights.

Article 84 When the general meeting deliberates on matters related to related transactions, related shareholders shall not participate in the voting and the number of shares with voting rights represented by them shall not be counted towards the total number of valid votes; the announcement of resolutions at the general meetings shall adequately disclose the votes of non-related shareholders.

When the general meeting deliberates on matters related to related transactions, the procedures for abstention and voting of related shareholders are as follows: when voting on related transactions at a general meeting, related shareholders shall abstain from voting in accordance with relevant regulations, and their shareholdings shall not be counted towards the total number of valid votes. The chairman of the meeting shall request related shareholders to abstain; if the chairman of the meeting needs to abstain, the chairman of the meeting shall voluntarily abstain, and shareholders present at the meeting and directors without related party relationships have the right to request the chairman of the meeting to abstain. Any shareholder who is not required to abstain has the right to request related shareholders to abstain. If a resolution on related transactions cannot be voted on due to the abstention of a related shareholder, such resolution shall not be put to vote at this general meeting, and the Company shall make a detailed record in the resolutions of the general meeting and the minutes of the meeting.

A resolution of the general meeting on matters related to related transactions shall only be valid if it is approved by more than half of the voting rights held by non-related shareholders present at the general meeting. However, if the related transaction involves matters that require adoption by a special resolution as stipulated in these articles of association, the resolution of the general meeting shall only be valid if it is approved by more than two-thirds of the voting rights held by non-related shareholders present at the general meeting.

Article 85 Unless the Company is in a crisis or under any other special circumstances, the Company shall not enter into any contract with any person other than directors and senior management members to whom the management of the whole or a significant part of the Company's business is entrusted, except with the approval of the general meeting by a special resolution.

Article 86 The list of candidates for directors shall be submitted to the general meeting for voting. When a single shareholder or persons acting in concert with him/her are interested in 30% or more of the shares of the Company and two or more directors are to be elected at the general meeting, a cumulative voting shall be implemented.

The ways and procedures for nomination of directors:

1. The shareholders individually or collectively holding more than 1% of the shares with voting rights of the Company may put forward the list of candidates for non-independent directors and non-employee representative directors according to the number of proposed candidates and within the number of candidates prescribed in these articles of association; the board of directors and the shareholders individually or collectively holding more than 1% of the shares issued by the Company may put forward the list of candidates for independent directors. Investor protection institutions established in accordance with the law may publicly request shareholders to entrust them to exercise their right to nominate independent directors on their behalf.

The list of candidates for directors shall be submitted to the Company's board of directors for qualification verification.

2. The Company's board of directors shall determine the candidates for directors, and submit corresponding proposal to the general meeting for election.
3. The employee representative directors shall be elected by the employee representative meeting.

Article 87 Except for those resolutions subject to the cumulative voting system, all resolutions shall be voted on one by one at the general meetings. If there are different resolutions on the same matter, such resolutions shall be voted on in the chronological order in which they were proposed. The shareholders or their proxies shall not vote in favor of different proposals on the same matter at the same time at the general meeting. Unless a general meeting is suspended or no resolution can be passed at the meeting due to special reasons such as force majeure, the voting on resolutions shall not be postponed or cancelled at the general meeting.

Article 88 A resolution shall not be revised when it is considered at a shareholders' meeting. If there is any amendment, it shall be regarded as a new resolution and shall not be voted on at the general meeting.

Article 89 Each voting right may only be exercised by either on-site or online or by any one other voting method. In the event of repeated exercise of the same voting right, the first vote cast shall prevail.

Article 90 Voting at a general meeting shall be conducted by way of registered poll.

Article 91 Before voting on a resolution at a general meeting, two shareholders' representatives shall be elected to participate in vote-taking and scrutinizing. If the matters being considered is related (connected) to a shareholder, the relevant shareholder and its proxy shall not participate in vote-taking and scrutinizing.

When voting on a resolution at the general meeting, vote-taking and scrutinizing shall be jointly responsible by lawyers and shareholders' representatives, the poll result shall be announced immediately on-site, and the poll result of the resolution shall be recorded in the minutes of meeting.

Shareholders of the listed company or their proxies who vote online or by any other means shall be entitled to check their voting results via the relevant voting system.

Article 92 The closing time of the on-site general meeting shall not be earlier than online or other ways. The chairman of the meeting shall announce the voting and results of every resolution, and announce whether the resolutions have been passed based on the voting results.

Before the official announcement of poll results, the Company, vote counters, scrutinizers, shareholders, network service providers and other relevant parties involved in the general meeting shall have an obligation to keep the voting situation confidential.

Article 93 Shareholders attending the general meeting shall vote either "For", "Against" or "Abstain" on each proposal submitted for voting, except for the securities registry and clearing institution which acts as the nominal holder of stocks under the Inter-connected Mechanism for Trading on Stock Markets in the Mainland and Hong Kong shall report on the voting intentions of the de facto holders.

Ballots that are blank, incorrectly filled, illegible, or not submitted shall be deemed as an abstention, and the shares represented shall be counted as "Abstain".

Article 94 If the chairman of the meeting has any doubt about the result of a resolution submitted for voting, he may organize a recount of the votes cast. If the chairman of the meeting does not conduct a recount, and a shareholder or proxy attending the meeting objects to the result announced by the chairman, he shall have the right to demand a recount immediately after the announcement of the voting result, and the chairman shall immediately organize a recount.

Article 95 The resolutions of the general meeting shall be announced in a timely manner, the announcement shall specify the shareholders present at the meeting and the number of proxies, the total number of shares with voting rights held by them and their proportion to the Company's total number of shares with voting rights, the voting methods, the poll result of each resolution and details of each of the resolutions passed.

Article 96 If a resolution is not passed, or if a resolution of the previous shareholders' meeting is revised at the current general meeting, a special reminder shall be given in the announcement of the resolutions of the general meeting.

Article 97 If resolutions on the election of non-employee representative directors are passed at the shareholders' meetings, the new directors shall take office on the date of passing the resolutions at the general meetings.

Article 98 If resolutions on the distribution of cash dividends, bonus issue, or capitalization of capital reserves are passed at a shareholders' meeting, the Company shall implement the specific plans within 2 months after the conclusion of the general meeting.

Chapter 5 Directors and the Board of Directors

Section 1 General Provisions in Relation to Directors

Article 99 Directors of the Company include executive directors, non-executive directors and independent directors. Non-executive directors refer to directors who do not hold management positions in the Company. Independent directors refer to directors who meet the requirements of Article 127 and Article 128 of these articles of association. A director of the Company is a natural person and may not act as a director of the Company under any of the following circumstances:

- (1) he/she has no civil capacity or restricted civil capacity;
- (2) he/she has been subject to criminal penalty due to corruption, bribery, embezzlement or misappropriation of property or disrupting the socialist market economic order, or has been deprived of political rights due to a crime, and not more than 5 years have elapsed since the completion date of the execution of the penalty; where a probation has been declared, and not more than 2 years have elapsed since the expiry date of the probation;
- (3) he/she served as a director, factory director, manager of a company or enterprise subject to bankruptcy liquidation, and was personally liable for the bankruptcy of such company or enterprise, and not more than 3 years have elapsed since the date of completion of the bankruptcy liquidation of the Company or enterprise;
- (4) he/she served as a legal representative of a company or enterprise, whose business license was revoked or which was ordered to close down due to a violation of laws, and was personally liable, and not more than 3 years have elapsed since the date of revocation of the business license or closure of the Company or enterprise;
- (5) he/she is listed as a dishonest person subject to enforcement by the people's court due to a relatively large amount of outstanding personal debt;
- (6) he/she has been prohibited from entering into the securities market by the CSRC, and the period has not elapsed;
- (7) he/she has been publicly determined by the stock exchanges to be not suitable to serve as a director or senior executive of a listed company, and the period has not elapsed;
- (8) other circumstances specified by laws, administrative regulations, departmental rules or securities regulatory rules of the stock exchange where the Company's shares are listed.

In the case of an election or nomination of a director that contravenes this article, such election or nomination or appointment is invalid. If any director falls under the circumstances of this article during the term of office, the Company will remove him/her from office and stop his/her performance of duties.

Article 100 A director shall be elected or replaced by the general meeting, and may be removed from office by an ordinary resolution of the general meeting before the expiration of his/her term of office, provided that the removal from office shall not affect any claim for damages by such director pursuant to any contract. The term of office of a director is three years, and he/she is eligible for re-election upon expiration of the term. However, the consecutive term of office of an independent director shall not exceed six years.

The term of office of directors shall last from the date on which the directors take office to the expiration of the term of office of the current board of directors. If the term of office of a director expires but the director fails to be re-elected in time, the former director shall, before the newly elected director takes office, still perform the duties of the director in accordance with the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these articles of association.

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

The Company shall have one employee representative director, who shall be elected by the employee representative meeting of the Company and does not need to be submitted to the general meeting for consideration.

Article 101 Directors shall comply with laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and these articles of association, and owe fiduciary duties to the Company. They shall take measures to avoid conflicts of interest between themselves and the Company, and shall not exploit their positions to seek improper benefits.

Directors owe the following fiduciary duties to the Company:

- (1) They shall not misappropriate Company property or embezzle Company funds;
- (2) They shall not deposit Company funds into accounts opened in their personal names or in the names of other individuals;
- (3) They shall not solicit or accept bribes or other illegal benefits through their authority;
- (4) They shall not directly or indirectly enter into contracts or transactions with the Company unless they have reported to the board of directors or the general meeting and obtained approval through a resolution of the general meeting or the board of directors in accordance with these articles of association;
- (5) They shall not exploit their positions to seize business opportunities that rightfully belong to the Company for their own benefit or the benefit of others, except that such opportunities are reported to the board of directors or general meeting and approved by a resolution of the general meeting; or the Company is unable to pursue such opportunities in accordance with the relevant laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed, and these articles of association;
- (6) They shall not engage in any business competing with the Company, either on their own behalf or for others, unless they have reported to the board of directors or general meeting and obtained approval through a resolution of the general meeting;
- (7) They shall not retain commissions derived from transactions between third parties and the Company;
- (8) They shall not disclose Company secrets without authorization;
- (9) They shall not harm the Company's interests through their affiliated relationships;

- (10) They shall comply with other fiduciary duties stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed and these articles of association.

Any income obtained by directors in violation of this provision shall be returned to the Company. Directors who cause losses to the Company through such violations shall be liable for compensation.

Any contract or transaction entered into between the Company and immediate family members of directors, senior management members, enterprises directly or indirectly controlled by directors, senior management members, or their immediate family members, and other connected persons affiliated with directors or senior management members, shall be governed by Paragraph 2(4) of this article.

Article 102 The directors shall abide by the provisions of laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and these articles of association, and have a diligent obligation to the Company, and shall perform their duties in the best interests of the Company and with the reasonable care normally due by the management.

The directors have the following diligent obligations to the Company:

- (1) Shall exercise prudently, conscientiously and diligently the rights conferred by the Company in order to ensure that the Company's business activities comply with the requirements of national laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and various economic policies, and that the business activities do not exceed the scope of business stipulated in the business license;
- (2) All shareholders shall be treated fairly;
- (3) Keep abreast of the Company's business operations and management status;
- (4) Shall sign written confirmation opinions on the Company's periodic reports, ensuring disclosed information is truthful, accurate and complete;
- (5) Shall faithfully furnish relevant information and materials to the audit committee without impeding its functions;
- (6) Other due diligence obligations stipulated under laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed and these articles of association.

Article 103 If the director fails to attend the board of directors meeting in person or entrust any other directors to attend the meeting on his/her behalf for two consecutive times, it shall be deemed that he/she cannot perform his/her duties, and the board of directors shall propose to the general meeting to remove such director.

Article 104 A director may resign before the expiration of his/her term. The resignation of a director shall be submitted to the Company in a written resignation report. The resignation shall take effect on the date the Company receives the resignation report, and the Company shall disclose the relevant information within two days.

A director shall, in the resignation report, state the time of resignation, the reasons for his/her resignation, the position he/she has resigned, and whether he/she continues to serve in the listed company and its controlled subsidiaries after the resignation (if so, state such continuation of his/her position).

If the number of members on the board of directors of the Company falls below the quorum due to the resignation of a director, or the number of independent directors on the board of directors of the Company is less than one-third of the members of the board of directors due to the resignation of an independent director, or the proportion of independent directors in the special committees of the board of directors does not comply with the laws and regulations, the securities regulatory rules of the place where the Company's shares are listed or these articles of association, or there is no accounting professional individuals among the independent directors, the resignation report of such director shall not take effect until the vacancy resulting from his/her resignation is filled by the successor director. The former director shall, before the newly elected director takes office, still perform the duties of the director in accordance with the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these articles of association.

Where a director tenders his/her resignation, the Company shall complete a by-election within 60 days from the date of resignation, so as to ensure that the composition of the board of directors and its special committees is in compliance with the laws and regulations, the securities regulatory rules of the place where the Company's shares are listed and these articles of association.

Article 105 The Company has established a management system for the departure of directors, clearly defined safeguarding measures for accountability and recovery of unfulfilled public commitments and other unfulfilled matters. Upon a director's resignation becomes effective or his/her term of office expires, he/she shall complete all of the handover procedures with the board of directors, and his/her fiduciary obligations to the Company and the shareholders shall not necessarily be discharged after the expiration of his/her term of office and shall remain valid for 6 months. However, his/her obligation to maintain the confidentiality of the Company shall remain in effect until such confidential content become public information. The duration of the other obligations shall be determined on an equitable basis, depending on the length of time between the occurrence of the event and the departure from office, and the circumstances and conditions under which the relationship with the Company is terminated. A director's duties for the performance of his/her duties during his/her tenure shall not be relieved or terminated upon leaving office.

Article 106 The general meeting may resolve to remove a director, and the removal takes effect on the date the resolution is made. If a director is removed before the expiration of his/her term without justifiable reasons, the director may demand compensation from the Company.

Article 107 No director may act on behalf of the Company or the board of directors in his/her personal capacity without authorization under the provisions of these articles of association or the lawful authorization of the board of directors. Where a director acts in his/her personal capacity, he/she shall declare his position and identity in advance if a third party would reasonably believe that he/she is acting on behalf of the Company or the board of directors.

Article 108 The Company shall be liable for damages caused by a director in the course of performing his/her duties for the Company; a director who has acted with intent or gross negligence shall also be liable for compensation.

A director who, in the course of performing his/her duties for the Company, violates laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or these articles of association and causes losses to the Company shall bear liability for compensation.

Section 2 Board of Directors

Article 109 The Company shall have a Board of directors comprising 7 directors, including 3 independent directors and 1 employee director. The board of directors shall elect 1 Chairman by a majority vote of all serving directors.

Article 110 The board of directors shall exercise the following authorities:

- (1) Convene shareholders' meetings and report on its work;
- (2) Implement resolutions adopted by shareholders' meetings;
- (3) Determine the Company's business plans and investment proposals;
- (4) Formulate profit distribution plans and loss recovery schemes;
- (5) Develop plans for capital increase or reduction, bond or security issuance and listing;
- (6) Propose schemes for major acquisitions, share repurchases, mergers, divisions, dissolution or corporate restructuring;
- (7) Within shareholder-authorized limits, approve external investments, asset acquisitions/disposals, asset mortgages, external guarantees, entrusted asset management, connected transactions, external donations;
- (8) Determine the structure of internal management organs;
- (9) Appoint or dismiss the general manager, board secretary and other senior executives, determining their remuneration and incentives; Upon general manager nomination, appoint or dismiss deputy general managers, financial controller and other executives, determining their remuneration and incentives;
- (10) Establish fundamental management systems;
- (11) Prepare amendments to these articles of association;
- (12) Oversee information disclosure matters;
- (13) Propose appointment/replacement of auditing accounting firms to shareholders;
- (14) Receive work reports from the general manager and evaluate performance;

- (15) Approve share repurchases under circumstances specified in item (3), (5) and (6) of the first paragraph of Article 25 of these articles of association;
- (16) Other authorities granted by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed, these articles of association or shareholders' meetings.

Matters exceeding shareholder-authorized limits shall be submitted to shareholders' meetings for deliberation.

Article 111 The board of directors of the Company shall make explanations to the shareholders' meeting in respect of any non-standard audit opinion issued by the certified public accountants on the Company's financial reports.

Article 112 The board of directors shall formulate rules of procedure for board meetings to ensure that the board of directors implements the resolutions of the shareholders' meeting, improves work efficiency and guarantees scientific decision-making. The rules of procedure for board meetings, as an appendix to these articles of association, shall be formulated by the board of directors and be submitted to the shareholders' meeting for approval.

Article 113 The board of directors shall determine the authority for external investments, acquisitions and disposals of assets, asset pledges, external guarantees, entrusted asset management, related-party transactions, and external donations, establishing rigorous review and decision-making procedures. Significant investment projects shall be subject to evaluation by relevant experts and professionals, and submitted to the shareholders' meeting for approval. Unless otherwise provided for by securities regulatory rules of the places where the Company's shares are listed, the relevant authorities of the board of directors are as follows:

- (1) The Company's proposed transactions, such as external investments (including investments in subsidiaries, but excluding securities investments, futures and derivatives trading), acquisition or disposal of assets, rent or lease of assets, signing of management contracts, donation or receipt of assets, restructuring of creditor's rights or debts, transfer of research and development projects, signing of license agreements, waiver of rights (including waiver of pre-emptive right, pre-capital contribution rights) (except for the provision of guarantees and provision of financial assistance), that meet one of the following criteria shall be submitted to the board of directors for consideration and approval;
 1. the total amount of assets involved in the transaction (where both book value and appraised value are available, whichever is higher) accounts for more than 15% of the Company's latest audited total assets;
 2. the net assets (where both book value and appraised value are available, whichever is higher) related to the subject of the transaction (e.g. equity interest) account for more than 15% of the Company's latest audited net assets, and exceed RMB10 million in absolute amount;
 3. the operating revenue related to the subject of the transaction (e.g. equity interest) in the latest accounting year accounts for more than 15% of the audited operating revenue of the Company in the latest accounting year and exceeds RMB10 million in absolute amount;

4. the net profit related to the subject of the transaction (e.g. equity interest) in the latest accounting year accounts for more than 15% of the audited net profit of the Company in the latest accounting year, and exceeds RMB1 million in absolute amount;
5. the concluded transaction amount (including liabilities and expenses incurred) accounts for more than 15% of the latest audited net assets of the Company, and exceeds RMB10 million in absolute amount;
6. the profit generated from the transaction accounts for more than 15% of the audited net profit of the Company in the latest accounting year, and exceeds RMB1 million in absolute amount.

In any of the following circumstances, the board of directors shall submit the transactions to the shareholders' meeting for consideration:

1. the total amount of assets involved in the transaction (where both book value and appraised value are available, whichever is higher) accounts for more than 50% of the Company's latest audited total assets;
2. the net assets (where both book value and appraised value are available, whichever is higher) related to the subject of the transaction (e.g. equity interest) account for more than 50% of the Company's latest audited net assets, and exceed RMB50 million in absolute amount;
3. the operating revenue related to the subject of the transaction (e.g. equity interest) in the latest accounting year accounts for more than 50% of the audited operating revenue of the Company in the latest accounting year and exceeds RMB50 million in absolute amount;
4. the net profit related to the subject of the transaction (e.g. equity interest) in the latest accounting year accounts for more than 50% of the audited net profit of the Company in the latest accounting year, and exceeds RMB5 million in absolute amount;
5. the concluded transaction amount (including liabilities and expenses incurred) accounts for more than 50% of the latest audited net assets of the Company, and exceeds RMB50 million in absolute amount;
6. the profit generated from the transaction accounts for more than 50% of the audited net profit of the Company in the latest accounting year, and exceeds RMB5 million in absolute amount.

If the data involved in the above indicators is negative, the absolute value shall be taken for calculation.

- (2) External guarantees that do not meet the criteria for submission to the shareholders' meeting for consideration as set out in these articles of association shall be considered and approved.

- (3) When the Company makes securities investment (securities investment includes new share placing or subscription, securities repurchase, investments in stocks and depositary receipts, bond investment and other investment behaviors recognized by the stock exchange where the Company's shares are listed), if it is difficult for the Company to fulfill procedures for consideration and disclosure obligations for each securities investment due to trading frequency and time requirements, etc., the Company may make a reasonable estimate of the scope, amount, and maturity of the securities investment within the next twelve months. If the investment amount of the securities investment accounts for more than 10% of the Company's latest audited net assets and the absolute amount exceeds RMB10 million, the investment shall be considered and approved by the board of directors before the investment is made, and the Company shall fulfill its information disclosure obligations in a timely manner; if the investment amount accounts for more than 50% of the Company's latest audited net assets and the absolute amount exceeds RMB50 million, it shall also be submitted to the shareholders' meeting for consideration.

The investment of relevant amount shall be made within 12 months, and the transaction amount (including the relevant amount of reinvesting the returns from the aforementioned investment) at any time point during the period shall not exceed the investment amount of the securities investment.

If the Company engages in securities investment with related parties, the investment amount shall be used as the calculation standard, and the relevant provisions on related party transactions in securities regulatory rules of the places where the Company's shares are listed shall be applied.

- (4) When the Company engages in the futures trading (futures trading refers to trading activities that treat futures contracts or standardized options contracts as the trading targets) and derivative trading (derivative trading refers to trading activities that treat swap contracts, forward contracts, non-standardized options contracts, and their portfolios as the trading targets other than futures trading), options and other products, or financial instrument trading that combine the characteristics of the above products, the underlying assets of futures and derivatives can be securities, indexes, interest rates, exchange rates, currencies, commodities, or a portfolio of the aforementioned targets, if it is difficult for the Company to fulfill procedures for consideration and disclosure obligations for each futures and derivative trading due to trading frequency and time requirements, etc., the Company may make a reasonable estimate and consideration of the scope, amount, and maturity of futures and derivative trading within the next twelve months. The investment of relevant amount shall be made within 12 months, and the transaction amount (including the relevant amount of reinvesting the returns from the aforementioned trading) at any time point during the period shall not exceed the investment amount of the derivative trading. If the futures and derivative trading falls under any of the following circumstances, it should be submitted to the shareholders' meeting for consideration after being considered and approved by the board of directors: the estimated cap of trading deposits and premiums to be used (including the value of collateral provided for trading, the expected utilization of credit lines from financial institutions, and deposit reserved for emergency measures, etc., the same below) accounting for more than 50% of the Company's latest audited net profit and the absolute amount exceeding RMB5 million; the estimated highest contract value held on any trading day accounting for more than 50% of the Company's latest audited net assets and the absolute amount exceeding RMB50 million; futures and derivative trading engaged in by the Company not for the purpose of hedging activities.

Futures and derivative trading that does not meet the criteria for consideration by the shareholders' meeting shall be submitted to the board of directors for approval and decision.

- (5) When the Company makes entrusted asset management (entrusted asset management refers to the listed company's engagement of banks, trusts, securities, funds, futures, insurance asset management institutions, financial asset investment companies, private fund managers and other professional financial institutions to invest with and manage its assets or purchase the relevant wealth management products), if it is difficult for the Company to fulfill procedures for consideration and disclosure obligations for each entrusted asset management due to trading frequency and time requirements, etc., the Company may make a reasonable estimate of the scope, amount, and maturity of the entrusted asset management within the next twelve months. If the amount of the entrusted asset management accounts for more than 10% of the Company's latest audited net assets and the absolute amount exceeds RMB10 million, the investment shall be considered and approved by the board of directors before the investment is made, and the Company shall fulfill its information disclosure obligations in a timely manner; if the amount of entrusted asset management accounts for more than 50% of the Company's latest audited net assets and the absolute amount exceeds RMB50 million, it shall also be submitted to the shareholders' meeting for consideration.

The investment of relevant amount shall be made within 12 months, and the transaction amount (including the relevant amount of reinvesting the returns from the aforementioned investment) at any time point during the period shall not exceed the investment amount of the entrusted asset management.

If the Company engages in entrusted asset management with related parties, the amount of entrusted asset management shall be used as the calculation standard, and the relevant provisions on related party transactions in securities regulatory rules of the places where the Company's shares are listed shall be applied.

- (6) Related party transactions with related natural persons with a transaction amount exceeding RMB0.3 million and related party transactions with related legal persons (or other organizations) whose transaction amount exceeds RMB3 million and accounts for 0.5% of the absolute value of the Company's latest audited net assets shall be considered and approved.

For related-party transactions between the Company and related parties, if the transaction amount exceeds RMB30 million and accounts for more than 5% of the absolute value of the Company's latest audited net assets (except for receipt of cash assets by way of gift and providing guarantees by the Company), after being reviewed and approved by the board of directors, they should also be submitted to the shareholders' meeting for approval.

- (7) The provision of financial assistance by the Company to entities other than the holding subsidiaries within the scope of the Company's consolidated financial statements with a shareholding ratio exceeding 50% (other shareholders of such holding subsidiaries do not include the controlling shareholders, actual controllers and affiliates of the Company) (provision of financial assistance by the Company means the provision of funds, entrusted loans, etc. by the Company and its holding subsidiaries with or without consideration) shall be approved and passed by more than two thirds of the directors present at the board meeting, and the Company shall fulfill its information disclosure obligations in a timely manner. The financial assistance shall be submitted to the shareholders' meeting for consideration after being considered and approved by the board of directors if it falls under one of the following circumstances:

1. The amount of a single financial assistance exceeds 10% of the Company's latest audited net assets;
2. The latest financial statement data of the target of financial assistance shows that the asset liability ratio exceeds 70%;
3. The cumulative amount of financial assistance within the last twelve months exceeds 10% of the Company's latest audited net assets;

4. Where other shareholders of the affiliated joint-stock company (excluding the entities controlled by the controlling shareholders, actual controllers and affiliates of the Company) provide the similar financial assistance in proportion to capital distribution, the financial assistance provided for such affiliated joint-stock company by the Company shall, in addition to the approval of more than half of the uninterested directors, be considered and approved by more than two thirds of the uninterested directors present at the board meeting and submit to the shareholders' meeting for consideration;

Other circumstances stipulated in laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed and these articles of association.

Article 114 The Chairman of the board of directors shall exercise the following powers:

- (1) To preside over the shareholders' meetings and to convene and preside over meetings of the board of directors;
- (2) To supervise and inspect the implementation of the resolutions of the board of directors;
- (3) To sign the Company's shares, corporate bonds and other marketable securities;
- (4) To sign important documents of the board of directors and other documents that require signing by the Company's legal representative;
- (5) To exercise the functions and powers of legal representative;
- (6) In the event of emergency conditions under force majeure such as extraordinary natural disasters, exercise the special right to dispose of the Company's affairs in compliance with legal requirements and in the interest of the Company, and report to the board of directors and the general meeting of the Company afterwards;
- (7) To perform other functions and powers as delegated by the board of directors.

Article 115 Where the Chairman of the board of directors is unable or fails to perform his/her duties, a director jointly elected by more than half of the directors shall perform such duties.

Article 116 The board of directors shall hold at least four meetings per year, and shall be convened by the Chairman of the board of directors. All directors shall be served with a notice in writing 14 days before the meeting.

Article 117 Shareholders representing more than one-tenth of the voting rights, more than one-third of the members of the board of directors or the audit committee, more than half of all the independent directors may propose to convene an extraordinary meeting of the board of directors. The Chairman of the board of directors shall convene and preside over the meeting of the board of directors within 10 days after receiving the proposal.

Article 118 Notices of extraordinary board meetings shall be given by personal delivery, telephone, fax, email with a notice period of 3 days. In case of emergency requiring an extraordinary Board meeting to be convened as soon as possible, meeting notices may be given by telephone or other verbal means at any time, but the convener shall provide an explanation at the meeting.

Article 119 Notices of Board meetings shall include the following:

- (1) Date and place of the meeting;
- (2) Duration of the meeting;
- (3) Matters and topics to be discussed;
- (4) Date of issuance of the notice.

Article 120 Meetings of the board of directors should be held only with the presence of more than one-half of the directors. Resolutions of the board of directors must be passed by more than one-half of all the directors.

Voting on resolutions in the board of directors shall be conducted by one person, one vote.

Article 121 Where a director is related with the enterprise or individual involved in the matters to be resolved at a board meeting, he/she shall submit a written report to the board of directors in a timely manner. The related director shall not exercise voting rights on such resolution, and shall not vote on behalf of other directors. Such board meeting may be held with the presence of more than half of the unrelated directors, and resolutions made at the board meeting must be passed by more than half of the unrelated directors. If the number of unrelated directors present at the board meeting is less than three, the matter shall be submitted to the shareholders' meeting for consideration. If laws, regulations, or securities regulatory rules of the places where the Company's shares are listed impose additional restrictions on directors' participation in board meetings and voting, such provisions shall prevail.

Article 122 The method of voting on resolutions of the board of directors shall be by a show of hands or by poll.

The board of directors of the Company may be convened and voted by electronic means of communication.

Article 123 Directors shall attend the board of directors' meeting in person; where a director is unable to attend a Board of directors' meeting for some reasons, he/she may entrust another director in writing to attend the meeting on his/her behalf. Independent director cannot appoint a non-independent director as a proxy to attend the meeting. The power of attorney shall state the name of the proxy, the matters to be represented, the scope of authorization and the validity period, and the entrusting party shall sign or affix seal thereto. A director shall not make or accept the entrustment without providing any voting intent on the proposals, discretionary entrustment or any entrustment not well defined. The director who attends the meeting as a proxy shall exercise the director's rights within the scope of authorization. Where a director neither attends the board of directors' meeting nor appoints a proxy to attend on his/her behalf, he/she shall be deemed to forfeit his/her voting rights at the said meeting.

Article 124 The board of directors shall keep minutes for decisions of the meeting on the agenda items, the directors present at the meeting shall sign on the minutes.

The minutes shall be kept as the Company files for a period of not less than 10 years.

Article 125 The minutes of the board of directors' meeting shall include the following contents:

- (1) the date and venue of the meeting and the name of the convener;
- (2) the name of directors present at the meeting and the name of directors (proxies) entrusted to attend the board of directors' meeting;
- (3) the agenda of the meeting;
- (4) key points of speeches by the directors;
- (5) the voting method and results for each resolution (the voting results shall state the number of affirmative, negative or abstention votes).

Section 3 Independent Directors

Article 126 Independent directors shall perform their duties seriously pursuant to the provisions of laws, administrative regulations, the CSRC, stock exchange of the place where the shares of the Company are listed and these articles of association, play a role of participation in decision-making, supervision and checks and balances and professional consultancy in the board of directors, safeguard the Company's overall interests and protect the legitimate rights and interests of minority shareholders.

Article 127 Independent directors shall maintain their independence. The following individuals shall not act as independent directors:

- (1) Persons employed by the Company or its subsidiaries, as well as their spouses, parents, children, and close social relations;
- (2) Natural person shareholders who directly or indirectly hold more than 1% of the Company's issued shares or are among the top ten shareholders of the Company, as well as their spouses, parents, and children;
- (3) Persons working for shareholders who directly or indirectly hold more than 5% of the Company's issued shares or for the top five shareholders of the Company, as well as their spouses, parents, and children;
- (4) Persons working for affiliated enterprises of the Company's controlling shareholder or actual controller, as well as their spouses, parents, and children;

- (5) Persons who have significant business dealings with the Company, its controlling shareholder, actual controller, or their respective affiliated enterprises, or who work for entities with such significant business dealings or their controlling shareholders or actual controllers;
- (6) Persons who provide financial, legal, consulting, sponsorship, or other services to the Company, its controlling shareholder, actual controller, or their respective affiliated enterprises, including but not limited to all members of the project team of intermediary institutions providing such services, reviewers at all levels, signatories on reports, partners, directors, senior management members, and principal responsible persons;
- (7) Persons who, in the past 12 months, have fallen under any of the circumstances listed in items (1) to (6) above;
- (8) Other individuals deemed non-independent under laws, administrative regulations, the CSRC rules, stock exchange business rules of the place where the shares of the Company are listed and these articles of association.

Independent directors shall conduct an annual self-assessment of their independence and submit the results to the board of directors. The board of directors shall evaluate the independence of incumbent independent directors annually and issue a special assessment opinion, which shall be disclosed together with the annual report.

Article 128 A person appointed as an independent director of the Company shall satisfy the following criteria:

- (1) possessing the qualifications to act as a director of the listed company pursuant to laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and other relevant provisions;
- (2) satisfying the independence requirements stipulated in these articles of association;
- (3) possessing basic knowledge of operation of listed companies and being familiar with the relevant laws, regulations and rules;
- (4) having five or more years of work experience in legal, accounting or economics required for performance of the duties of an independent director;
- (5) having good moral character, without bad records of significant dishonest conduct;
- (6) any other criteria stipulated by laws, administrative regulations, the CSRC rules, stock exchange business rules of the place where the shares of the Company are listed and these articles of association.

Article 129 Independent directors shall, as members of the board of directors, bear the obligations of loyalty and diligence towards the Company and all its shareholders and perform the following duties prudently:

- (1) participating in decision-making by the board of directors and issuing specific opinions on the deliberated matters;
- (2) supervising the potential significant conflict of interests between the Company and its controlling shareholders, actual controllers, directors, senior executives, and protecting the legitimate rights and interests of minority shareholders;
- (3) providing professional and objective suggestions on the Company's business development, and promoting the improvement of the decision-making level of the board of directors;
- (4) any other duties stipulated by laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and these articles of association.

Article 130 Independent directors shall exercise the following special powers:

- (1) Independently engage intermediary agencies to conduct audits, consultations, or verifications on specific matters of the Company;
- (2) Propose to the board of directors the convening of an extraordinary general meeting of shareholders;
- (3) Propose the convening of a Board meeting;
- (4) Lawfully solicit shareholder rights from shareholders;
- (5) Express independent opinions on matters that may harm the interests of the Company or minority shareholders;
- (6) Other powers stipulated by laws, administrative regulations, the CSRC rules, securities regulatory rules of the place where the shares of the Company are listed and these articles of association.

The exercise of the powers listed in Items (1) to (3) above shall be subject to the consent of more than half of all independent directors.

The Company shall promptly disclose any exercise of authorities specified in subparagraph (1) by independent directors. Where such authorities cannot be properly exercised, the Company shall disclose sufficient details and reasons thereof.

Article 131 The following matters shall be submitted to the board of directors for deliberation only after being approved by more than half of all independent directors:

- (1) Related-party transactions that are required to be disclosed;
- (2) Proposals for changes to or waivers of commitments made by the Company or relevant parties;
- (3) Decisions and measures made by the board of directors of the listed company being acquired in response to the acquisition;
- (4) Other matters stipulated by laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and these articles of association.

Article 132 The Company establishes a mechanism for special meeting attended solely by independent directors. Related party transactions should be pre-approved by the special meeting of independent directors before being submitted to the board of directors for consideration.

The Company shall hold special meetings of independent directors on a regular or ad hoc basis. Matters listed in items (1) to (3) of the paragraph 1 of Article 130 and Article 131 of these articles of association shall be considered at a special meeting of independent directors.

A specialized meeting of independent directors may study and discuss other matters of the Company where necessary. The special meetings of independent directors shall be convened and presided over by an independent director jointly elected by a majority of the independent directors; in the event that the convener fails to or is unable to perform his/her duties, two or more independent directors may convene and elect a representative to preside over the meeting on their own.

Minutes of the special meetings of independent directors shall be prepared as required, with the inclusion of the opinions of the independent directors, who shall sign to confirm the minutes of the meetings.

The Company shall provide convenience and support for holding of specialized meetings of independent directors.

Section 4 Special Committees of the Board of Directors

Article 133 The board of directors the Company has established an audit committee, which shall exercise the functions and powers of the supervisory committee as prescribed by the Company Law.

Article 134 The audit committee shall comprise 3 members who are non-executive directors or independent directors without executive functions, among which there are more than half of independent directors, and an accounting professional among the independent directors shall act as the convener.

Article 135 The audit committee is responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating the internal and external audit work and internal control. Any of the following matters shall be subject to the affirmative votes of more than half of all the members of the audit committee before the board of directors makes a resolution:

- (1) Disclosing the financial and accounting reports, and financial statements and internal control evaluation report of periodic reports;
- (2) Hiring or removing the accounting firm that undertakes the audit engagements of the Company;
- (3) Appointing or removing the chief financial officer of the Company;
- (4) Making changes to accounting policies or accounting estimates, or make corrections for material accounting errors for reasons other than changes in accounting standards;
- (5) Any other matters authorized by laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and these articles of association.

Article 136 The audit committee shall hold a regular meeting at least once a quarter. An extraordinary meeting may be convened upon the proposal of two or more members or when the convener deems necessary. A meeting of the audit committee may only be held when more than two thirds of the members attended.

Resolutions adopted at the audit committee meeting must be approved by more than half of all members of the audit committee.

Resolutions of the audit committee shall be passed on a "one person one vote" basis.

Resolutions of the audit committee shall be recorded in meeting minutes as required, and the members of the audit committee present at the meeting shall sign the minutes.

The board of directors is responsible for formulating the working procedures of the audit committee.

Article 137 The board of directors of the Company has established special committees such as the strategy committee, the nomination committee and the remuneration and appraisal committee, which perform their duties in accordance with these articles of association and the authorization of the board of directors. The proposals of the special committees shall be submitted to the board of directors for review and decision making. The board of directors is responsible for formulating working procedures for special committees. The majority of the membership of the nomination committee and the remuneration and appraisal committee shall consist of independent directors. The remuneration and appraisal committee must be convened by an independent director. The nomination committee must be convened by an independent director and must have members of different genders.

Article 138 The nomination committee is responsible for developing standards and procedures for the election of directors and senior management members, and selecting and examining the qualifications of the candidates for directors and senior management members, and making recommendations to the board of directors on the following matters:

- (1) nomination, appointment or dismissal of directors;
- (2) appointment or dismissal of senior management members;
- (3) other matters stipulated by laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed and these articles of association.

If the board of directors does not adopt or does not fully adopt the recommendations of the nomination committee, it shall record the opinion of the nomination committee and specific reasons for its non-adoption in the resolution of the board of directors and disclose the same.

Article 139 The remuneration and appraisal committee is responsible for formulating evaluation standard for directors and senior management members and implementation of the evaluation, and formulating and reviewing the remuneration policies and plans for directors and senior management members, including remuneration determination mechanism, decision-making process, payment and stop payment and claw back arrangements, and making recommendations to the board of directors on the following matters:

- (1) remuneration of directors and senior management members;
- (2) formulation of or change to equity incentive plans and employee stock ownership plans, and conditions for incentive participants to be granted with and exercise interests;
- (3) arrangement of stock ownership plans for subsidiaries to be spun off by directors and senior management members;
- (4) other matters stipulated by laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed and these articles of association.

If the board of directors does not adopt or does not fully adopt the recommendations of the remuneration and appraisal committee, it shall record the opinion of the remuneration and appraisal committee and specific reasons for its non-adoption in the resolution of the board of directors and disclose the same.

Article 140 The strategic committee of the board of directors is mainly responsible for studying the Company's long-term development strategies and major investment decisions and making recommendations. The primary duties of the strategy committee are as follows:

- (1) to study and make suggestions on the Company's long-term development strategic plans;
- (2) to study and make suggestions on major investment and financing plans which are subject to the approval of the board of directors as provided in these articles of association;

- (3) to study and make suggestions on major capital operations and asset management projects which are subject to the approval of the board of directors as provided in these articles of association;
- (4) to study and make suggestions on other major issues that may affect the development of our Company;
- (5) to inspect the implementation of the above matters;
- (6) other matters authorized by the board of directors.

Chapter 6 Senior Management Members

Article 141 The Company shall have one General Manager, who shall be appointed or dismissed by the board of directors.

The Company shall have several Deputy General Managers and one Financial Officer, who shall be appointed or dismissed by the board of directors.

Article 142 The circumstances under these articles of association in which a person may not serve as a director and the management system for resignations shall also apply to senior management members.

The provisions of these articles of association regarding the fiduciary duties of directors and the diligence duties shall also apply to senior management members.

Article 143 Persons who hold administrative positions other than director or supervisor in the entities of the controlling shareholder of the Company shall not serve as senior management members of the Company. Senior management members of the Company shall receive remuneration only from the Company and shall not have their salaries paid by the controlling shareholder on behalf of the Company.

Article 144 Each term of office for the general manager is 3 years, and the general manager may be reappointed for consecutive appointments.

Article 145 The general manager shall be accountable to the board of directors and exercises the following functions and powers:

- (1) To be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the board of directors, and to report to the board of directors;
- (2) To organize the implementation of the annual business plan and investment plan of the Company;
- (3) To formulate the plan for the establishment of the internal management structure of the Company;
- (4) To formulate the basic management system of the Company;
- (5) To formulate the specific rules of the Company;

- (6) To make proposal to the board of directors on the appointment or dismissal of deputy general manager and head of finance of the Company;
- (7) To decide on the appointment or dismissal of management personnel other than those whose appointment or dismissal shall be decided by the board of directors;
- (8) Other functions and powers as conferred by these articles of association or the board of directors.

The general manager shall attend meetings of the board of directors.

Article 146 The general manager shall formulate detailed working rules for the general manager, which shall be implemented after approval by the board of directors.

Article 147 The detailed working rules for the general manager shall include the following:

- (1) Conditions, procedures and participants for convening general manager meetings;
- (2) Specific duties and division of work of the general manager and other senior management members;
- (3) Authority for use of Company funds and assets, signing of major contracts, and reporting system to the board of directors;
- (4) Other matters deemed necessary by the board of directors.

Article 148 The general manager may resign before his/her term of office expires. The procedure and rules for resignation of the general manager shall be specified in the employment contract between the general manager and the Company.

Article 149 The deputy general managers shall be nominated by the general manager and to be appointed or dismissed by the board of directors. When nominating the deputy general managers, the general manager shall submit to the board of directors the detailed information of the candidates of the deputy general managers, including educational background, work experience, and whether they have been punished by the CSRC and other relevant departments, as well as by stock exchanges of the places where the Company's shares are listed. When the general manager proposes to dismiss the deputy general managers, the reason for the dismissal shall be submitted to the board of directors. The deputy general managers may resign before their term of office expires. The procedure and rules for resignation of the deputy general managers shall be specified in the employment contract between the deputy general managers and the Company.

The deputy general managers shall assist the general manager in his work and be responsible for a certain aspect of the Company's production, operation and management.

Article 150 The Company shall have a board secretary responsible for the preparation of the shareholders' meetings and board meetings, custody of documents, management of shareholder information, handling information disclosure matters, investor relations activities, and other related duties.

As a senior management member of the Company, the board secretary has the right to participate in relevant meetings, check relevant documents, and comprehend the Company's financial and operating conditions in order to perform duties. The board of directors and other senior management members shall support the work of the board secretary. No organization or individual may interfere with the normal performance of the board secretary.

The board secretary shall comply with the provisions of applicable laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed and these articles of association.

The board secretary shall formulate detailed working rules for the board secretary, which shall be implemented after approval by the board of directors. The detailed working rules for the board secretary shall include the qualifications, engagement procedures, rights and duties of the board secretary and other matters deemed necessary by the board of directors.

Article 151 The Company shall be liable for compensation if the senior management members cause damage to others in the performance of their duties; the senior management members shall also be liable for compensation if they are intentional or grossly negligent. Senior management members who violate laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed or these articles of association in the performance of their duties and cause losses to the Company shall be liable for compensation. Senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. Where a senior management member of the Company fails to faithfully perform his/her duties or breaches the obligation of integrity, thereby causing damage to the interests of the Company and public shareholders, he/she shall be liable for compensation in accordance with laws.

Chapter 7 Financial Accounting System, Profit Distribution and Audit

Section 1 Financial Accounting System

Article 152 The Company shall formulate its financial and accounting system in accordance with laws, administrative regulations and provisions of relevant state authorities.

Article 153 The Company shall submit and disclose an annual financial report to the CSRC dispatched office and the stock exchange where the Company's shares are listed within 4 months after the end of each fiscal year, submit and disclose its interim report to the CSRC dispatched office and the stock exchange where the Company's shares are listed within 2 months after the end of the first half of each accounting year.

The above-mentioned annual report and interim report are prepared in accordance with relevant laws, administrative regulations, the CSRC rules, and securities regulatory rules of the place where the shares of the Company are listed.

Article 154 The Company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

Article 155 When distributing profits after taxation of the year, the Company shall set aside 10% of its profits for the Company's statutory reserve until the fund has reached 50% or more of the Company's registered capital.

When the Company's statutory reserve is not sufficient to make up for the Company's losses for the previous years, the profits of the current year shall first be used to cover the losses before any allocation is set aside for the statutory reserve pursuant to the preceding provision.

After making allocations to the statutory reserve from its profits after taxation, the Company may, upon passing a resolution at a general meeting, make further allocations from its profits after taxation to the discretionary reserve.

After the Company covers its losses and makes allocations to its reserve, the remaining profits after taxation shall be distributed in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by these articles of association.

If the general meeting resolves to distribute any profits to the shareholders in violation of the Company Law, the shareholders shall return such profits distributed to the Company, and if any losses are caused thereby to the Company, the shareholders, as well as any directors, and senior officers responsible for the violation, shall be liable for compensation.

The Company shall not distribute any profits in respect of the shares held by it.

The Company is required to appoint one or more receiving agent(s) in Hong Kong for shareholders of H shares. The receiving agent(s) shall receive and hold on behalf of such shareholders of H shares any dividends allocated to H shares and other amounts payable by the Company, and transmit such payments to such shareholders of H shares. The receiving agent(s) appointed by the Company shall satisfy the requirements under laws and regulations and securities regulatory rules of the place where the shares of the Company are listed.

Article 156 The provident fund of the Company is appropriated for purpose of making up the losses or expanding production and operation of the Company or being capitalized.

When using the Company's reserves to cover its losses, any discretionary reserve and statutory reserve balances shall first be used to cover such losses; if there is still a shortfall, the capital reserve may be used in accordance with regulations.

In any capitalization of the statutory provident fund, the remaining statutory provident fund shall not be less than twenty-five percent (25%) of the Company's registered capital immediately prior to such capital increase through provident fund transfer.

Article 157 After the general meeting of the Company makes a decision for distribution of profits in general meeting, or after the board of directors formulates a specific plan in accordance with the conditions and upper limit of the interim dividend for the next year that approved by the annual general meeting of shareholders, the board of directors must finish distributing the dividends (or shares) within two months.

Article 158 The Company implements a sustainable and stable profit distribution policy and places emphasis on the reasonable investment return to the investors while securing the sustainable development of the Company. The distribution of profits by the Company shall not exceed the range of accumulated distributable profits and shall not harm the Company's ability to continue operations.

(1) Means of profit distribution

The Company may distribute profits in cash, in stocks or a combination of both cash and stocks or as otherwise permitted by laws and regulations. Cash dividends shall take priority as a form of profit distribution. If the Company meets the conditions for cash dividends, it shall distribute profits in cash dividends.

(2) Conditions for cash dividends

As a minimum requirement, all of the following criteria shall be satisfied before cash dividend is made:

1. The net profit of the Company for the latest accounting year is positive;
2. The undistributed profit at the year end in the combined financial statements and the financial statements of the parent company are positive;
3. The Company can meet capital requirements for normal production and operation and has no major investment plans or significant cash expenditure plans (excluding projects funded by raised proceeds); major investment plans or major cash expenditures refer to the proposed external investment, acquisition of assets or purchase of equipment by the Company in the coming twelve months with accumulated expenditure amounting to or exceeding 30% of the latest audited net assets of the Company and exceeding RMB50 million.

(3) Time intervals and proportion of cash dividends

The profits distributed by the Company in cash each year in principle shall not be less than 10% of the distributable profits achieved for the current year, and the profits distributed by the Company in cash on a cumulative basis in any consecutive three years in principle shall not be less than 30% of the average annual distributable profits achieved in such three years.

The board of directors of the Company shall take into comprehensive consideration of factors such as the characteristics of the industry where it operates, its development stage, its own business operation model, profitability level, insolvency, any potential substantial capital expenditure arrangement, returns to investors and formulate differentiated cash dividend distribution policy applicable to the following situations in accordance with the mechanisms stipulated in these articles of association:

1. Where the Company is at the mature stage of development with no substantial capital expenditure arrangement, the proportion of cash dividends shall be at least 80% in the profit distribution;
2. Where the Company is at the mature stage of development with substantial capital expenditure arrangement, the proportion of cash dividends shall be at least 40% in the profit distribution;
3. Where the Company is at the growth stage of development with substantial capital expenditure arrangement, the proportion of cash dividends shall be at least 20% in the profit distribution.

Where the stage of development of the Company is difficult to define but the Company has substantial capital expenditure arrangement, the profit distribution may be dealt with pursuant to item 3 of the preceding article.

The “proportion of cash dividends in the profit distribution” shall be calculated as the cash dividend divided by the sum of cash dividend and stock dividend.

Where there is any illegal misappropriation of funds of the Company by any shareholders, the Company shall deduct the cash dividends distributed to such shareholders to offset the funds appropriated by such shareholders.

(4) Conditions for stock dividend distribution

When the conditions for cash dividends are met, and if the Company experiences rapid growth in operating revenue and net profit, the board of directors may propose and implement a stock dividend distribution proposal in addition to a cash dividend proposal, provided that the board of directors deems the Company's share capital scale and equity structure reasonable. When the Company determines the specific amount of such distribution, it shall fully consider whether the total capital after such distribution will match the present scale of operation and earnings growth rate of the Company and consider the effect on future cost of debt and financing in order to ensure that the distribution plan aligns with the interests of all shareholders as a whole. The proportion of cash dividends and stock dividends distributed by the Company shall comply with the provisions of these articles of association.

(5) Decision-making procedures and mechanism for profit distribution of the Company

1. The profit distribution plan of the Company shall be formulated by the board of directors of the Company, which is subject to the consideration and approval by the board of directors and submitted to the shareholders' meeting of the Company for approval.
2. In formulating the profit distribution plan, the board of directors of the Company shall carefully study and demonstrate the timing, conditions and minimum proportion of cash dividends, the conditions for adjustment and other decision-making procedures, the necessity of stock dividend distribution and other matters, and formulate a profit distribution proposal in accordance with the profit distribution policy as stipulated in these articles of association. When making decisions on and formulating the profit distribution proposal, the board of directors shall record in detail the advice of the management, key points of the speeches of directors present at the meeting, opinions of independent directors, voting results of the board of directors, etc. and form written minutes to be properly kept as the Company's records.
3. Independent directors have the right to express independent opinions if they think that the specific cash dividend plan may harm the rights and interests of the Company or minority shareholders. If the opinions of independent directors are not adopted or fully adopted by the directors, the opinions of independent directors and specific reasons for non-adoption shall be recorded in the resolution of the board of directors for disclosure.
4. If the Company records profit for the year but does not make a cash dividend plan, the audit committee shall explain and advise on the relevant policy and implementation progress of the plan. The audit committee shall supervise the implementation of the profit distribution plan and the shareholders' return plan.
5. The Company shall effectively protect the public shareholders' right to attend the shareholders' meeting. The board of directors, independent directors and shareholders who have fulfilled certain conditions may solicit the voting rights from the shareholders of the Company at the shareholders' meeting.

6. Before the shareholders' meeting considers the specific cash dividend plan, the Company shall actively communicate with shareholders, especially minority shareholders, through various channels, fully listen to the opinions and demands of minority shareholders, and promptly respond to matters of concern to them.

(6) Formulation and modification of profit distribution policy

When the Company convenes an annual general meeting to consider the annual profit distribution plan, the conditions, maximum proportion and maximum amount of interim cash dividends for the next year may be considered and approved. The maximum amount of interim dividends for the next year to be 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 specific interim dividends distribution plan in accordance with the resolution of the shareholders' meeting, subject to the conditions for profit distribution.

The Company shall maintain the continuity and stability of the profit distribution policy and shall not arbitrarily alter the profit distribution policy. If the Company has to adjust the profit distribution policy based on the production and operating conditions, investment plans and long-term development needs or as a result of changes in the external business environment, the Company shall, on the premise of safeguarding the interest of the shareholders, ensure that the profit distribution policy after adjustment shall not be in breach of the requirements of the relevant laws, regulations, normative documents, the securities regulatory rules of the places where the Company's shares are listed and these articles of association. Proposals to adjust the profit distribution policy shall be reviewed by the board of directors of the Company and submitted to the shareholders' meeting of the Company for approval, requiring approval by at least two-thirds of the voting rights held by shareholders present at the shareholders' meeting.

(7) Disclosure of profit distribution policy

The Company shall disclose the formulation and implementation of cash dividend distribution policy in periodic reports, whether in compliance with the requirements of these articles of association and the resolutions of the shareholders' meeting, whether the cash dividend distribution criteria and proportion are well-defined and clear, whether the related decision-making procedures and mechanism are in place, the specific reasons why the Company does not distribute cash dividends and further measures to be taken to enhance investors' return, whether independent directors have performed their due duties and roles, whether minority shareholders have the opportunities to sufficiently express their opinions and appeals and the legal interests of minority shareholders are fully protected. If the cash dividend policy is to be adjusted or altered, it shall be disclosed in details whether the conditions and procedures of such adjustments or alternation are in compliance and transparent.

If the Company records profit for the last accounting year but does not make any cash dividend distribution proposal, the board of directors shall explain in its annual report in detail the reasons for not proposing any cash dividend distribution, the purpose and planned use of the funds retained by the Company that have not been used for cash dividend distribution, and independent directors shall express specific opinions thereon and disclose to the public.

(8) The Company shall provide various channels (telephone, fax, e-mail, interaction platform, etc.) to take the suggestions and supervision of all shareholders in respect of the dividend distribution.

Section 2 Internal Audit

Article 159 The Company shall implement an internal audit system, specifying the leadership system, duties and authorization, personnel allocation, finance support, application of audit results and accountability etc. for internal audit work.

The internal audit system of the Company shall be implemented and disclosed to the public upon approval by the board of directors.

Article 160 The internal audit body of the Company shall supervise and inspect the Company's business activities, risk management, internal control, financial information, and other matters.

Article 161 The internal audit body shall be responsible to the board of directors.

The internal audit body shall, in the course of supervision and inspection of the Company's business activities, risk management, internal control, financial information, accept supervision and guidance of the audit committee. Upon discovery of the relevant significant issues or clues, the internal audit body shall forthwith report directly to the audit committee.

Article 162 The internal audit body shall be responsible for implementation of the Company's internal control appraisal. The Company shall issue an annual internal control appraisal report based on the appraisal report issued by the internal audit body and considered by the audit committee and the relevant materials.

Article 163 When the audit committee communicates with the external audit organizations such as accounting firms and state audit organizations, the internal audit body shall cooperate actively and provide the requisite support and cooperation.

Article 164 The audit committee shall participate in appraisal of the head of the internal audit.

Section 3 Appointment of Accounting Firms

Article 165 The Company shall appoint such accounting firm which has complied with the Securities Law for carrying out the audit for the accounting statements, net asset verification, and other relevant consultancy services. The term of appointment shall be 1 year and can be re-appointed.

Article 166 The decisions of the Company regarding the engagement, dismissal of an accounting firm shall be made by the general meeting. The board of directors shall not appoint accounting firm before the approval of the general meeting.

Article 167 The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting proofs, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding and misrepresentation.

Article 168 The auditing fee of the accounting firm shall be determined by the general meeting.

Article 169 In the event of any dismissal or non-renewal of an accounting firm by the Company, a notice shall be served to inform the accounting firm 30 days in advance. When the general meeting of the Company votes on the dismissal of the accounting firm, the accounting firm is allowed to express its opinions. Where the accounting firm proposes its resignation, it shall explain to the general meeting whether there are any irregularities in the Company.

Chapter 8 Notices and Announcements

Section 1 Notices

Article 170 The Company shall give notice in the following ways:

- (1) by personal delivery;
- (2) by mail;
- (3) by public announcement;
- (4) by other methods stipulated in these articles of association.

With respect to the manner in which the Company provides and/or distributes corporate communications to H Share shareholders as required by the securities regulatory rules of the place where the shares are listed, the Company may, subject to compliance with the securities regulatory rules of the place where the Company's shares are listed, also send or make available corporate communications to H Share shareholders by electronic means or by publishing information on the Company's website or the website of the stock exchange where the Company's shares are listed, in lieu of sending corporate communications to H Share shareholders by personal delivery or by prepaid mail.

Article 171 A notice given by the Company, if made by way of an announcement, shall be deemed to have been received by all persons concerned upon such announcement.

Article 172 The meeting notice of convening the general meeting of the Company shall be made by way of public announcement.

Article 173 The meeting notice of convening the meeting of the board of directors of the Company shall be served by personal delivery, post, fax, email, and other means.

Article 174 If a notice of the Company is given by personal delivery, the date of delivery shall be the date of signature (or seal) of the recipient on the delivery receipt; if a notice of the Company is given by mail, the date of delivery shall be the fifth working day from the date of delivery to the post office; if a notice of the Company is given by public announcements, the date of delivery shall be the date of the first publication of the announcement; if a notice of the Company is given by fax, the date of delivery shall be the first working day from the date of dispatch; if a notice of the Company is given by email, the date of delivery shall be the first working day from the date of dispatch.

Article 175 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the meeting and the resolutions made at the meeting.

Section 2 Announcements

Article 176 The Company has designated Securities Times and CNINFO as the media for publishing announcements on the Company's A Shares and other information required to be disclosed. The Company may also select newspapers and websites designated by the CSRC for publishing announcements on the Company's A Shares and other information required to be disclosed. Announcements on the Company's H Shares and other information required to be disclosed shall be published on the Company's website, the HKEXnews website and such other websites as may be prescribed by the Hong Kong Listing Rules from time to time in accordance with the relevant requirements of the Hong Kong Listing Rules. Announcements of the Company shall comply with the Company Law, these articles of association and the provisions of the securities regulatory rules of the place where the Company's shares are listed.

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

Section 1 Merger, Division, Capital Increase and Capital Reduction

Article 177 The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.

One company absorbing another company is merger by absorption, and the Company being absorbed shall be dissolved. Merger of two or more companies through establishment of a new company is merger by establishment of a new entity, and the parties to the merger shall be dissolved.

Article 178 Where the consideration paid by the Company in a merger does not exceed 10% of its net assets, it is not necessary to obtain a resolution at the shareholders' meeting, unless it is otherwise provided for in these articles of association.

Where a merger is effected pursuant to the preceding paragraph without a resolution of the shareholders' meeting, it shall be subject to a resolution of the board of directors.

Article 179 In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days after the date of the Company's resolution on merger and shall make an announcement in the appointed disclosure media provided by these articles of association of the Company or the National Enterprise Credit Information Publicity System within 30 days after the date of the Company's resolution on merger. Creditors may demand the Company to repay debts or provide corresponding security within 30 days upon receipt of such notice or 45 days from the date of announcement in case of receiving no such notice.

Article 180 Upon the merger, claims and debts of each of the merged parties shall be assumed by the Company which survives the merger or the newly established company resulting from the merger.

Article 181 When the Company is divided, its assets shall be split accordingly.

In the event of a division of the Company, the Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days after the date of the Company's resolution on division and shall make an announcement in the appointed disclosure media provided by these articles of association of the Company or the National Enterprise Credit Information Publicity System within 30 days after the date of the Company's resolution on division.

Article 182 Debts prior to the division of the Company shall be jointly and severally borne by the companies after the division, unless it is otherwise stipulated in the written agreement on settlement of debts reached between the Company and the creditors before the division.

Article 183 The Company shall prepare a balance sheet and an inventory of assets when it intends to reduce its registered capital.

The Company shall notify the creditors within 10 days upon resolution on reduction of registered capital by the general meeting and make announcement thereof in the appointed disclosure media provided by these articles of association of the Company or the National Enterprise Credit Information Publicity System within 30 days. Creditors may demand the Company to repay debts or provide corresponding security within 30 days upon receipt of such notice or 45 days from the date of announcement in case of receiving no such notice.

When the Company reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to the shareholders' shareholding, unless otherwise stipulated by laws or these articles of association.

Article 184 Where the Company makes up losses in accordance with paragraph 2 of the Article 156 of these articles of association and remains in deficit, it may reduce its registered capital to cover such losses. Where registered capital is reduced to make up losses, the Company shall not distribute dividends to shareholders nor exempt shareholders from their obligations to contribute capital or pay share subscriptions.

Where registered capital is reduced pursuant to the preceding paragraph, the paragraph 2 of Article 183 of these articles of association shall not apply; however, an announcement shall be published in the designated media specified in these articles of association or on the National Enterprise Credit Information Publicity System within 30 days of the shareholders' meeting passing the resolution to reduce registered capital.

Following a reduction in registered capital under the preceding two paragraphs, the Company shall not distribute profits until the aggregate amount of statutory reserves and discretionary reserves reaches 50% of the Company's registered capital.

Article 185 Where the registered capital is reduced in contravention of the Company Law or other relevant provisions, shareholders shall return the funds received, and any reduction in shareholder contributions shall be restored to its original state; if losses are caused to the Company, shareholders and responsible directors and senior management members shall bear liability for compensation.

Article 186 When the Company issues new shares to increase its registered capital, shareholders shall not have preferential subscription rights, unless otherwise provided in these articles of association or as determined by a shareholders' meeting resolution.

Article 187 When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the registration authority of the Company in accordance with laws. When the Company is dissolved, the Company shall cancel its registration in accordance with laws. When a new company is established, its establishment shall be registered in accordance with laws.

In case of increase or reduction of registered capital of the Company, the Company shall legally complete the formalities for change registration with the registration authority of the Company.

Section 2 Dissolution and Liquidation

Article 188 The Company shall be dissolved for the following reasons:

- (1) The term of its operations as is stipulated in these articles of association has expired or other events of dissolution specified in these articles of association have occurred;
- (2) The general meeting resolves to dissolve the Company;
- (3) Dissolution is necessary due to merger or division of the Company;
- (4) The Company's business license is revoked, the Company is ordered to close down or be revoked in accordance with laws;
- (5) Where the operation and management of the Company falls into serious difficulties and its continued existence would cause material losses to shareholders, the shareholders holding above 10% of the total voting rights of the Company may apply to the people's court to dissolve the Company if there are no other solutions.

If the Company encounters the reasons for dissolution as stipulated in the preceding paragraph, it shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten days.

Article 189 Where the Company falls under the circumstances of items (1) and (2) of Article 188 of these articles of association and has not distributed any property to shareholders, it may continue to exist by amending these articles of association or by a resolution of the general meeting.

Amendments to these articles of association in accordance with the provisions of the preceding paragraph or by resolution of the general meeting shall be approved by more than two – thirds of the voting rights held by the shareholders attending the general meeting.

Article 190 If the Company is dissolved pursuant to item (1), (2), (4) or (5) of Article 188 of these articles of association, it shall be liquidated. The directors, being the liquidation obligors of the Company, shall form a liquidation committee for liquidation within 15 days from the date of occurrence of the cause for dissolution.

The liquidation committee shall be composed of directors, unless these articles of association provide otherwise or the general meeting resolves to elect someone else.

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

Article 191 The liquidation group shall exercise the following powers during the liquidation period:

- (1) to handle the Company's assets and to prepare a balance sheet and an inventory of the assets;
- (2) to notify creditors through notice or public announcement;

- (3) to deal with the Company's outstanding businesses related to liquidation;
- (4) to pay any tax overdue as well as tax amounts arising from the process of liquidation;
- (5) to claim credits and pay off debts;
- (6) to distribute the Company's remaining assets after its debts have been paid off;
- (7) to represent the Company in civil lawsuits.

Article 192 The liquidation group shall notify the Company's creditors within 10 days after its establishment and issue public notices in media provided by these articles of association or on the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation group within 30 days after receiving notification, or within 45 days of the public notice if he did not receive any notification.

A creditor shall state all matters relevant to his creditor rights in making his claim and furnish evidence. The liquidation group shall register such creditor rights.

The liquidation group shall not make any debt settlement to creditors during the period of claim.

Article 193 Upon liquidation of properties and the preparation of the balance sheet and inventory of assets, the liquidation group shall draw up a liquidation plan to be submitted to the shareholders' general meeting or people's court for confirmation.

The Company's remaining assets after payment of liquidation expenses, wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed to shareholders according to their shareholding proportion.

It shall continue to exist during the liquidation period, although it can only engage in any operating activities that are related to the liquidation.

The Company's properties shall not be distributed to the shareholders before repayments are made in accordance to the foregoing provisions.

Article 194 Upon liquidation of the Company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation group becomes aware that the Company does not have sufficient assets to meet its liabilities, it must apply to the people's court for a declaration for bankruptcy liquidation.

Following the acceptance of application for bankruptcy by the People's Court, the liquidation group shall hand over the liquidation affairs to the bankruptcy administrator appointed by the people's court.

Article 195 Upon completion of the liquidation, the liquidation group shall submit a liquidation report to the shareholders' general meeting or the people's court for verification and the report shall be submitted to the registration authority of the Company in order to cancel the Company's registration.

Article 196 When performing the duties in relation to the liquidation, members of the liquidation group shall bear the duties of loyalty and diligence.

If members of the liquidation group are reluctant in performing their liquidation duties and cause losses to the Company, they shall be liable for compensation. A member of the liquidation group is liable to indemnify its creditors in respect of any loss arising from his intentional or gross negligence.

Article 197 Where the Company is lawfully declared bankrupt, bankruptcy liquidation shall be carried out in accordance with the relevant laws governing corporate insolvency.

Chapter 10 Amendment to these Articles of Association

Article 198 Under any one of the following circumstances, the Company shall amend these articles of association:

- (1) After amendment has been made to the Company Law or relevant laws, administrative regulations or securities regulatory rules of the place where the Company's shares are listed, the contents of these articles of association are in conflict with the amended laws, administrative regulations or securities regulatory rules of the place where the Company's shares are listed;
- (2) A change occurs in the Company's situation and such change is inconsistent with the matters stated herein;
- (3) The general meeting decides to amend these articles of association.

Article 199 Amendments to these articles of association approved by a resolution at the general meeting shall be subject to the approval of the competent authority and must be submitted to the competent authority for approval; if the amendments involve registration details of the Company, a change in registration particulars shall be carried out in accordance with laws.

Article 200 The board of directors shall amend these articles of association in accordance with the resolution of the general meeting on the amendment to these articles of association and the approving opinion of relevant competent authorities.

Article 201 Amendments to these articles of association that are required to be disclosed under laws, regulations and securities regulatory rules of the place where the Company's shares are listed shall be announced in accordance with relevant requirements.

Chapter 11 Supplementary Provisions

Article 202 Definitions

- (1) Controlling shareholder refers to a shareholder whose shareholding accounts for more than 50% of the Company's total share capital, or, although holding less than 50%, whose voting rights attached to the shares are sufficient to exert a major influence on resolutions of the general meeting, or controlling shareholder as defined in securities regulatory rules of the place where the Company's shares are listed.
- (2) Actual controller refers to any natural, legal person or other organizations who is able to actually control the Company's actions through investment relationships, agreements, or other arrangements.

- (3) Connected relationship refers to the relationship between the Company's controlling shareholders, actual controllers, directors or senior management members and the enterprises they directly or indirectly control, as well as other relationships that may cause the transfer of the Company's interests. However, enterprises controlled by the State shall not be deemed related-parties solely because they are under common State control. In these articles of association, "connected relationship" includes not only the above definitions, but also "connected relationship" as defined in the Hong Kong Listing Rules; "related party"/"connected person" includes the definition of "connected person" under the Hong Kong Listing Rules; "related transaction" includes a "connected transaction" as defined in the Hong Kong Listing Rules.
- (4) In these articles of association, the meaning of "accounting firm" is consistent with the meaning of "auditor" in the Hong Kong Listing Rules, and the meaning of "independent director" is consistent with the meaning of "independent non-executive director" in the Hong Kong Listing Rules.

Article 203 The board of directors may formulate detailed rules of these articles of association in accordance with the provisions of these articles of association. Such detailed rules shall not conflict with the provisions of these articles of association.

Article 204 These articles of association are written in Chinese. In the event of any discrepancy between versions in other languages or different versions of these articles of association and the Chinese version, the latest Chinese version after the latest approval and registration with the Qingdao Administration for Market Regulation shall prevail.

Article 205 The terms "above," "within," in these articles of association include the stated figure; "over," "outside," "below," and "more than" do not include the stated figure.

Article 206 These articles of association shall be interpreted by the Company's Board of directors.

Article 207 The appendices to these articles of association comprise the Rules of Procedure for shareholders' Meetings and the Rules of Procedure for Board Meetings.

Article 208 Subject to consideration and approval at the general meeting of the Company, these articles of association shall take effect and be implemented from the date on which H shares of the Company are listed on the Hong Kong Stock Exchange.