

**ARTICLES OF ASSOCIATION OF SHENZHEN ZHAOWEI MACHINERY &
ELECTRONICS CO., LTD.
(ADOPTED BY A SPECIAL RESOLUTION PASSED AT 2025 ANNUAL GENERAL
MEETING ON MAY 22, 2026)**

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CHAPTER I GENERAL PROVISIONS

Article 1 To safeguard the legitimate rights and interests of Shenzhen Zhaowei Machinery & Electronics Co., Ltd. (the “Company” or the “Joint Stock Company”) and its Shareholders, employees and creditors and to regulate the organization and activities of the Company, the Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (《中華人民共和國公司法》) (the “Company Law”), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》) (the “Securities Law”), the Guidance for the Articles of Association of Listed Companies (《上市公司章程指引》), the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (《深圳證券交易所股票上市規則》), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant provisions.

Article 2 The Company is a joint stock limited company established through the overall change of Shenzhen Zhaowei Machinery & Electronics Limited (深圳市兆威機電有限公司, the “Limited Company”) pursuant to the Company Law and other relevant provisions. The Company was established in the form of promotion, and the original creditor’s rights and debts of the Limited Company were succeeded to by the Joint Stock Company. The Company was registered with the Shenzhen Administration for Market Regulation, and has obtained its business license with the unified social credit code of 91440300728548191B.

Article 3 As approved by the China Securities Regulatory Commission (the “CSRC”) with the document number Zhen Jian Xu Ke [2020] no. 2873, the Company initially issued 26.67 million RMB-denominated ordinary shares (the “A Shares”) to the public on November 3, 2020 and was listed on the Shenzhen Stock Exchange (the “SZSE”) on December 4, 2020.

Upon the filing with the CSRC on November 21, 2025, the Company conducted the initial public offering of 26,748,300 overseas listed foreign shares (the “H Share(s)”) in Hong Kong, which were listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on March 9, 2026.

Article 4 The registered name of the Company: 深圳市兆威機電股份有限公司

The English name of the Company: SHENZHEN ZHAOWEI MACHINERY & ELECTRONICS CO., LTD

Article 5 The domicile of the Company: Room 101, Office Building No. 62 Yanhu Road, Yanchuan Community, Yanluo Subdistrict, Bao’an District, Shenzhen City.

Article 6 The registered capital of the Company is RMB267,482,700.

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

Article 8 The chairman of the Board of Directors shall be the legal representative of the Company. If the Director who is a legal representative resigns, he/she shall be deemed to have resigned as a legal representative at the same time. If a legal representative resigns, the Company shall determine a new legal representative within thirty days from the date of the resignation of the legal representative.

Article 9 The legal consequences of civil activities performed by the legal representative in the name of the Company shall be borne by the Company.

The limitation on the powers and functions of the legal representative under the Articles of Association or by the Shareholders' meeting shall not be asserted against a bona fide counterpart.

Where the legal representative causes damage to any other person in the performance of his/her duties, the Company shall bear civil liability for such damage. The Company may, after bearing such civil liability, seek indemnification from the legal representative at fault in accordance with laws or the Articles of Association.

Article 10 The Shareholders shall be liable for the Company to the extent of the shares they subscribed for, and the Company shall be liable for the Company's debts to the extent of all of its property.

Article 11 The Articles of Association shall, from the date when it comes into force, constitute a legally binding document regulating the organization and activities of the Company, the rights and obligations between the Company and each Shareholder and among the Shareholders, and shall be legally binding on the Company and its Shareholders, Directors, and senior management members. Pursuant to the Articles of Association, Shareholders may institute legal proceedings against other Shareholders; Shareholders may institute legal proceedings against Directors and senior management members of the Company; Shareholders may institute legal proceedings against the Company; and the Company may institute legal proceedings against Shareholders, Directors and senior management members.

Article 12 Senior management members referred to in the Articles of Association represent the general managers, deputy general managers, secretary of the Board of Directors, chief financial officer and other personnel specified in the Articles of Association.

Article 13 The Company shall establish an organization of the Communist Party and carry out Party activities in accordance with the requirements of the Constitution of the Communist Party of China. The Company shall provide necessary conditions for the activities of the Party organization.

CHAPTER II BUSINESS OBJECTIVE AND SCOPE

Article 14 The business objectives of the Company are to focus on R&D with a pioneering and enterprising spirit; respect rules and maintain proactive compliance; stand at the forefront of the industry and era and offer high-quality products and professional services to society. In this way, the Company achieves corporate values of innovation, excellence and mutual benefit.

Article 15 The business scope of the Company includes: technology development of molds, plastic & hardware products, gear boxes, transmission systems and electronic control products; sales of molds, plastic & hardware products, gear boxes, transmission systems, complete electromechanical equipment and electronic control products; domestic trade (excluding monopolized, licensed, or state-controlled commodities); import and export of goods and technologies (except for items prohibited by laws, administrative regulations, or decisions of the State Council; restricted items require permits prior to operation); general freight; contract processing of plastic products, electromechanical equipment and accessories, and bearings and accessories; production of molds, plastic & hardware products, gear boxes, transmission systems, complete electromechanical equipment and electronic control products; labor dispatch services.

CHAPTER III SHARES

Section 1 Issuance of Shares

Article 16 The shares of the Company shall take the form of registered stocks.

Article 17 The shares of the Company shall be issued in an open, fair and equal manner. Each share of the same class shall rank pari passu with each other.

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

The shares issued and listed on the SZSE are hereinafter referred to as “A Shares”; and the shares issued and listed on the Hong Kong Stock Exchange are hereinafter referred to as “H Shares”.

Article 18 All shares issued by the Company shall have nominal values denominated in RMB.

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

Article 20 The promoters of the Company are all the shareholders of the original Limited Company. The audited net assets of the Limited Company as of June 30, 2017 were converted into the Company’s total share capital of 80 million shares. The excess of the net assets over the total share capital was credited to the capital reserve. The total share capital of the Joint Stock Company was fully subscribed for by the promoters in proportion to the audited book net assets corresponding to their shareholdings in the Limited Company.

The name of promoters of the Company, the number of shares subscribed for, and the shareholding percentage are as follows:

No.	Name of promoters	Number of shares subscribed for (10 thousand shares)	Shareholding percentage (%)	Method of capital contribution
1	Shenzhen Qianhai Zhaowei Financial Holding Co., Ltd. (深圳前海兆威金融控股有限公司)	3,800	47.50	Shares converted from net assets
2	Li Haizhou (李海周)	1,949	24.36	Shares converted from net assets
3	Gongqingcheng Juzhaode Investment Management Partnership Enterprise (Limited Partnership) (共青城聚兆德投资管理合夥企業(有限合夥))	1,100	13.75	Shares converted from net assets

No.	Name of promoters	Number of shares subscribed for (10 thousand shares)	Shareholding percentage (%)	Method of capital contribution
4	Gongqingcheng Qingmo Venture Capital Partnership Enterprise (Limited Partnership) (共青城清墨創業投資合夥企業(有限合夥)) (former name: Gongqingcheng Qingmo Investment Management Partnership Enterprise (Limited Partnership) (共青城清墨投資管理合夥企業(有限合夥)))	1,100	13.75	Shares converted from net assets
5	Xie Weiqun (謝偉群)	51	0.64	Shares converted from net assets
Total		8,000	100	–

The share capital of the Company subscribed for by each promoter has been fully paid in.

Article 21 Upon the completion of the initial public offering of the H Shares, the total share capital of the Company comprises 267,482,700 shares, all of which are ordinary shares, including 240,734,400 A ordinary shares, representing 90.00% of the total share capital of the Company, and 26,748,300 H ordinary shares, representing 10.00% of the total share capital of the Company.

Article 22 The Company or its subsidiaries (including affiliated enterprises of the Company) shall not provide financial assistance in the form of, among others, gifts, advances, guarantees, or loan for others to acquire the shares of the Company or its parent company, except for implementation of the Company's employee stock ownership plan.

Unless otherwise stipulated by the securities regulatory rules of the place where the shares of the Company are listed, for the benefits of the Company, the Company may, upon a resolution by the Shareholders' meeting or by the Board of Directors under the Articles of Association or the authorization of the Shareholders' meeting, provide financial assistance to others for the acquisition of shares in the Company or its parent company, provided that the total accumulative amount of the financial assistance shall not exceed 10% of the total issued share capital. A resolution by the Board of Directors shall be adopted by two thirds or more of all the Directors.

Section 2 Increase, Reduction and Repurchase of Shares

Article 23 According to the operation and development needs of the Company, subject to the laws and regulations, the Company may increase the capital in the following ways upon approval of separate resolutions at the Shareholders' meetings:

- (I) issuing shares to unspecified parties;
- (II) issuing shares to specific targets;
- (III) distribution of bonus shares to existing Shareholders;

(IV) converting the reserve funds into share capital;

(V) other means approved by the laws, administrative regulations or approved by the CSRC and other securities regulatory authorities of the place where the shares of the Company are listed.

Article 24 The Company may decrease its registered capital. If the Company reduces its registered capital, such reduction shall be made in accordance with the procedures stipulated in the Company Law, other relevant regulations, and the Articles of Association.

Article 25 The Company shall not repurchase its own shares, unless otherwise under any of the following circumstances:

(I) to reduce the Company's registered capital;

(II) to merge with other companies holding shares in the Company;

(III) to use the shares for employee shareholding schemes or as equity incentives;

(IV) to acquire the shares of Shareholders (upon their request) who vote against any resolution adopted at any Shareholders' meetings regarding the merger or division of the Company;

(V) to use the shares to satisfy the conversion of the convertible corporate bonds into shares issued by the Company;

(VI) to safeguard corporate value and Shareholders' interests as the Company deems necessary.

Article 26 The Company may repurchase its own shares by means of open trading on a stock exchange or such other means as may be permitted by laws and regulations, the CSRC, and the regulatory authorities of the stock exchange where the Company's shares are listed. Where the Company repurchases its own shares under the circumstances set forth in items (III), (V) and (VI) of Article 25 hereof, such repurchase shall be conducted in a manner that complies with the securities regulatory rules of the stock exchange where the Company's shares are listed.

Article 27 Where the Company acquires its shares under the circumstances prescribed in items (I) and (II) of Article 25 hereof, such acquisition shall be resolved at a Shareholders' meeting; where the Company acquires its shares under the circumstances prescribed in items (III), (V) and (VI) of Article 25 hereof, such acquisition shall be resolved at a Board meeting attended by 2/3 or more of the Directors in accordance with the securities regulatory rules of the place where the shares of the Company are listed.

In accordance with the securities regulatory rules of the place where the shares of the Company are listed, where the Company acquires its shares under the circumstances prescribed in item (I) of Article 25 hereof, such shares shall be cancelled within ten days from the date of acquisition. Where the shares are acquired under the circumstances prescribed in items (II) and (IV), such shares shall be transferred or cancelled within six months. Where the shares are acquired under the circumstances prescribed in items (III), (V) and (VI), the total number of the shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or cancelled within three years.

Section 3 Transfer of Shares

Article 28 Shares of the Company shall be transferred in accordance with the laws. All transfers of H Shares shall be effected by way of written instrument of transfer in general or ordinary format or any such other format as acceptable to the Board of Directors (including the standard format of transfer or form of transfer as prescribed by the Hong Kong Stock Exchange from time to time). Such instrument of transfer shall only be signed by hand or, if the transferor or the transferee is a company, affixed with a valid seal of such company. If the transferor or transferee is a recognized clearing house (the “Recognized Clearing House”) as defined under the relevant ordinances of the Hong Kong laws in force from time to time or its nominees, the written instrument of transfer may be signed by hand or in machine-printed form. All instruments of transfer shall be kept at the legal address of the Company or other places as may be designated by the Board of Directors from time to time.

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

Article 30 Shares issued prior to the initial public offering of A Shares of the Company shall not be transferred within one year from the date on which the A Shares of the Company are listed and traded on the stock exchange. Where laws, administrative regulations or the securities regulatory authority of the State Council have other provisions governing the transfer of company shares held by shareholders and the actual controlling party of a company, those provisions shall prevail.

The Directors and senior management of the Company shall notify the Company of their holdings of shares (including preferred shares) in the Company and the changes therein. The shares transferable by them during each year of their tenures as determined at the time of appointment shall not exceed 25% of their total holdings of shares of the same class in the Company. The shares in the Company held by them shall not be transferred within one year from the date on which the Company’s shares are listed for trading. The shares in the Company held by them shall not be transferred within half a year from their departure from the Company.

Where the securities regulatory rules of the place where the shares of the Company are listed provide otherwise in respect of the restrictions on the transfer of the Company’s shares, such rules shall prevail.

Article 31 Any gains from sale of Company’s shares or other securities with an equity nature by the Directors, senior management members or Shareholders holding 5% or more of the Company’s shares within six months after their purchase of the same, and any gains from the purchase of the shares or other securities with an equity nature by any of the aforesaid parties within six months after sale of the same shall be disgorged and paid to the Company, and the Board of Directors of the Company shall be responsible for recovering such gains from the abovementioned parties. However, this provision shall not apply where any securities company holds 5% or more of the shares as a result of purchasing remaining shares after underwriting, or under other circumstances stipulated by the CSRC.

Shares or other securities with the nature of equity held by Directors, senior management and individual Shareholders as mentioned in the preceding paragraph include shares or other securities with the nature of equity held by their spouses, parents or children, or held by them by using other people’s accounts.

If the Board of Directors of the Company fails to comply with the first paragraph, the Shareholders are entitled to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to do so within the aforesaid period, the Shareholders are entitled to initiate litigation directly in the People's Court in their own names for the interest of the Company.

If the Board of Directors of the Company fails to comply with the first paragraph, the responsible Directors shall bear joint and several liability in accordance with law.

CHAPTER IV SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Section 1 Shareholders

Article 32 The Company shall set up a register of Shareholders based on the certificates provided by the securities registration agency. The register of Shareholders shall be sufficient evidence proving the holding of the shares of the Company by a Shareholder.

The original copy of the register of Shareholders of H Shares shall be kept in Hong Kong for inspection by the Shareholders, however, the procedure for registration of Shareholders may be suspended by the Company in accordance with the applicable laws, regulations and securities regulatory rules of the place where the shares of the Company are listed. Any Shareholder who is registered in the register of Shareholders or any person who requests to have his/her name entered into the register of Shareholders may apply to the Company for a replacement certificate in respect of such shares (the "Relevant Shares") if his/her share certificate (the "Original Share Certificate") is lost. Applications for the replacement of overseas listed share certificates shall be dealt with in accordance with the laws, rules of stock exchange(s) and other relevant provisions of the place where the original register of holders of overseas listed shares is kept.

A Shareholder shall enjoy rights and assume obligations as per the class of the shares held by them. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

Article 33 Where the Company convenes a Shareholders' meeting, distributes dividends, liquidates and participates in other activities requiring the recognition of Shareholders' identities, the Board or the convener of the Shareholders' meeting shall decide the record date, and shareholders whose names appear on the register of Shareholders at the close of business on the record date are entitled to relevant rights and interests.

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

- (I) to receive dividends and other forms of benefit distribution in proportion to the number of shares held;
- (II) to legally request, convene, preside over, attend Shareholders' meetings either in person or by proxy and exercise corresponding voting rights;
- (III) to monitor, make suggestions on or make inquiries about the Company's operation;
- (IV) to transfer, gift or pledge shares in his/her/its possession in accordance with the law, administrative regulations, and provisions of the Articles of Association;
- (V) to inspect and copy the Articles of Association, the register of Shareholders, Shareholders' meeting minutes, resolutions of meetings of the Board of Directors, and financial and accounting reports. Shareholders who meet the requirements may inspect the Company's accounting books and certificates;

- (VI) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in proportion to the number of shares held;
- (VII) to require the Company to acquire the shares from Shareholders voting against any resolutions adopted at the Shareholders' meeting concerning the merger and division of the Company;
- (VIII) other rights conferred by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Article 35 If any Shareholder proposes to inspect and copy the relevant information mentioned in the preceding Article or asks for information, the said Shareholder shall provide the Company with written documents bearing evidence of the class and number of shares of the Company held by him/her/it, and the Company shall provide the information as required by the said Shareholder upon verification of his/her/its identity.

If a Shareholder who holds more than 3% of the Company's shares individually or jointly for 180 consecutive days or more requests to inspect the Company's accounting books and accounting vouchers, he/she shall submit a written request to the Company stating the purpose. If the Company has a reasonable basis to believe that the Shareholder's inspection of accounting books and accounting vouchers has an improper purpose and may harm the legitimate interests of the Company, it may refuse to provide such access, and shall reply to the Shareholder in writing and explain the reasons within 15 days from the date of the Shareholder's written request. If the Company refuses to provide an access, the Shareholder may file an action with the people's court. The Shareholder may retain an accounting firm, a law firm, or any other intermediary to inspect the materials specified in the preceding paragraph. The Shareholder and the accounting firm or law firm retained by it shall comply with the provisions of laws and administrative regulations on the protection of state secrets, trade secrets, personal privacy, and personal information, among others, when inspecting and duplicating the relevant materials.

Article 36 If the content of the resolution of the Company's Shareholders' meeting or a Board meeting violates laws, administrative regulations, the Shareholders have the right to request the people's court to declare it invalid.

If the procedures for convening, or the method of voting at, a Shareholders' meeting or a Board meeting violate laws, administrative regulations or the Articles of Association, or the content of the resolution violates the Articles of Association, the Shareholders have the right to request the people's court to revoke the resolution within 60 days from the date on which the resolution is made, unless the procedures for convening, or the method of voting at, a Shareholders' meeting or a Board meeting only contain a minor defect without a substantial impact on the resolution.

Where the Board of Directors, Shareholders and other stakeholders dispute the validity of a resolution of a Shareholders' meeting, they shall promptly file a lawsuit with the people's court. Before the people's court makes a judgement or ruling to rescind the resolution, the stakeholders shall execute the resolution of the Shareholders' meeting. The Company, Directors and senior management members shall perform their duties diligently to ensure the normal operation of the Company.

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

Article 37 Resolutions of the Shareholders' meeting or Board meeting of the Company shall not be valid under any of the following circumstances:

- (I) No Shareholders' meeting or Board meeting has been convened to pass the resolution;
- (II) The resolution is not voted on at the Shareholders' meeting or Board meeting;
- (III) The number of persons attending the meeting or the number of voting rights held does not reach the number of persons or the number of voting rights held as provided for in the Company Law or the Articles of Association;
- (IV) The number of persons agreeing to the resolution or the number of voting rights held does not reach the number of persons or the number of voting rights held as provided for in the Company Law or the Articles of Association.

Article 38 In the event of any loss caused to the Company as a result of violation of any laws, administrative regulations or Articles of Association by the Directors or senior management members other than members of the Audit Committee when performing their duties in the Company, the Shareholders holding 1% or more shares individually or jointly for 180 consecutive days or more may submit a written request to the Audit Committee to file an action with the people's court. Where the members of the Audit Committee violate laws, administrative regulations or the Articles of Association in their duty performance and cause losses to the Company, the aforementioned Shareholders may submit a written request to the Board of Directors to file an action with the people's court.

In the event that the Audit Committee or the Board of Directors refuses to file an action upon receipt of the Shareholders' written request specified in the preceding paragraph, or fails to file an action within 30 days upon receipt thereof, or in the event that the failure to immediately file an action in an emergency case will cause irreparable damage to the interests of the Company, the Shareholders specified in the preceding paragraph may, in their own name, directly file an action with the people's court for the interest of the Company.

Where other parties infringe upon the lawful interests of the Company resulting in losses to the Company, the Shareholders stipulated in the first paragraph of this Article may file an action with the people's court in accordance with the provisions of the preceding two paragraphs.

Where the Directors, the Supervisors or senior management members of a wholly-owned subsidiary of the Company violate the provisions of laws, administrative regulations or the Articles of Association during the performance of their duties and cause losses to the Company, or if other parties infringe upon the legitimate rights and interests of a wholly-owned subsidiary of the Company and cause losses, the Shareholders holding 1% or more shares of the Company individually or jointly for 180 consecutive days or more, in accordance with the provisions of the first three paragraphs of Article 189 of the Company Law, are entitled to request the board of supervisors and the board of directors of the wholly-owned subsidiary to file an action with the people's court in writing or directly file an action with the people's court in their own name.

Article 39 In the event that a Director or senior management members violate laws, administrative regulations or the 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:

- (I) to abide by laws, administrative regulations and the Articles of Association;
- (II) to pay the capital contribution according to the shares subscribed for and the method of subscription;
- (III) not to return shares unless prescribed otherwise in laws and regulations;
- (IV) 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;
- (V) to perform other duties prescribed in laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Article 41 The Shareholder of the Company who abuses Shareholders' rights and causes the Company or other Shareholders to suffer a loss shall be liable for making compensation in accordance with the law. The Shareholder of the Company 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.

Article 42 If a Shareholder holding 5% or more of the voting shares of the Company pledges the shares he/she holds, he/she shall make a written report to the Company on the date of occurrence of such fact. If the Controlling Shareholders and de facto controllers pledge the Company's shares they hold or actually control, they should maintain the Company's control rights and ensure stable production and operation.

Article 43 The Controlling Shareholders and actual controllers of the Company shall not use their connected relationship to damage the legitimate interests of the Company; those who violate the rules and cause losses to the Company shall be liable for compensation.

The Controlling Shareholders and actual controllers of the Company shall bear the fiduciary duties toward the Company and public Shareholders of the Company. The Controlling Shareholders shall exercise their rights as investors in strict compliance with relevant laws. They may not use such means as profit distribution, asset restructuring, external investment, capital occupation, loan guarantee, etc., to damage the legitimate rights and interests of the Company and public Shareholders, nor make use of its controlling status to damage the interests of the Company and public Shareholders.

When transferring their shares in the Company, the Controlling Shareholders and actual controllers shall comply with the restrictive provisions on share transfer under laws, administrative regulations, the requirements of the CSRC and the stock exchange, as well as any commitments they have made regarding share transfer restrictions.

Section 2 General Provisions in Relation to the Shareholders' Meetings

Article 44 The Shareholders' meeting of the Company shall be composed of all Shareholders. The Shareholders' meeting is the organ of authority of the Company, and shall exercise the following functions and powers in accordance with the law:

- (I) to elect and replace Directors, and to decide on matters relating to the remuneration of Directors;
- (II) to consider and approve the reports of the Board;
- (III) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (IV) to resolve on the increase or reduction of the registered capital of the Company;
- (V) to resolve on the issue of bonds of the Company;
- (VI) to resolve on the merger, division, dissolution, liquidation or change of corporate form of the Company;
- (VII) to amend the Articles of Association;
- (VIII) to resolve on the appointment and dismissal of the accounting firm that undertakes the auditing activities of the Company;
- (IX) to consider and approve the guarantee matters stipulated in Article 45 of the Articles of Association;
- (X) to consider the purchase or disposal of material assets within one year with an amount exceeding 30% of the latest audited total assets of the Company;
- (XI) to consider and approve the change in use of proceeds;
- (XII) to consider share incentive schemes and employee share ownership schemes;

(XIII) to consider the following transactions:

1. related party transactions of the Company (excluding the receipt of cash assets and provision of guarantee by the Company) with an amount of RMB30 million or more and accounting for 5% or more of the absolute value of the Company's latest audited net assets;
2. non-related party transactions: acquisition or disposal of assets (excluding the purchase of raw materials, fuels and power, or the sale of assets related to the daily operations, such as products or commodities, but include the acquisitions and disposals of such assets in asset replacement); external investments (including entrusted wealth management, entrusted loans and risk investment); provision of financial assistance; leasing of assets as lessor or lessee; entering into of management contracts (including entrusted or trusted operation); donating or receiving assets as a gift (other than receiving cash assets as a gift); restructuring of claims or debts; transferring research and development projects; and entering into of license agreement and other transactions by the Company that meet the following criteria:
 - (1) Where the total assets involved in the transaction account for 50% or more of the latest audited total assets of the Company, and the total assets involved in the transaction have both book value and appraised value, the higher shall be taken for calculation;
 - (2) Where the net assets involved in the transaction subject (such as equity) account for 50% or more of the latest audited net assets of the Company, with an absolute amount exceeding RMB50 million, and the net assets involved in the transaction have both book value and appraised value, the higher shall be taken for calculation;
 - (3) The operating revenue of the transaction subject (such as equity) in the latest fiscal year accounts for 50% or more of the audited operating revenue of the Company in that year, with an absolute amount exceeding RMB50 million;
 - (4) The net profit of the transaction subject (such as equity) for the latest fiscal year accounts for 50% or more of the Company's audited net profit in that year, with an absolute amount exceeding RMB5 million;
 - (5) The transaction amount of the transaction (including the debt and expenses) accounts for 50% or more of the latest audited net assets of the Company, with an absolute amount exceeding RMB50 million;
 - (6) The profit derived from the transaction accounts for 50% or more of the Company's audited net profit in the latest fiscal year, with an absolute amount exceeding RMB5 million;
 - (7) Transactions beyond the approval authority of the Board of Directors as specified in Article 115 of these Articles of Association.

For transactions meeting the above criteria, if the transaction target is company equity, the latest audited one-year and one-period financial accounting report of the target assets should be disclosed. The audit opinions issued by the accounting firm should be unqualified opinions, and the audit base date should not exceed six months from the date of the shareholders' meeting to deliberate on relevant transaction matters. If the transaction subject is assets other than equity, the valuation report issued by the asset appraisal institution for the subject asset shall be disclosed. The base date of the appraisal shall not be more than one year prior to the date of the Shareholders' meeting at which the transaction matter is considered. For transactions that do not meet the aforesaid criteria, if the CSRC or the stock exchange of the place where the Company's shares are listed deems it necessary, the Company shall also engage relevant accounting firm or asset appraisal institution to conduct audit or appraisal in accordance with the aforesaid provisions.

Unless otherwise provided in the securities regulatory rules of the place where the Company's shares are listed, the above provisions shall apply to the same type of transactions in relation to the transaction subject of the Company within 12 months based on the principle of cumulative calculation. If a number involved in the above indicators is negative, its absolute value shall be taken for the purpose of calculation.

- (XIV) to consider other matters required by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association to be decided by the Shareholders' meetings.

The Shareholders' meeting may authorize the Board of Directors to make a resolution on the issuance of bonds of the Company.

The Company may, upon resolution of the Shareholders' meeting or upon resolution of the Board of Directors authorized by the Articles of Association and the Shareholders' meeting, issue shares or corporate bonds convertible into shares, and their specific implementation shall be in compliance with laws, administrative regulations, provisions of the CSRC and the stock exchange.

Except as otherwise provided by laws, administrative regulations, provisions of the CSRC and rules of stock exchange, the above functions and powers of the Shareholders' meeting shall not be exercised by the Board of Directors or other institutions and personnel on its behalf by way of authorization.

Article 45 The following external guarantees of the Company shall be considered and approved at the Shareholders' meeting:

- (I) any guarantee provided after the total amount of external guarantees provided by the Company and its holding subsidiaries has exceeded 50% of the Company's latest audited net assets;
- (II) any guarantee provided after the total amount of external guarantees provided by the Company and its holding subsidiaries has exceeded 30% of the Company's latest audited total assets;

- (III) any guarantee provided for the entity whose asset-liability ratio exceeds 70% according to the latest financial statement data;
- (IV) any guarantee with a single sum of guarantee that has exceeded 10% of the latest audited net assets;
- (V) the amount of guarantees provided by the Company to others for 12 consecutive months exceeding 30% of the Company's latest audited total assets;
- (VI) guarantees provided to the Shareholders, actual controllers and their related parties;
- (VII) other guarantee circumstances as stipulated by laws, regulations, normative documents, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

When considering the guarantee matter in item (V) of the preceding paragraph at the Shareholders' meeting, it shall be approved by two thirds or more of the voting rights held by the Shareholders present at the meeting. When considering the proposal on guarantee provided for the Shareholders, actual controllers and their related parties at the Shareholders' meeting, the Shareholders or the Shareholders controlled by actual controllers shall not participate in the voting on such matter. Such voting shall be approved by more than half of the voting rights held by other Shareholders present at the Shareholders' meeting.

Where a Director, senior management personnel or other related personnel of the Company enter into a guarantee contract in excess of their authority without complying with the aforesaid procedures and cause damage to the Company, he/she shall be held accountable and fined or punished depending on the seriousness of the case.

Article 46 The Shareholders' meetings are classified into annual Shareholders' meetings and extraordinary Shareholders' meetings. The annual Shareholders' meeting shall be convened once a year and be held within six months of the end of the previous fiscal year.

Article 47 In any of the following circumstances, the Company shall convene an extraordinary Shareholders' meeting within two months from the date of the occurrence of the circumstance:

- (I) When the number of Directors falls short of the statutory number specified in the Company Law or is less than two-thirds of the number specified in the Articles of Association;
- (II) When the unrecovered losses of the Company amount to one-third of the total share capital;
- (III) When Shareholders individually or jointly holding 10% or more of the shares (including preference shares with restored voting rights) of the Company request to hold such a meeting;
- (IV) When the Board of Directors deems it necessary;
- (V) When the Audit Committee proposes to hold such a meeting;

- (VI) Other circumstances as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

Article 48 The venue for holding a Shareholders' meeting of the Company shall be the domicile of the Company or such other places as notified by the convener of the Shareholders' meeting.

A venue shall be set up for a Shareholders' meeting to be convened by means of physical meeting. The Company shall also provide online or other means to facilitate Shareholders' participation in the Shareholders' meeting according to the contents to be considered at the meeting. Shareholders attending the Shareholders' meeting by the aforesaid means shall be deemed as present.

In case the Shareholders' meeting convened by the Company casts votes online, a safe, economical and convenient online voting system for the Shareholders' meeting shall be provided to Shareholders. Investors who have passed the identity verification of the online voting system of the Shareholders' meeting are confirmed of their duly valid identities as Shareholders and possession of duly valid voting rights. In case the Shareholders' meeting convened by the Company casts votes via other means acknowledged or required by securities regulatory authorities, identity of Shareholders shall be confirmed in accordance with relevant rules of proceedings.

Article 49 When holding a Shareholders' meeting, the Company shall engage lawyers to give legal opinions and make an announcement on the following matters:

- (I) Whether the procedures for convening and holding the meeting comply with laws, administrative regulations and the Articles of Association;
- (II) Whether the eligibility of the attendees and the convener of the meeting is lawful and valid;
- (III) Whether the voting procedure and results of the meeting are lawful and valid;
- (IV) Legal opinions issued in respect of other related matters upon the request of the Company.

Section 3 Convening of Shareholders' Meetings

Article 50 The Board of Directors shall convene the Shareholders' meeting within the prescribed time limit.

After obtaining the consent of a majority of all independent Directors, an independent Director has the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting. Upon receiving such a proposal, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene an extraordinary Shareholders' meeting.

If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days after making the Board resolution. If the Board of Directors disagrees to convene an extraordinary Shareholders' meeting, it shall state the reasons and make an announcement.

Article 51 Where the Audit Committee proposes to the Board of Directors to convene an extraordinary Shareholders' meeting, it shall submit such proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene an extraordinary Shareholders' meeting.

If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within five days after making the Board resolution. Any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee.

If the Board of Directors disagrees with convening an extraordinary Shareholders' meeting or fails to provide feedback within ten days of receipt, it shall be deemed that the Board of Directors is unable or fails to perform its duty to convene the Shareholders' meeting. In such cases, the Audit Committee may convene and preside over the meeting on its own.

Article 52 Shareholders who individually or jointly hold 10% or more of the Company's shares (including preference shares with restored voting rights) and requests the Board of Directors to convene an extraordinary Shareholders' meeting shall submit such request in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association, provide a written response within ten days of receipt, indicating whether it agrees or disagrees to convene an extraordinary Shareholders' meeting.

If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within five days after making the Board resolution. Any changes to the original request in the notice shall be subject to the consent of the relevant Shareholders.

If the Board of Directors disagrees to convene an extraordinary Shareholders' meeting, or fails to provide feedback within ten days of receipt, Shareholders who individually or jointly hold 10% or more of the Company's shares (including preference share with restored voting rights) and propose to the Audit Committee to convene an extraordinary Shareholders' meeting shall submit such request in writing to the Audit Committee.

If the Audit Committee agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within five days after receiving the request. Any changes to the original request in the notice shall be subject to the consent of the relevant Shareholders.

If the Audit Committee fails to issue a notice of the Shareholders' meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the Shareholders' meeting. In such cases, Shareholders who individually or jointly hold 10% or more of the Company's shares (including preference shares with restored voting rights) for 90 consecutive days or more may convene and preside over the meeting on their own.

Article 53 Where the Audit Committee or Shareholders decide to convene a Shareholders' meeting on their own, a written notice must be given to the Board of Directors and a record must be filed with the stock exchange where the Company's shares are listed.

Prior to the announcement of a resolution of a Shareholders' meeting, the shareholding of Shareholders convening the meeting (including preference share with restored voting rights) shall not be less than 10%.

The Audit Committee or the Shareholders convening the meeting shall submit relevant supporting materials to the stock exchange where the Company's shares are listed when sending the notice of the Shareholders' meeting and the announcement of the resolutions of the Shareholders' meeting.

Article 54 For a Shareholders' meeting convened by the Audit Committee or Shareholders on their own, the Board of Directors and the secretary of the Board of Directors shall provide cooperation. The Board of Directors shall provide the register of Shareholders as of the record date.

Article 55 For a Shareholders' meeting convened by the Audit Committee or Shareholders on their own, the expenses necessary for the meeting shall be borne by the Company.

Section 4 Proposals and Notices of Shareholders' Meetings

Article 56 The content of a proposal shall fall within the terms of reference of a Shareholders' meeting with a clear topic and specific matters to be resolved, and shall comply with the relevant provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 57 When the Company convenes a Shareholders' meeting, the Board of Directors, the Audit Committee and Shareholders who individually or jointly hold 1% or more of the Company's shares (including preference shares with restored voting rights) shall be entitled to put forward proposals to the Company.

Shareholders who individually or jointly hold 1% or more of the Company's shares (including preference shares with restored voting rights) may put forward provisional proposals and submit the same to the convener in writing 10 days prior to the convening of the Shareholders' meeting. The convener shall issue a supplementary notice of the Shareholders' meeting within 2 days upon receipt of the proposals to announce the contents of the provisional proposal and submit the provisional proposals to the Shareholders' meeting for consideration, however, except for the provisional proposals that violates the requirements of the laws, administrative regulations or the Articles of Association, or are not within the terms of reference of the Shareholders' meeting. In the event that the Shareholders' meeting has to be postponed due to the issuance of the supplementary notice of the Shareholders' meeting in accordance with the securities regulatory rules of the place where the Company's shares are listed, the Shareholders' meeting shall be postponed in accordance with the securities regulatory rules of the place where the Company's shares are listed.

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

Proposals not set out in the notice of the Shareholders' meeting or not complying with the Articles of Association shall not be voted on or resolved at the Shareholders' meeting.

Article 58 The convener shall notify all Shareholders in writing (including by announcement) at least 21 days prior to the convening of an annual Shareholders' meeting, or at least 15 days prior to the convening of an extraordinary Shareholders' meeting.

The date of convening the meeting shall be excluded when calculating the starting date, but the date of issuing the notice shall be included.

Notices of the meeting shall be deemed to have been received by all relevant parties after the publication of such notices.

Article 59 Notice of the Shareholders' meeting shall contain:

- (I) the date, venue and duration of the meeting;
- (II) matters and proposals submitted for consideration at the meeting;
- (III) a clear statement that: each Shareholder is entitled to attend the Shareholders' meeting in person, or appoint one or more proxies in writing who need not be Shareholders of the Company, to attend and vote on his/its behalf;
- (IV) the record date of the Shareholders entitled to attend the Shareholders' meeting;
- (V) name and telephone number of permanent contact person for meeting affairs;
- (VI) time and procedures for voting online or by other means.

Notices and supplementary notices of Shareholders' meetings shall adequately and completely disclose the specific contents of all proposals. Where the opinions of an independent Director are required on the matters to be discussed, such opinions and reasons thereof shall also be disclosed when the notices or supplementary notices of Shareholders' meetings are served.

Where a Shareholders' meeting is held online or otherwise, the time and procedures for voting online or by other means shall be specifically stated in the notice of the Shareholders' meeting. The time for voting online or by other means of the Shareholders' meeting shall refer to the current Implementation Rules of Online Voting at Shareholders' Meeting or relevant provisions of the stock exchange where the Company's shares are listed. The interval between the record date and the date of the meeting shall be no less than 2 working days and no more than 7 working days. Once confirmed, the record date shall not be changed.

Article 60 If matters related to the election of Directors are proposed to be discussed at a Shareholders' meeting, detailed information of the candidates for Directors shall be fully disclosed in the notice of the Shareholders' meeting, including at least the following:

- (I) his/her personal particulars such as educational background, work experience and part-time employment;
- (II) whether he/she has a connected relationship with the Company or the controlling shareholder and actual controller of the Company;
- (III) the number of shares of the Company held by him/her;
- (IV) whether he/she has been penalized by the CSRC and other relevant authorities and disciplined by a stock exchange.

Except for the election of Directors by adopting a cumulative voting system, the election of each candidate for a Director shall be made by way of a separate proposal.

Article 61 After the issuance of the notice of a Shareholders' meeting, such Shareholders' meeting shall not be postponed or cancelled without a proper reason, and the proposals set out in the notice of the Shareholders' meeting shall not be revoked. In the event of postponement or cancellation, the convener shall make an announcement stating the reasons at least 2 working days prior to the original date of the meeting. In respect of the procedures for postponing or cancelling a Shareholders' meeting, if the securities regulatory rules of the place where the Company's shares are listed specify otherwise, the provisions thereof shall prevail provided that they do not contravene the domestic regulatory requirements.

Section 5 Holding of Shareholders' Meetings

Article 62 The Board of Directors and other conveners of the Company shall take all necessary measures to ensure the normal order of a Shareholders' meeting. Measures shall be taken to stop acts of interfering with Shareholders' meetings, picking quarrels and provoking trouble and infringing on the legitimate rights and interests of Shareholders, which shall be promptly reported to relevant authorities for investigation and punishment.

Article 63 All Shareholders of ordinary shares (including preference Shareholders with restored voting rights) registered on the record date for equity registration and Shareholders holding shares with special voting rights or their proxies shall be entitled to attend the Shareholders' meeting, at which they shall have the right to speak and exercise voting rights in accordance with relevant laws, regulations, and the Articles of Association (unless individual Shareholders are required to abstain from voting on certain matters under the securities regulatory rules of the place where the Company's shares are listed).

Shareholders may attend a Shareholders' meeting in person, or may appoint a proxy to attend and vote on their behalf.

Article 64 An individual Shareholder that attends the meeting in person shall produce his/her own identity card or other valid documents or proof evidencing his/her identity. If he/she appoints a proxy to attend the meeting on his/her behalf, the proxy shall produce his/her own valid proof of identity and the power of attorney issued by the Shareholder.

Shareholder who is a corporation or other organization shall attend the meeting by its legal representative or a proxy appointed by the legal representative. If the legal representative attends the meeting, he/she shall produce his/her own identity card and a valid proof evidencing his/her legal representative status. If a proxy has been appointed to attend the meeting, such proxy shall produce his/her own identity card and the written power of attorney duly issued by the legal representative of the Shareholder as a corporation or other organization, except for a Shareholder who is a Recognized Clearing House and its nominees. The representative appointed by the natural person managing partner or the corporate managing partner of a limited partnership enterprise shall be deemed to be the legal representative of the limited partnership enterprise.

Article 65 The power of attorney issued by Shareholders to authorize others to attend the Shareholders' meeting shall contain the following contents:

- (I) name of the appointer, and the class and number of shares held in the Company;
- (II) the name of the proxy;
- (III) the specific instructions of the Shareholder, including the instructions to vote for, against, or abstain from voting in respect of each of the matters on the agenda to be considered at the Shareholders' meeting;
- (IV) date of issue and validity period of the power of attorney;
- (V) signature (or seal) of the appointer.

If the appointer is a corporate Shareholder, such power of attorney shall be affixed with the official seal of the corporate entity or signed by its Director or proxy duly authorized. If the appointer is a Shareholder of the partnership enterprise, such power of attorney shall be affixed with the seal of the partnership enterprise and the seal or signature of the managing partner.

Article 66 The power of attorney shall specify if no specific instruction is given by the Shareholder, whether the proxy of the Shareholder may vote at his/her own discretion.

Article 67 The proxy voting authorization letter shall be kept at the Company's registered office or another location specified in the notice convening the meeting at least twenty-four hours prior to the relevant meeting for which the proxy votes, or twenty-four hours before the designated voting time. Where the power of attorney is signed by a person authorized by the appointer, the power of attorney or other authorization instruments to authorize the signing shall be notarized. The notarized power of attorney or other authorization instruments, together with the voting power of attorney are required to be lodged at the domicile of the Company or other places as specified in the notice of the meeting.

Where the appointer is a corporate, its legal representative or the person authorized by the resolution of its Board of Directors or other decision-making body shall act as a representative to attend the Shareholders' meeting of the Company on behalf of the appointer.

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 or its nominee at any Shareholders' meeting or any meeting of creditors; however, if one or more persons are so authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized. The power of attorney shall be signed by the person authorized by the Recognized Clearing House. A person so authorized may attend the meeting (no shareholding voucher, notarized authorization and/or further evidence of the duly authorization is required) and exercise rights on behalf of the Recognized Clearing House (or its nominees), as if such person is an individual Shareholder of the Company (and shall have the same legal rights as other Shareholders, including the right to speak and to vote).

Article 68 The Company shall be responsible for preparing the register of meeting for recording attendance at the meeting. The register of meeting shall record, among other things, the name of the attending person (or entity), identity card number, domicile addresses, the number of shares held with voting rights or representing voting rights, and the names of the appointing Shareholders (or the names of the entities they represent).

Article 69 The convener and the lawyer appointed by the Company shall verify the legality of Shareholders' qualifications based on the register of Shareholders provided by the securities depository and clearing institution, and register the names of the Shareholders and the number of shares with voting rights held by them. The registration of the meeting shall be terminated prior to the announcement by the chairman of the meeting on the number of Shareholders and proxies attending the meeting in person and the total number of shares with voting rights held by them.

Article 70 If the Shareholders' meeting requires Directors and senior management members to attend the meeting as observers, the Directors and senior management members shall attend as observers and answer inquiries from Shareholders.

Article 71 A Shareholders' meeting shall be chaired by the chairman of the Board of Directors. In the event that the chairman of the Board of Directors is unable to or fails to perform his/her duties, the vice chairman shall perform such duties; if the vice chairman is unable to or fails to perform his/her duties, a Director jointly elected by more than half of the Directors shall chair the meeting.

A Shareholders' meeting convened by the Audit Committee on its own initiative shall be chaired by the convener of the Audit Committee. In the event that the convener of the Audit Committee is unable to or fails to perform his/her duties, a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee shall chair the meeting.

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

When convening a Shareholders' meeting, if the chairman of the meeting breaches the procedural rules causing the Shareholders' meeting unable to proceed, with the consent of more than half of the Shareholders with voting rights attending the Shareholders' meeting in person, the Shareholders' meeting may nominate a person to act as the chairman of the meeting to continue convening such meeting.

Article 72 The Company shall formulate the rules of procedure for Shareholders' meeting, which shall specify in details the convening, holding and voting procedures for the Shareholders' 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 announcement, as well as the principles for authorization by the Shareholders' meeting to the Board of Directors, and the content of authorization shall be clear and specific. The rules of procedure for Shareholders' meeting shall be an appendix to the Articles of Association, formulated by the Board and approved at the Shareholders' meeting.

Article 73 At the annual Shareholders' meeting, the Board of Directors shall report their work in the previous year to the Shareholders' meeting. Each independent Director shall also present a work report.

Article 74 Directors and senior management members shall provide explanations and clarifications on the queries and suggestions from Shareholders at the Shareholders' meeting.

Article 75 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 76 The Shareholders' meeting shall keep minutes of meeting, which shall be the responsibility of the secretary of the Board of Directors. The minutes of meeting shall contain the following content:

- (I) the time, venue and agenda of the meeting, and the name of the convener;
- (II) the names of the chairman of the meeting and the Directors and senior management members attending the meeting or attending at the meeting as observers;
- (III) 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;
- (IV) the deliberation process of each proposal, summaries of the speeches and the voting results;
- (V) the details of the queries, comments or recommendations of the Shareholders, and the corresponding responses or explanations;
- (VI) the names of the lawyer, counter and the scrutineer of votes;
- (VII) other contents that should be recorded in the minutes of meeting as provided in the Articles of Association.

Article 77 The convener shall ensure that the contents of the minutes of meeting are true, accurate and complete. The Directors, secretary of the Board of Directors, the convener or representative thereof, and the chairman of the meeting who have attended or observed 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 78 The convener shall ensure that the Shareholders' meeting is held continuously until final resolutions have been reached. In the event that the Shareholders' 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 Shareholders' meeting as soon as possible or directly terminate such meeting and made an announcement in a timely manner. The convener shall also report to the local branch of the CSRC and the stock exchange in the place where the Company is located.

Section 6 Voting and Resolutions at Shareholders' Meetings

Article 79 Resolutions of the Shareholders' meeting include ordinary resolutions and special resolutions.

An ordinary resolution at a Shareholders' meeting shall be passed by more than half of the voting rights held by Shareholders (including their proxies) attending at the Shareholders' meeting.

A special resolution at a Shareholders' meeting shall be passed by two-thirds or more of the voting rights held by Shareholders (including their proxies) attending at the Shareholders' meeting.

If at any time the share capital of the Company is divided into different classes of shares, subject to relevant laws, administrative regulations and securities regulatory rules of the place where the Company's shares are listed and unless otherwise provided for in the terms of issue of the relevant class of shares, all or any of the rights for the time being attached to the issue of shares of any class may only be varied or abrogated with the consent in writing by the person holding not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a resolution passed at a separate meeting by the holders holding three-fourths in nominal value of the issued shares of that class present in person or by proxy and voting at that meeting.

Article 80 The following matters shall be resolved by an ordinary resolution at a Shareholders' meeting:

- (I) work reports of the Board;
- (II) plans formulated by the Board for the distribution of profits and for making up losses;
- (III) appointment and removal of the members of the Board of Directors, their remunerations and methods of payment;
- (IV) matters other than those required by the laws and administrative regulations and the securities regulatory rules of the place(s) where the shares of the Company are listed or by the Articles of Association to be adopted by special resolution.

Article 81 The following matters shall be resolved by a special resolution at a Shareholders' meeting:

- (I) the increase or reduction of registered share capital of the Company;
- (II) the split, spin-off, merger, dissolution and liquidation of the Company;
- (III) amendments to the Articles of Association;
- (IV) the acquisition or disposal of major assets or guarantees within one year with total amount reaching or exceeding 30% of the Company's latest audited total assets;
- (V) equity incentive plan;
- (VI) other matters as required by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, and considered by the Shareholders' 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 82 A Shareholder (including proxy thereof) may exercise voting rights in accordance with the number of shares represented by him/her carrying the right to vote and each share shall have one vote. When voting, a Shareholder (including proxy thereof) with two or more votes is not required to exercise all his/her voting rights entirely for, against, or abstain from a resolution. Where securities regulatory rules of the place where the Company's shares are listed have other provisions, such provisions shall prevail.

When significant matters affecting the interests of the minority Shareholders are considered at the Shareholders' 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 have no voting rights, and such shares shall not be counted towards the total number of shares with voting rights held by Shareholders attending the Shareholders' meeting.

If a Shareholder purchases 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 such shares shall not be counted towards the total number of shares with voting rights present at the Shareholders' meeting.

In accordance with the requirements of relevant laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, if any Shareholder is required to abstain from voting on the relevant proposal, or restricts any Shareholder from voting only for or against the designated proposal, any vote taken by such Shareholder or his/her representative in violation of the aforesaid provisions or restrictions shall not be counted in the voting results.

The Board of the Company, independent Directors, Shareholders holding 1% or more of the shares carrying voting rights or investor protection agencies established in accordance with laws, administrative regulations or requirements of the CSRC may publicly solicit Shareholders' voting rights. The specific voting intentions and other information shall be fully disclosed to the persons whose voting rights are being solicited when soliciting Shareholders' voting rights. It is forbidden to solicit Shareholders' voting rights with compensation or compensation in disguised form. The Company and the convener of the Shareholders' meeting shall not impose a minimum shareholding proportion limit on the solicitation of voting rights except for statutory conditions.

The soliciting parties shall bear compensation liabilities according to relevant laws for damages caused by violation of laws, administrative regulations or relevant provisions of the securities regulatory authorities of the State Council in the process of publicly soliciting Shareholders' rights which resulted in losses to the Company or its Shareholders.

Article 83 When the Shareholders' meeting deliberates on matters concerning related-party transactions, related Shareholders shall voluntarily abstain from and shall not participate in the voting. If a related Shareholder fails to voluntarily abstain from voting, other Shareholders present at the meeting shall have right to demand such Shareholder's abstention. The number of voting shares represented by such related Shareholder shall not be included in the total number of valid votes. The announcement of the resolutions of the Shareholders' meeting shall fully disclose the voting results of the non-related Shareholders.

The procedure for the abstention and voting of related Shareholders at a Shareholders' meeting is as follows:

- (I) When the Shareholders' meeting deliberates on a related-party transaction, the following Shareholders shall abstain from voting:
 - 1. The counterparty to the transaction;
 - 2. Those having direct or indirect control over the counterparty;
 - 3. Those directly or indirectly controlled by the counterparty;
 - 4. Those under the direct or indirect control of the same legal person or natural person as the counterparty;
 - 5. Those holding positions in the counterparty, or in a legal person (or other organization) that directly or indirectly controls the counterparty, or in a legal person (or other organization) directly or indirectly controlled by the counterparty;
 - 6. Close family members of the counterparty and its direct or indirect controlling parties;
 - 7. Those whose voting rights are restricted or influenced due to an unfulfilled share transfer agreement or other agreements with the counterparty or its affiliates;
 - 8. Legal persons or natural persons identified by the CSRC or the stock exchange where the Company's shares are listed as likely to cause the listed company to favor their interests.

- (II) If a matter to be deliberated at a Shareholders' meeting involves a related-party relationship with a Shareholder, such related Shareholder shall disclose the details of his/her/its related-party relationship to the Board of Directors before the Shareholders' meeting is held;
- (III) When the Shareholders' meeting deliberates on a matter concerning a related-party transaction, the chairperson of the meeting shall announce the related-party relationship between the related Shareholders and the matter. The chairperson shall explicitly declare that the related Shareholders must abstain, and the matter shall be deliberated and voted upon by the non-related Shareholders;
- (IV) When the Shareholders' meeting votes on a matter concerning a related-party transaction, after deducting the number of voting shares represented by the related Shareholders, the non-related Shareholders present at the meeting shall vote in accordance with the Articles of Association;

Article 84 The Company shall, while ensuring the legality and validity of the Shareholders' meeting, prioritize the use of modern information technology, such as online voting platforms, and provide various means and channels to facilitate Shareholders' participation in the Shareholders' meeting.

Article 85 Except in special circumstances, such as a crisis for the Company, the Company shall not, without the approval of the Shareholders' meeting by a special resolution, enter into any contract with any person, other than a director or senior management member, that delegate the management of all or a substantial part of the Company's business to that person.

Article 86 The list of candidates for directorship shall be submitted as a proposal to the Shareholders' meeting for voting. The methods and procedures for nominating directors are as follows:

- (I) When the Board of Directors is due for re-election or when the current Board of Directors intends to appoint additional directors, the current Board of Directors, or Shareholders holding, individually or collectively, 1% or more of the Company's shares, may nominate candidates for the next term of the Board of Directors or for the additional directorships;
- (II) Director candidates nominated by Shareholders shall be submitted to the Shareholders' meeting for election after the current Board of Directors has reviewed their qualifications.

The cumulative voting system shall be adopted when two or more directors are to be elected at a Shareholders' meeting. When electing directors using the cumulative voting system, the voting for independent directors and non-independent directors shall be conducted separately.

The "cumulative voting system" mentioned in the preceding paragraph refers to a system wherein, at the election of directors at a shareholders' meeting, each share carries voting rights equal to the number of directors to be elected, and the voting rights held by a Shareholder can be applied to a single candidate. The Board of Directors shall disclose the biographical details and basic information of the director candidates to the Shareholders.

When the Shareholders' meeting adopts the cumulative voting system to elect directors, the following rules shall be followed:

- (I) Each voting share is entitled to the number of votes equal to the number of directors to be elected. Shareholders may freely allocate their votes among the director candidates, either by splitting the votes among multiple candidates or apply the votes to a single candidate;
- (II) The total number of votes cast by a Shareholder for director candidates shall not exceed the total voting rights they possess for the election of directors; otherwise, the votes cast shall be invalid;
- (III) Directors shall be elected based on the number of votes received, in descending order, according to the number of directors to be elected. The candidates who receive more votes shall be elected, provided that the number of votes received by each elected director exceeds half of the total number of valid voting shares held by the Shareholders (including their proxies) present at the Shareholders' meeting;
- (IV) If two or more director candidates receive an equal number of votes, which is the lowest among all candidates, and if electing all of them would result in the number of directors exceeding the number to be elected at the Shareholders' meeting, the Shareholders' meeting shall conduct another election for these candidates with an equal number of votes. If the elected directors still cannot be determined after the re-election, the Company shall submit these candidates for election at the next Shareholders' meeting;
- (V) If the number of elected directors is less than the number of directors to be elected at the Shareholders' meeting, the Company shall hold an election for the vacant directorships at a future Shareholders' meeting in accordance with the Articles of Association.

The cumulative voting system shall be adopted when a single Shareholder and parties acting in concert with him/her/it hold 30% or more of the Company's equity shares.

Article 87 Except when using the cumulative voting system, the Shareholders' meeting shall vote on all proposals on an item-by-item basis. If there are different proposals on the same matter, they shall be voted on in the order they were submitted. Unless the Shareholders' meeting is adjourned or unable to pass a resolution due to force majeure or other special reasons, it shall not shelve or refuse to vote on a proposal.

Article 88 When the Shareholders' meeting deliberates on a proposal, no amendments shall be made to it. Otherwise, any such change shall be deemed a new proposal and cannot be voted upon at the current Shareholders' meeting.

Article 89 The same voting right may only be exercised through one of the following methods: in-person, online, or other voting methods. If a vote is cast multiple times for the same voting right, the first vote shall prevail.

Article 90 Voting at the Shareholders' meeting shall be conducted by registered ballot.

Article 91 Before the Shareholders' meeting proceeds to vote on proposals, two Shareholder representatives shall be elected to participate in vote counting and scrutinizing. If a matter under deliberation involves a related-party relationship with a Shareholder, such Shareholder and his/her/its proxy may not participate in the vote counting or scrutinizing.

When the Shareholders' meeting votes on proposals, the lawyer(s) and Shareholder representatives shall be jointly responsible for counting and scrutinizing the votes. The voting results shall be announced on the spot and recorded in the meeting minutes.

Shareholders of the listed company or their proxies who vote via online or other means shall have right to verify their own voting results through the corresponding voting system.

Article 92 The closing time of a physical Shareholders' meeting shall not be earlier than that for online or other methods. The chairperson of the meeting shall announce the voting status and result of each proposal and, based on the voting results, declare whether a proposal has been approved.

Before the official announcement of the voting results, all parties involved, including the Company, vote counters, scrutineers, substantial Shareholders, and Internet service providers, have a duty of confidentiality regarding the voting details.

Article 93 Shareholders present at the Shareholders' meeting shall cast one of the following votes on the proposals submitted for voting: "For," "Against," or "Abstain."

Ballots that are unfilled, incorrectly filled, illegible, or not cast shall be deemed as the voter having waived their voting rights, and the votes corresponding to the shares they hold shall be counted as "Abstain."

Article 94 If the chairperson of the meeting has any doubt about the result of a resolution put to a vote, he/she may organize a recount of the votes cast. If the chairperson does not organize a recount, any Shareholder or Shareholder's proxy present at the meeting who objects to the result announced by the chairperson shall have right to demand a recount immediately after the announcement of the voting result, and the chairperson shall organize a recount immediately.

Article 95 Resolutions of the Shareholders' meeting shall be announced in a timely manner. The announcement shall specify the number of Shareholders and proxies present at the meeting, the total number of voting shares they hold and the percentage of the Company's total voting shares, the voting method, the voting result for each proposal, and the detailed content of each resolution passed.

Article 96 If a proposal is not passed, or if a resolution of a previous Shareholders' meeting is amended at the current meeting, a special note shall be made in the announcement of the Shareholders' meeting resolutions.

Article 97 If the Shareholders' meeting passes a proposal concerning the election of directors, the term of office for a newly elected director shall commence on the date the relevant resolution is passed at such Shareholders' meeting.

Article 98 If the Shareholders' meeting passes a proposal concerning cash dividend distribution, bonus share issuance, or the conversion of capital reserve into share capital, the Company shall implement the specific plan within two months after the conclusion of the Shareholders' meeting. If the specific plan cannot be implemented within two months due to the provisions of laws, regulations, or the securities regulatory rules of the place where the Company's shares are listed, the implementation date of the specific plan may be adjusted accordingly based on such provisions and the actual circumstances.

CHAPTER V DIRECTORS AND THE BOARD OF DIRECTORS

Section 1 General Provisions in Relation to Directors

Article 99 Directors of the Company shall be individuals, and a person may not serve as a Director of the Company in case of any of the following circumstances:

- (I) the person without civil conduct capacity or with limited civil conduct capacity;
- (II) the person who has committed an offense of corruption, bribery, conversion of property, misappropriation of property or sabotaging the market economic order of socialism and has been punished therefor; or who has been deprived of his/her political rights, in each case where less than 5 years have elapsed since the date of the completion of implementation of such punishment or deprivation; in the case of a suspended sentence, for a period not exceeding two years from the date of expiry of the probationary period;
- (III) the person who is a former director, factory director or manager of a company or enterprise which is insolvent and under liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of such insolvency and liquidation of the company or enterprise;
- (IV) the person who is a former legal representative of a company or enterprise which had its business license revoked and was ordered to shut down due to a violation of the law and who incurred personal liability, where less than 3 years have elapsed since the date of such revocation of the business license or the date of being ordered to shut down of the company or enterprise;
- (V) the person listed as a judgment defaulter by the people's court because the amount of debt he/she bears is relatively large and the debt is not paid off when it is due;
- (VI) the person who has been banned by the CSRC from access to the securities market, where the term of prohibition has not expired;
- (VII) the person who has been publicly determined by a stock exchange to be unfit to serve as a director, senior management of a listed company, where the period of such determination has not expired;
- (VIII) other contents stipulated by laws, administrative regulations or departmental rules or the securities regulatory rules of the place where the shares of the Company are listed.

In case that the election or appointment of any Director is in violation of the provisions in this Article, the said election, appointment or engagement shall be invalid. Where any of the circumstances herein happens to any Director during his/her term of office, the Company shall remove him/her from such office and suspend him/her from performing his/her duties.

Article 100 Directors who are not employee representatives shall be elected or replaced by the Shareholders' meeting. The term of office for Directors is three years, and they may be re-elected for consecutive terms and may be removed from office by the Shareholders' meeting before the expiration of their term. If the securities regulatory rules of the place where the shares of the Company are listed have other provisions regarding the re-election of Directors, such provisions shall apply.

The term of office for Directors begins on the date of their appointment and ends when the current Board of Directors' term expires. If the term of office for Directors expires and a timely re-election has not taken place, the outgoing Directors shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules, and the Articles of Association until the newly elected Directors take office.

Subject to the securities regulatory rules of the place where the shares of the Company are listed, if the Board of Directors appoints new Directors to fill a temporary vacancy or to increase the number of Directors, the term of the appointed Director shall only extend to the first annual Shareholders' meeting following their appointment, at which time they shall be eligible for re-election.

The senior management member may concurrently serve as a Director, provided that the aggregate number of the Directors, who concurrently serve as senior management member, and the Directors, who are employee representatives, shall not exceed one half of all the Directors of the Company.

Article 101 Nomination methods and procedures for Directors who are not employee representatives are as follows:

- (I) Director candidates shall be nominated by the Board of Directors and Shareholders, and elected by the Shareholders' meeting.
- (II) a Director candidate shall make a written undertaking prior to the Shareholders' meeting that he/she agrees to accept the nomination, undertakes that the information disclosed by the Company about himself/herself is true and complete, and guarantees that he/she will fulfill his/her obligations as a Director after his/her election.
- (III) the Company shall be notified of the intention to nominate a Director candidate, a written notice from the nominee stating that the nominee is willing to accept the nomination, and the nominee's written materials, at least ten days prior to the date of the Shareholders' meeting. The nominator shall provide a brief resume and basic information of the Director candidate.

Article 102 Directors shall comply with laws, administrative regulations, and the Articles of Association, and owe a duty of loyalty 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.

The Directors shall owe the following duties of loyalty to the Company:

- (I) They shall not misappropriate the Company's property or embezzle the Company's funds;
- (II) They shall not deposit the Company's funds into accounts opened in their personal names or in the names of other individuals;
- (III) They shall not solicit or accept bribes or other illegal income through their authority;
- (IV) 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 Shareholders' meeting and obtained approval by a resolution of the Board of Directors or the Shareholders' meeting in accordance with the Articles of Association;
- (V) 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 the Shareholders' meeting and approved by a resolution of the Shareholders' meeting; or the Company is unable to take advantage of such opportunities under laws, administrative regulations or its Articles of Association;
- (VI) They shall not engage in a business of the same kind as that of the Company for themselves or for others, without reporting to the Board of Directors or the Shareholders' meeting and without being approved by the Shareholders' meeting through a resolution;
- (VII) They shall not to accept commissions for their own benefit in respect of others' transactions with the Company;
- (VIII) They shall not disclose the Company's secrets without authorization;
- (IX) They shall not harm the Company's interests through their affiliated relationships;
- (X) They shall comply with other duties of loyalty stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and the 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 for such violations shall be liable for compensation.

Close relatives of Directors and senior management, enterprises directly or indirectly controlled by Directors, senior management or their close relatives, and related persons having other association relationships with Directors or senior management, that enter into contracts or transactions with the Company, shall report to the Board of Directors or the Shareholders' meeting on matters relating to the entering into of such contracts or transactions, and such matters shall be approved by a resolution of the Board meeting or the Shareholders' meeting in accordance with the provisions of the Articles of Association.

Article 103 The Directors shall abide by the provisions of laws, administrative regulations and the 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:

- (I) 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 and various economic policies, and that the business activities do not exceed the scope of business stipulated in the business license;
- (II) all Shareholders shall be treated fairly;
- (III) to keep abreast of the business operation and management of the Company;
- (IV) a written confirmation opinion shall be signed on the securities issuance documents and the Company's periodic reports to ensure that the Company shall disclose information in a timely and fair manner and all information disclosed are true, accurate and complete;
- (V) shall truthfully provide the Audit Committee with relevant information and data, and shall not hinder the Audit Committee from exercising their powers;
- (VI) other diligent obligations under laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Article 104 If any Director fails to attend Board meetings, either in person or by authorizing another Director on his/her behalf, for two consecutive meetings, he/she shall be deemed as failing to perform his/her duties. The Board of Directors shall propose at the Shareholders' meeting to replace such Director.

Article 105 A Director may resign before the expiry of his/her term of office. In resigning his/her duties, the Director shall submit a written resignation report to the Company. The resignation will take effect on the date of receipt of the resignation report, and the Company shall disclose the relevant information within the two trading days.

Where, as a result of a Director's resignation, the quorum requirement for the Board of Directors is no longer met, the outgoing Director shall continue to perform a Director's functions in accordance with laws, administrative regulations, departmental rules, and the Articles of Association before the newly elected Director assumes office. In the above situation, the Company shall complete the by-election within two months.

Article 106 The Company shall establish a Director resignation management system to clarify the safeguard measures for pursuing liabilities for unfulfilled public commitments and other outstanding matters. When the resignation of a Director takes effect or his/her term of service expires, the Director shall complete all handover process with the Board of Directors. The fiduciary duties of a Director owed to the Company and Shareholders shall not be relieved after the termination of his/her term of office. The Director continues to be bound by the obligation to keep confidential the trade secrets of the Company until the relevant secrets have been made public, and the duration of other obligations is determined by the length of the termination, the reason for termination and other factors. In addition, the Director shall still abide by the duties of loyalty stipulated in Article 102 of the Articles of Association within one year after leaving office. The responsibility that a Director bears during his/her term of service due to the performance of his/her duties shall not be waived or terminated upon termination of tenure. The Shareholders' meeting may resolve to dismiss a Director, and the dismissal shall take effect on the date the resolution is made. If a Director is dismissed prior to the expiration of his/her term without proper reason, the Director may claim 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, unless specified in the Articles of Association or legally authorized by the Board of Directors. In the event that a Director acts in his/her personal capacity, but a third party may reasonably consider the said Director is acting on behalf of the Company or the Board of Directors, such Director shall state his/her stance and capacity in advance.

Article 108 The Company shall be liable for any damage caused to others by its Directors in the course of performing duties for the Company, and the Directors shall be personally liable for any damage caused by their willful actions or gross negligence. Where any Director violates any law, administrative regulation, departmental rules or the Articles of Association during the performance of duties and causes any loss to the Company, he/she shall be liable for compensation.

Article 109 Independent Directors shall act in accordance with laws, administrative regulations, and the requirements of the CSRC and the stock exchange.

Section 2 Board of Directors

Article 110 The Company has established a Board which shall be accountable to the Shareholders' meetings.

Article 111 The Board of Directors consists of eight Directors, including one chairman and one vice-chairman elected by a majority of all Directors; one employee representative Director elected democratically by the employees of the Company through the employee representative assembly. Independent Directors shall not be less than one-third of the number of the Board of Directors.

Article 112 The Board of Directors exercises the following powers:

- (I) to convene the Shareholders' meeting and report on work to the Shareholders' meeting;
- (II) to implement the resolutions of the Shareholders' meeting;
- (III) to determine the business and investment plans of the Company;
- (IV) to formulate the plans for the distribution of profits and for making up losses of the Company;
- (V) to formulate the plans for increasing or decreasing the Company's registered capital, the issuance of corporate bonds or other securities, as well as the listing of the stock of the Company;
- (VI) to formulate plans for major acquisitions of the Company, the buy-back of shares of the Company, or merger, division, dissolution and changing the form of the Company; to determine the acquisition of the shares of the Company under the circumstance as stipulated in Article 25 (III), (V) or (VI) of the Articles of Association;
- (VII) to determine such matters as the Company's external investment, purchase or sale of assets, asset pledge, external guarantee, entrusting wealth management, connected transaction and external donation within the scope of laws, regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, or within the scope authorized by the Shareholders' meeting;
- (VIII) to decide on the setup of the Company's internal management organization;
- (IX) to decide on matters such as appointment or dismissal of the Company's general manager, the secretary of the Board and other senior management and on their compensation and incentives/disincentives; to decide on matters such as appointment or dismissal of the Company's vice general manager, chief financial officer and other senior management and on their compensation and incentives/disincentives based on the nominations by the general manager;
- (X) to set the basic management systems of the Company;
- (XI) to make the modification plan to the Articles of Association;
- (XII) to request to the Shareholders' meeting to hire or replace the accounting firm auditing for the Company;

(XIII) to attend to the work report of the Company's general manager and review the work of the general manager;

(XIV) to manage the information disclosure of the Company;

(XV) other powers and duties authorized by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association or the Shareholders' meeting.

Article 113 The Board of Directors of the Company shall, explain to the Shareholders' meeting on the non-standard audit opinion issued by the certified public accountants on the Company's financial reports.

Article 114 The Board of Directors has established the Rules of Procedure for the Board of Directors to ensure the implementation of resolutions of the Shareholders' meeting by the Board of Directors, improve work efficiency and ensure scientific decision-making.

The Rules of Procedure for the Board of Directors, which are annexed to the Articles of Association, shall be drafted by the Board of Directors and shall take effect upon approval by the Shareholders' meeting.

Article 115 The authorization granted to the Board of Directors to decide on the Company's external investment (including entrusted wealth management, entrusted loans, investment in subsidiaries, etc.), acquisition and sale of assets (which do not include the purchase of raw materials, fuel and power, and the sale of products, commodities and other assets related to daily operations, but include asset replacements involving the purchase and sale of such assets), financing (loan or credit), provision of financial assistance, asset mortgage (or pledge), creditor's rights or debt restructuring, external guarantee, related party transactions, external donation and other matters, is as follows:

- (I) Authorization on external investment (including entrusted wealth management, entrusted loans, investment in subsidiaries, etc.), acquisition and sale of assets (which do not include the purchase of raw materials, fuel and power, and the sale of products, commodities and other assets related to daily operations, but include asset replacements involving the purchase and sale of such assets), provision of financial assistance, creditor's rights or debt restructuring, lease of assets from/to anyone, signing of management contracts (including entrusted operation, being entrusted to manage operation, etc.), donation or receipt of assets, and transfer of research and development projects, and signing of license agreements (hereinafter referred to as "Transaction" in this Article).

Unless otherwise stipulated in the securities regulatory rules of the place where the shares of the Company are listed, if it meets one of the following criteria and does not meet the review standards of the Shareholders' meeting, it shall be reviewed and approved by the Board of Directors:

1. the total amount of assets involved in the Transaction (where both book value and appraised value are available, whichever is higher) accounts for 10% or more 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 10% or more of the latest audited net assets of the Company, and exceed RMB10 million in absolute amount;
3. the concluded Transaction amount (including liabilities and expenses incurred) accounts for 10% or more of the latest audited net assets of the Company, and exceeds RMB10 million in absolute amount;
4. the profit generated from the Transaction accounts for 10% or more of the audited net profit of the Company in the latest accounting year, and exceeds RMB1 million in absolute amount;
5. the operating revenue related to the subject of the Transaction (e.g. equity interest) in the latest accounting year accounts for 10% or more of the audited operating revenue of the Company in the latest accounting year and exceeds RMB10 million in absolute amount;
6. the net profit related to the subject of the Transaction (e.g. equity interest) in the latest accounting year accounts for 10% or more of the audited net profit of the Company in the latest accounting year, and exceeds RMB1 million in absolute amount;
7. other circumstances stipulated in the Articles of Association or by the stock exchange where the Company's shares are listed.

If the data involved in the calculation of the above indicators is negative, its absolute value shall be taken for calculation; the accumulated amount involved shall be calculated by the sum of the absolute values of each data. Similar Transactions related to the Transaction subject of the Company within 12 months shall be subject to the provisions of the preceding paragraph in accordance with the principle of cumulative calculation; relevant Transactions that have been reviewed by the Board of Directors or the Shareholders' meeting shall not be included in the scope of relevant cumulative amount.

(II) Related party transactions

Unless otherwise stipulated in the securities regulatory rules of the place where the shares of the Company are listed, if the related party transactions of the Company meet one of the following standards and do not meet the standards for the consideration of the Shareholders' meeting, they shall be considered and approved by the Board of Directors of the Company and disclosed in a timely manner:

1. A related party transaction involving a transaction amount of RMB300,000 or more between the Company and a related natural person;
2. A related party transaction between the Company and a related legal person involving a transaction amount of RMB3 million or more and accounting for 0.5% or more of the absolute value of the Company's latest audited net assets;

The following related party transactions incurred by the Company within 12 consecutive months shall be subject to the preceding paragraph in accordance with the principle of cumulative calculation:

1. Transactions with the same related person;
2. Transactions related to the same type of transaction subject with different related persons.

The above-mentioned same related person includes other related persons controlled by the same entity or having equity control relationship with each other.

Related party transaction between the Company and related person (excluding the receipt of cash assets and provision of guarantee by the Company) amounting to RMB30 million or more and representing 5% or more of the absolute amount of the latest audited net assets of the Company, after reviewing by the Board of Directors, shall be submitted to the Shareholders' meeting for review and approval and be disclosed in a timely manner.

(III) External guarantees

Unless otherwise stipulated in the securities regulatory rules of the place where the shares of the Company are listed, the Company's external guarantee must be approved by the Board of Directors or the Shareholders' meeting. The Board of Directors has the right to approve external guarantees other than those that shall be submitted to the Shareholders' meeting for consideration and approval in accordance with the provisions of the Articles of Association. When considering external guarantees, the Board of Directors shall obtain the consent from two-thirds or more of the Directors attending the Board meeting.

(IV) External donation

Unless otherwise stipulated in the securities regulatory rules of the place where the shares of the Company are listed, external donations made by the Company within 12 consecutive months, including cash donations and donations of physical assets (calculated according to net book value), shall be carried out in accordance with the following procedures:

1. Donations with a single or cumulative amount of RMB10 million or less shall be approved by the chairman of the Company and reported to the Board of Directors for filing;
2. For donations with a single or cumulative amount of RMB10 million or more and representing 0.5% or less of the absolute value of the Company's latest audited net assets, the donation plan shall be implemented after consideration and approval by the Board of Directors;
3. For donations with a single or cumulative amount of RMB10 million or more and representing more than 0.5% of the absolute value of the Company's latest audited net assets, the donation plan shall be reviewed and approved by the Board of Directors and submitted to the Shareholders' meeting for consideration and approval before implementation.

Article 116 The chairman exercises the following functions and powers:

- (I) to preside over Shareholders' meetings, and to convene and preside over Board meetings;
- (II) to supervise and check the implementation of Board resolutions;
- (III) to sign important documents of the Board and other documents that should be signed by the legal representative of the Company;
- (IV) to exercise the powers of the legal representative;
- (V) in case of emergency circumstances of force majeure events such as extraordinary natural disasters, to exercise special power of disposition which comply with legal provisions and are in the interests of the Company on matters of the Company and provide post-event reports to the Board and the Shareholders' meeting;
- (VI) to timely negotiate and communicate with Shareholders, Directors, general manager and other senior management members of the Company on relevant issues in the course of production and operation of the Company;
- (VII) to attend the general manager's office meeting if necessary;
- (VIII) to obtain information from special committees and other working bodies under the Board of Directors of the Company and propose relevant topics;
- (IX) other powers granted by the Articles of Association and the Shareholders' meeting and the Board of Directors.

Article 117 The vice chairman of the Company shall assist the chairman in performing his/her duties. If the chairman of the Board is unable or fails to perform his/her duties, the duties shall be performed by the vice chairman. When the vice chairman is unable or fails to perform duties, the duties shall be performed by the Director jointly elected by more than one half of the Directors.

Article 118 The Board of Directors shall hold at least four meetings per year, which shall be convened by the chairman, and all Directors shall be notified by communication (including but not limited to telephone, fax, letter and email) or in writing 14 days prior to the meeting.

Article 119 Shareholders representing one-tenth or more of the voting rights, one-third or more of the Directors, or the Audit Committee or majority of independent Directors may propose to convene an extraordinary meeting of the Board of Directors. The chairman shall convene and preside over the Board of Directors meeting within 10 days after receiving the proposal.

Article 120 The notification method and time limit for the Board of Directors to convene an extraordinary Board meeting are as follows: it shall notify or issue a written notice by communication (including but not limited to telephone, fax, letter and email) 3 days prior to the meeting. However, in case of emergency, the meeting notice may be issued by telephone or other oral means at any time, while the convener shall give an explanation at the meeting.

Article 121 The notice of the meeting of the Board of Directors shall include the following:

- (I) time and venue of the meeting;
- (II) duration of the meeting;
- (III) reasons and issues of discussion;
- (IV) date of issuance of notice.

Article 122 The Board meeting shall be held only if more than half of the Directors are present. A resolution of the Board of Directors must be passed by a majority of all Directors. Any resolution of the Board on the Company's external guarantee shall be approved by two-thirds or more of the Directors present at the Board meeting. Without the approval of the Board or the Shareholders' meeting, the Company shall not provide external guarantees. The acquisition of shares of the Company due to the circumstances specified in items (III), (V) and (VI) of Article 25 of the Articles of Association shall be resolved by the Board meeting at which two-thirds or more of the Directors are present.

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

Article 123 If a Director has an associated relationship with an enterprise or individual involved in a resolution of the Board of Directors, such Director promptly report to the Board in writing. Directors who are related to each other shall not exercise the voting right on such resolution, nor shall such Director act on behalf of other Directors in exercising the voting right. A meeting of the Board of Directors may be held if more than half of the Directors without associated relationships are present, and resolutions made at the meeting of the Board of Directors must be passed by a majority of the Directors without associated relationships. If the number of Directors without associated relationships attending the Board of Directors is less than three, the matter shall be submitted to the Shareholders' meeting for review. If laws, regulations, or the securities regulatory rules of the place where the shares of the Company are listed impose additional restrictions on Directors' participation in Board of Directors meetings and voting, such provisions shall prevail.

Article 124 Resolutions of the Board of Directors shall be voted on by registered ballot or show of hands. A poll shall be adopted if any Director so requests. Provided that the Directors may fully express their opinions, extraordinary Board meetings may be convened by means of teleconference (including but not limited to telephone, fax, video, etc.) instead of on-site meetings on the premise. The secretary of the Board shall prepare the Board resolution after the meeting and submit it to the attending Directors for signature.

Article 125 A Director shall attend the Board meeting in person. Where the Director is unable to attend the Board meeting for any reasons, he/she may authorize another Director to attend on his/her behalf in writing. The authorization letter shall specify the name of the authorized person, the matters to be authorized, the scope of authorization and valid period, and shall be signed or sealed with the chop by the Director who authorizes. A Director who attends the meeting on behalf of another Director shall exercise the rights of a Director within the scope of the authorization. A Director who does not attend a Board meeting in person or by authorized person shall be deemed to have waived his/her voting rights at such meeting. An independent Director may not entrust a non-independent Director to vote on his/her behalf.

Article 126 The Board of Directors shall keep the minutes of the decisions on the matters discussed at the meeting, and all Directors, the secretary of the Board and the recorders attending the meeting shall sign on the minutes. Directors are entitled to require an explanatory entry in the minutes of their speeches at meetings.

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

Article 127 The minutes of the Board meeting shall include the following:

- (I) the date, venue and name of the convener of the meeting;
- (II) the names of the Directors attending the meeting, and the names of Directors (authorized person) authorized by other Directors to attend the meeting;
- (III) the agenda of the meeting;
- (IV) key points of Directors' speeches;
- (V) the voting methods and results for each resolution (the voting results shall indicate the number of votes for and against the proposal or abstention).

Section 3 Independent Directors

Article 128 Independent Directors shall conscientiously perform their duties by playing a role of participation in decision-making, supervision and balance, and professional consultation in the Board of Directors, safeguarding the overall interests of the Company and protecting the legal rights and interests of minority shareholders in accordance with laws, administrative regulations, the requirements of the CSRC and the stock exchange, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Article 129 Independent Directors shall maintain their independence. The following individuals shall not act as independent Directors:

- (I) Persons employed by the Company or its subsidiaries, as well as their spouses, parents, children, and close social relations;
- (II) Natural person Shareholders who directly or indirectly hold 1% or more of the Company's issued shares or are among the top ten Shareholders of the Company, as well as their spouses, parents, and children;
- (III) Persons working for Shareholders who directly or indirectly hold 5% or more of the Company's issued shares or for the top five Shareholders of the Company, as well as their spouses, parents, and children;
- (IV) Persons working for affiliated enterprises of the Company's Controlling Shareholder or actual controller, as well as their spouses, parents, and children;
- (V) 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;
- (VI) 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, and principal responsible persons;
- (VII) Persons who, in the past 12 months, have fallen under any of the circumstances listed in items (I) to (VI) above;
- (VIII) Other individuals deemed non-independent under laws, administrative regulations, the requirements of the CSRC and the stock exchange, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

The affiliated enterprises of the Company's Controlling Shareholder or actual controller referred to in items (IV) to (VI) of the preceding paragraph shall not include enterprises controlled by the same state-owned asset regulatory authority as the Company and which, under relevant regulations, do not constitute affiliated parties of the Company.

Article 130 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 131 An independent Director shall satisfy the following qualification requirements:

- (I) he/she shall be qualified to serve as a director of the listed company in accordance with relevant requirements of laws, administrative regulations and other relevant provisions;
- (II) he/she shall meet the independence requirements set out in the Articles of Association;
- (III) he/she shall be equipped with the basic knowledge of the operations of a listed company and be familiar with relevant laws, regulations and rules;
- (IV) he/she shall have five years or more of work experience in the field of law, accounting, economics or otherwise as necessary to perform the duty of an independent director;
- (V) having good personal morality and no adverse record such as material dishonesty;
- (VI) other conditions stipulated by laws, administrative regulations, the CSRC, the stock exchange, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Article 132 As members of the Board of Directors, independent Directors shall have duties of loyalty and diligence to the Company and all Shareholders, and prudently perform the following duties:

- (I) Participating in the decision-making of the Board and express a clear opinion on the matters under consideration;
- (II) Supervising potential material conflicts of interest between the Company and Controlling Shareholders, actual controllers, Directors and senior management, so as to protect the legitimate rights and interests of minority Shareholders;
- (III) Providing professional and objective advice on the Company's operation and development, and promoting the enhancement of the Board's decision-making level;
- (IV) Other duties prescribed by laws, administrative regulations, the CSRC, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Article 133 Independent Directors shall exercise the following special powers:

- (I) independently engage intermediary agencies to conduct audits, consultations, or verifications on specific matters of the Company;
- (II) propose to the Board of Directors the convening of an extraordinary Shareholders' meeting;

- (III) propose the convening of a Board meeting;
- (IV) lawfully solicit Shareholder rights from Shareholders;
- (V) express independent opinions on matters that may harm the interests of the Company or minority Shareholders;
- (VI) other powers stipulated by laws, administrative regulations, the CSRC, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

The exercise of the powers listed in items (I) to (III) above shall be subject to the consent of more than half of all independent Directors.

The Company shall promptly disclose the exercise of the powers listed in paragraph 1 by independent Directors. If any of these powers cannot be exercised properly, the Company shall disclose the specific circumstances and reasons.

Article 134 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:

- (I) Related-party transactions that are required to be disclosed;
- (II) Proposals for changes to or waivers of commitments made by the Company or relevant parties;
- (III) Decisions and measures made by the Board of Directors of the listed company being acquired in response to the acquisition;
- (IV) Other matters stipulated by laws, administrative regulations, the CSRC and the Articles of Association.

Article 135 The Company shall establish a special meeting mechanism exclusively involving independent Directors. When the Board of Directors deliberates on related party transactions and other matters, they shall be pre-approved by a special meeting of independent Directors.

Article 136 The Company shall convene special meetings of independent Directors on a regular or irregular basis. Matters listed in items (I) to (III) of the first paragraph of Article 133, and Article 134 of the Articles of Association shall be deliberated by a special meeting of independent Directors.

Article 137 Special meetings of independent Directors may discuss other matters of the Company as needed.

Article 138 Special meetings of independent Directors shall be convened and presided over by an independent Director jointly nominated by more than half of the independent Directors. If the convener fails to perform or is unable to perform their duties, two or more independent Directors may convene the meeting themselves and nominate a representative to preside.

Article 139 Special meetings of independent Directors shall prepare meeting minutes in accordance with regulations, and the opinions of independent Directors shall be recorded in the minutes. Independent Directors shall sign to confirm the meeting minutes.

Article 140 The Company shall provide convenience and support for the convening of special meetings of independent Directors.

Section 4 Special Committees of the Board of Directors

Article 141 The Board of Directors shall establish special committees such as the Strategy and ESG Committee, the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee, etc. The special committees shall be accountable to the Board of Directors and all members shall be composed of Directors, among which, independent Directors shall account for the majority and act as chairman in the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee. The chairman of the Audit Committee shall be accounting professionals, and the members of the Audit Committee shall be Directors not holding senior management positions of the Company.

Article 142 The Strategy and ESG Committee is mainly responsible for studying the long-term development strategy and major investment decisions of the Company and putting forward suggestions to improve the environmental, social and governance (ESG) management level of the Company; the Audit Committee is mainly responsible for the communication, supervision and verification of internal and external auditors of the Company; the Nomination Committee is mainly responsible for the selection criteria and procedures of Directors and senior management of the Company, searching for, selecting candidates and putting forward suggestions; the Remuneration and Appraisal Committee is mainly responsible for studying the appraisal standards for Directors and senior management, as well as the remuneration and appraisal policies and schemes.

Article 143 The special committees shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors, and their proposals shall be submitted to the Board of Directors for review and decision making. The working rules of the special committees shall be formulated by the Board of Directors.

Article 144 The Company does not have a Board of Supervisors, and the Audit Committee of the Board of Directors shall exercise the following functions and powers:

- (I) to review financial information in financial accounting reports and periodic reports, internal control evaluation reports;
- (II) to propose to the Board of Directors appointment or dismissal of accounting firm undertaking the Company's audit;
- (III) to propose to the Board of Directors appointment or dismissal of chief financial officer of the Company;
- (IV) to propose to the Board of Directors changing accounting policy, accounting estimate or correcting material accounting errors occurring for reasons other than a change in accounting standard;
- (V) to examine the Company's financial matters;

- (VI) to supervise the performance by the Directors and senior management of their duties to the Company and propose the dismissal of the Directors and senior management who violates laws, administrative regulations, the Articles of Association or the resolutions of the Shareholders' meeting;
- (VII) to demand rectification from the Directors and senior management when the acts of such persons are harmful to the Company's interests;
- (VIII) in case of any abnormal matters during the business operation of the Company, to investigate, and if necessary, to engage professionals such as accounting firms or law firms to assist its work with expenses being borne by the Company;
- (IX) other matters stipulated by laws, administrative regulations, the CSRC and the Articles of Association.

Other matters stipulated in the above items (I) to (IV) and laws, administrative regulations, the requirements of the CSRC and the Articles of Association shall be submitted to the Board of Directors for consideration after approval by more than half of all members of the Audit Committee.

Article 145 The Audit Committee shall consist of 3 members, who are Directors not holding senior management positions of the Company, of which 3 are independent Directors and the chairman shall be an accounting professional therein.

Article 146 Meetings of the Audit Committee of the Board of Directors shall be held at least once a quarter. An extraordinary meeting may be convened upon the proposal of two or more committee members, or when the convener deems it necessary. A meeting of the Audit Committee of the Board of Directors shall be convened only when two-thirds or more of its members are present.

The resolutions of the Audit Committee of the Board of Directors shall be passed by a majority of the members of the Audit Committee.

Each member of the Audit Committee shall have one vote for a resolution to be approved by the Audit Committee.

Minutes of the meetings of the Audit Committee shall be prepared as required for the resolution of the Audit Committee, and the members of the Audit Committee present at the meeting shall sign the minutes.

The Board of Directors shall be responsible for the formulation of the Audit Committee's working rules.

Article 147 The Audit Committee of the Board of Directors shall formulate relevant rules of procedure and clarify the discussion methods and voting procedures of the Audit Committee of the Board of Directors, to ensure its work efficiency and scientific decision-making.

Article 148 The Audit Committee of the Board of Directors shall record the matters discussed at the meeting in the minutes and the members present at the meeting shall sign the minutes.

Committee members have the right to request certain explanatory record be included in the minutes regarding their statements made. The minutes of meetings of the Audit Committee of the Board of Directors shall be kept as the Company's record for a period of not less than 10 years.

Article 149 The Nomination Committee is responsible for formulating the standards and procedures for the selection of Directors and senior management, selecting and reviewing the candidates for Directors and senior management and their qualifications for office, and making recommendations to the Board on the following matters:

- (I) nominating or appointing or removing Directors;
- (II) appointing or dismissing senior management;
- (III) other matters stipulated by laws, administrative regulations, the CSRC and the Articles of Association.

If the Board does not adopt or does not fully adopt the recommendations of the Nomination Committee, it shall record the opinion of the Nomination Committee and the specific reasons for non-adoption in the resolution of the Board and disclose the same.

Article 150 The Remuneration and Appraisal Committee is responsible for formulating the evaluation standards for Directors and senior management and conducting the evaluation, formulating and reviewing remuneration determination mechanisms, decision-making processes, payment and claw-back arrangements and other remuneration policies and plans of Directors and senior management, and making recommendations to the Board of Directors on the following matters:

- (I) the remuneration of Directors and senior management;
- (II) the formulation or amendment of equity incentive plans, employee stock ownership plans, and conditions for incentive participants to be granted with and exercise interests;
- (III) the arrangement of stock ownership plans for Directors and senior management in the event of a proposed spin-off of a subsidiary;
- (IV) other matters stipulated by laws, administrative regulations, the CSRC and the Articles of Association.

The Board of Directors shall record and disclose in its resolutions the recommendations of the Remuneration and Appraisal Committee and the specific reasons for not adopting or fully adopting the recommendations of the Remuneration and Appraisal Committee.

CHAPTER VI SENIOR MANAGEMENT MEMBERS

Article 151 The Company has one general manager, who is appointed or dismissed by the Board of Directors.

The Company has several deputy general managers, who are nominated by the general manager and appointed or dismissed by the Board of Directors.

The Company's general manager, deputy general managers, secretary of the Board of Directors and chief financial officer are the senior management members of the Company.

Article 152 The circumstances under which a person may not serve as a director and the provisions concerning the management system for resignations as mentioned in Article 99 hereof shall also apply to senior management members.

The Directors' duties of loyalty as mentioned in Article 102 hereof and the Directors' duties of diligence as mentioned in Article 103 hereof shall also apply to senior management members.

Article 153 The senior management members of the Company shall not hold any executive position other than Director or supervisor in the Controlling Shareholder.

The Company's senior management members are only paid by the Company and are not paid by the Controlling Shareholder on behalf of the Company.

Article 154 The general manager is elected for a term of three years, and may be re-appointed.

Article 155 The general manager is responsible to the Board of Directors and exercises the following functions and powers:

- (I) preside over the Company's production, operation and management work, organize the implementation of Board resolutions, and report work to the Board of Directors;
- (II) organize and implement the Company's annual business plan and investment plan;
- (III) formulate a plan for the establishment of the Company's internal management organization;
- (IV) formulate the Company's basic management system;
- (V) formulate specific regulations of the Company;
- (VI) request the Board of Directors to appoint or dismiss the Company's deputy general manager and chief financial officer;
- (VII) decide on the appointment or dismissal of management personnel other than those who shall be appointed or dismissed by the Board of Directors;
- (VIII) other functions and powers granted by the Articles of Association or the Board of Directors.

The general manager attends Board meetings.

Article 156 The general manager shall formulate the working rules of the general manager and submit them to the Board of Directors for approval before implementation.

Article 157 The working rules of the general manager shall include the following:

- (I) the conditions and procedures for convening, and participants of the general manager meetings;
- (II) the duties and responsibilities of the general manager and other members of the senior management;
- (III) the use of funds and assets of the Company, the authority to enter into material contracts and the systems for reporting to the Board of Directors;
- (IV) other matters deemed necessary by the Board of Directors.

Article 158 The general manager may resign prior to the expiry of his/her term of office. The resignation of the general manager shall be dealt with in accordance with the service contract entered into between the general manager and the Company.

Article 159 The deputy general manager is responsible for assisting the general manager in carrying out the Company's production, sales and other management and operational tasks. The deputy general manager shall be appointed or dismissed by the Board of Directors upon nomination by the general manager.

Article 160 The Company shall have a secretary of the Board of Directors, who is responsible for preparing for the Shareholders' meeting and the Board meetings, matters relating to the Company's information disclosure, keeping documents and shareholders' materials, etc.

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

Article 161 Where a member of senior management causes damage to others in executing his/her office in the Company, the Company shall be liable for compensation. Where a member of senior management acts with intent or gross negligence, he/she shall also bear the liability for compensation. Where a member of senior management violates any laws, administrative regulations, departmental rules or the Articles of Association in executing his/her office in the Company, causing losses to the Company, he/she shall be liable for compensation.

Article 162 Senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. Where a member of senior management of the Company fails to perform his/her duties faithfully or violates the fiduciary duty, causing damage to the interests of the Company and the public shareholders, he/she shall be liable for compensation in accordance with law.

CHAPTER VII FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Section 1 Financial Accounting System

Article 163 The Company formulates its financial accounting system in accordance with laws, administrative regulations, regulations of relevant national departments and the regulatory rules of the place where the shares of the Company are listed.

Article 164 The Company shall submit and disclose the annual report to the CSRC's dispatched institutions and the stock exchange where the Company's shares are listed within four months after the end of each fiscal year; submit and disclose the interim report to the CSRC's dispatched institutions and the stock exchange where the Company's shares are listed within two months after the end of the first six months of each fiscal year.

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

Article 165 The Company shall not establish the account books other than those provided by law. Any funds of the Company shall not be kept under any account opened in the name of any individual.

Article 166 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 Shareholders' 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 as otherwise provided by the Articles of Association.

If the Shareholders' 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 management 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 the laws and regulations and the securities regulatory rules of the place where the shares of the Company are listed.

Article 167 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 25% of the Company's registered capital immediately prior to such capital increase through provident fund transfer.

Article 168 After the Shareholders of the Company make a decision for distribution of profits in Shareholders' meeting, or after the Board of Directors of the Company formulates a specific plan in accordance with the conditions and upper limit of the interim dividend for the next year that is approved by the annual Shareholders' meeting, the Board of Directors of the Company must finish distributing the dividends (or shares) within two months. If the specific plan cannot be implemented within two months due to the requirements of the laws and regulations or the securities regulatory rules of the place where the shares of the Company are listed, the implementation date of the specific plan may be adjusted in accordance with such regulations and the actual situation.

Article 169 The profit distribution policy and decision-making procedures of the Company upon its offering and listing are as follows:

(I) Basic principles of the profit distribution policy

1. The Company adopts motivated profit distribution policy, which attaches great importance to reasonable, continuous and stable investment returns to investors.
2. The profits of the Company may be distributed in cash or by shares, which shall be subject to the limit of accumulated distributable profits and shall not damage the Company's ability to continue as a going concern.
3. The Company gives priority to cash dividends for profit distribution. If the conditions for cash dividends are met, the Company shall make cash dividends for profit distribution.
4. The Board of Directors and the Shareholders' meeting of the Company shall fully consider the opinions of independent Directors and public investors in making decision on and justifying the profit distribution policy.

(II) Specific profit distribution policy

1. Form of profit distribution

The Company may distribute profits in the form of cash, shares, a combination of cash and shares or other forms permitted by laws and regulations. The Board of Directors of the Company may propose the Company to pay interim dividends based on the current profit scale, cash flow status, development stage and capital demand.

2. Specific conditions for cash dividends: ① the distributable profit of the Company for the year (i.e. the remaining balance of after-tax profit after making up for loss and allocating surplus reserve) is positive; ② no matters involving material investment plan or significant cash expenditure are expected to occur in the

Company within the next twelve months, or the capital requirements in the normal manufacturing and operations of the Company still can be satisfied, after considering the implementation of the aforesaid material investment plan or significant cash expenditure, as well as the cash dividends for the year. The aforesaid material investment plan or significant cash expenditure refers to one of the following circumstances:

- (1) The Company's proposed cumulative expenditure on external investment, acquisition of assets or purchase of equipment within the next twelve months reaches or exceeds 50% of the Company's latest audited net assets and exceeds RMB50 million;
- (2) The Company's proposed cumulative expenditure on external investment, acquisition of assets or purchase of equipment within the next twelve months reaches or exceeds 30% of the Company's latest audited total assets.

The aforesaid material investment plan or significant cash expenditure is subject to the approval of the Board of Directors, and shall not be implemented until it has been submitted to the Shareholders' meeting for consideration and approval, according to the relevant provisions of the Articles and Association regarding the authority and functions of the Board of Directors and the Shareholders' meeting.

3. Proportion of cash dividends

The cumulative profit distributed in cash over every three consecutive years shall not be less than 30% of the average annual distributable profits realized during the three consecutive years. On the premise of meeting the specific conditions for cash dividends, the profit distributed by the Company in cash each year shall not be less than 20% of the distributable profits realized in that year.

The Board of Directors of the Company shall take fully consideration of the characteristics of the industry in which it operates, its stage of development, its own mode of operation, profitability, whether it has any significant capital expenditure arrangements and other factors, to distinguish the following circumstances and propose a differentiated cash dividend policy in accordance with the procedures set out in the Articles of Association: ① if the Company is in its mature stage and there are no arrangements for significant capital expenditure, when profit distribution is carried out, cash dividends shall account for at least 80% of the profit distribution; ② if the Company is in its mature stage and there are arrangements for significant capital expenditure, when profit distribution is made, cash dividends shall account for at least 40% of the profit distribution; ③ if the Company is in its growth stage and there are arrangements for significant capital expenditure, when profit distribution is carried out, cash dividends shall account for at least 20% of the profit distribution; or if the stage of development of the Company is not readily distinguishable while there are arrangements for significant capital expenditure, the preceding provisions shall apply.

4. Conditions for share dividends distribution: when the Company's operations are in good condition and the Board of Directors determines that the share price is not commensurate with the Company's share capital scale, and that distributing share dividends is in the overall interests of all Shareholders, the Company may propose a share dividend distribution plan, in addition to meeting the aforementioned cash dividend distribution requirements.

(III) Decision-making procedures for the profit distribution plan

When formulating profit distribution policy, the Company shall follow the decision-making procedures stipulated in the Articles of Association. The Board of Directors shall conduct specialized research and analysis on Shareholder returns, establish definite and clear shareholder return plans, and provide detailed explanations regarding the reasons for such arrangements.

The profit distribution plan of the Company shall be proposed and prepared by the Board of Directors after considering the Articles of Association, profitability, capital requirements, and shareholder return plans. The Company shall proactively engage with Shareholders, particularly minority Shareholders, through various channels, to fully solicit opinions and requests from minority Shareholders, and promptly address their concerns.

When formulating the specific cash dividend distribution plan of the Company, the Board of Directors shall conduct research and analysis on certain matters such as the timing, conditions, minimum proportion, conditions for adjustment and decision-making procedures and requirements in respect of the cash dividend distribution of the Company, and the prior consents in writing of all independent Shareholders are required. Independent Directors may solicit opinion of minority Shareholders, put forth dividend distribution proposal and submit it directly to the Board of Directors for consideration.

The Board of Directors shall make resolution on the profit distribution plan and then submit the same to the Shareholders' meeting for deliberation. When reviewing the profit distribution plan, the Shareholders' meeting shall fully consider the opinions and requests of minority Shareholders and provide them with online voting facilities.

The Audit Committee shall oversee the implementation, and the decision-making procedures, of profit distribution policy and shareholder return plan of the Company by the Board of Directors.

If the Company records profits for the current year but fails to propose a cash dividend distribution plan, the Board of Directors shall provide explanations in the annual report the reasons for failing to distribute cash dividend, as well as the purpose of retaining the funds that were not used for cash dividends.

(IV) Changes in profit distribution policy

The Company shall strictly implement the cash dividend policy specified in the Articles of Association and the specific cash dividend plans considered and approved at the Shareholders' meeting. The Company shall review its shareholder dividend return plan again at least every three years.

1. The Company may adjust its profit distribution policy (including the shareholder return plan) in the event that significant changes in external operating conditions or internal business circumstances occur, or such adjustments to or changes in profit distribution policy are deemed necessary based on investment plans and long-term development needs. The adjusted profit distribution policy shall not violate the relevant requirements of the CSRC and the stock exchange where the Company's shares are listed.
2. The Board of Directors shall formulate the amendment plans for profit distribution policy. Independent Directors shall fully solicit opinions and requests of minority Shareholders and promptly address their concerns.
3. The Board of Directors shall submit the amendment plans for profit distribution policy, after being considered and approved, to the Shareholders' meeting for consideration. The Company shall provide Shareholders with online voting facilities. The resolution to adjust the profit distribution policy shall be approved by two-thirds or more of the voting rights held by the Shareholders present at the Shareholders' meeting.
4. Upon considered and approved at the Shareholders' meeting, the relevant provisions regarding profit distribution in the Articles of Association of the Company shall be amended accordingly.

Article 170 The Company shall exercise its shareholder rights in its wholly-owned or controlled subsidiaries in a timely manner and, in accordance with the articles of association of such subsidiaries, facilitate them to distribute cash dividends to the Company and ensure such dividend payments are remitted to the Company prior to the distribution of dividends by the Company to its shareholders.

The Company shall establish and implement consistent financial and accounting systems in its controlled subsidiaries to ensure that the Company's profit distribution policy can be executed effectively.

Section 2 Internal Audit

Article 171 The Company shall implement an internal audit system and clarify the leadership system, duties and authorities, staffing, financial support, application of audit results, and accountability in internal audit work, and the Company shall be staffed with full-time auditors to carry out internal audit supervision on the financial balance and economic activities of the Company.

Article 172 The internal audit system of the Company and the duties of such auditors shall be implemented after the approval of the Board of Directors and then disclosed publicly. The responsible auditor shall be responsible and report to the Board of Directors.

Article 173 The internal audit body shall be responsible to the Board. The internal audit body shall accept supervision and guidance from the Audit Committee while supervising and inspecting business activities, risk management, internal control and financial information of the Company. The internal audit body shall immediately and directly report any relevant significant issues or leads found to the Audit Committee.

Article 174 The organization and implementation of the Company's internal control evaluation shall be the responsibility of the internal audit body. The Company issues the annual internal control evaluation reports based on evaluation reports and relevant materials issued by the internal control body and deliberated by the Audit Committee.

Article 175 When the Audit Committee communicates with external audit firms such as accounting firms and national audit agency, the internal audit body shall actively cooperate and provide necessary support and collaboration.

Article 176 The Audit Committee shall participate in the performance appraisal of the person in charge of internal audit.

Section 3 Appointment of Accounting Firm

Article 177 The Company shall appoint an accounting firm in compliance with the Securities Law and the securities regulatory rules of the place where the shares of the Company are listed to conduct an audit of accounting statements, net assets verification and other related consulting services for a term of one year, which may be renewed.

Article 178 The appointment and dismissal of the Company's accounting firm shall be submitted to the Board of Directors for consideration after obtaining the consent of more than half of the members of the Audit Committee and shall be decided by the Shareholders' meeting. The Board of Directors shall not appoint the accounting firm until it is decided by the Shareholders' meeting.

Article 179 The Company shall undertake to provide its accounting firm with true and complete accounting vouchers, accounting books, financial reports and other accounting information, and shall not reject, conceal or misstate any information.

Article 180 The audit fee payable to an accounting firm shall be decided by the Shareholders' meeting.

Article 181 When the Company intends to dismiss or not to reappoint an accounting firm, it shall give 30 days' prior notice to the accounting firm. When a Shareholders' meeting of the Company votes on the dismissal of the accounting firm, the firm shall be allowed to express its opinions.

Where the accounting firm resigns, it shall state to the Shareholders' meeting whether the Company has improper circumstances.

CHAPTER VIII NOTICES AND ANNOUNCEMENTS

Section 1 Notices

Article 182 Notices of the Company may be delivered by the following methods:

- (I) by personal delivery;
- (II) by post;
- (III) by written fax;
- (IV) by email;
- (V) by announcement;
- (VI) by other means stipulated in the Articles of Association.

For the purpose of providing and/or delivering corporate communication to the H Shareholders as required by securities regulatory rules of the place where the Company's shares are listed, the Company may deliver such corporate communication to the H Shareholders by electronic means or publishing the same on the websites of the Company or the stock exchange where the Company's shares are listed, subject to securities regulatory rules of the place where the Company's Shares are listed.

Article 183 If a notice of the Company is given by way of an announcement, it shall be deemed to have been received by all persons concerned once the announcement is made.

Article 184 The notice of convening the Shareholders' meeting of the Company shall be delivered by announcement.

Article 185 The notice of convening the Board meeting of the Company shall be delivered by communication means, including but not limited to telephone, fax, letter and email, or in writing.

Article 186 If the notice of the Company is delivered by hand, the signature (or seal) of the recipients on the return receipt is required, and the date of signature of the person served shall be the date of service; if the notice of the Company is delivered by mail, the third working day from the date of hand over to the post office shall be the date of service; if the notice delivered by fax, provided that the fax has been successfully sent by the Company to the fax number reserved by the recipients to it, the date of fax shall be the date of service; if the notice delivered by email, the date of service shall be the date the email arrives at the designed email address of the recipients; if the notice of the Company is delivered by an announcement, the date of publication of the first instance of the announcement shall be the date of service.

Article 187 The accidental omission to give notice of a meeting to, or the non-receipt of notice by, any person entitled to notice shall not invalidate the meeting or the resolution made thereat.

Section 2 Announcements

Article 188 The relevant media, including China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily and CNINFO (<http://www.cninfo.com.cn>), are designated by the Company in accordance with the relevant provisions of the CSRC, to publish the corporate announcements and other information that needs to be disclosed. The Company shall also publish the corporate announcements and other information that needs to be disclosed in the newspapers and websites, etc. designated by the securities regulatory and stock exchanges where the Company's shares are listed.

Unless the context otherwise requires, in relation to the announcements made to the holders of A Shares or the announcements made within the territory of PRC as required by the relevant provisions and the Articles of Association, it refers to the publication of information on the website of the SZSE and on media that meet the conditions prescribed by the CSRC; for the announcements made to the holders of H Shares or within Hong Kong as required under the relevant provisions or the Articles of Association, the announcements shall be published on the website of the Company, the website of the Hong Kong Stock Exchange and such other websites as may be required from time to time under the Hong Kong Listing Rules in accordance with the relevant provisions of the Hong Kong Listing Rules.

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

Section 1 Merger, Division, Capital Increase and Capital Reduction

Article 189 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.

If the price paid for the merger of the Company does not exceed 10% of the net assets of the Company, it may not be subject to a resolution of the shareholders' meeting, but it shall be subject to a resolution of the Board of Directors.

Article 190 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 media such as the China Securities Journal in compliance with the requirements of CSRC 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 191 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 192 If the Company is divided, its property will be divided 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 media such as the China Securities Journal in compliance with the requirements of CSRC or the National Enterprise Credit Information Publicity System within 30 days after the date of the Company's resolution on division.

Article 193 The debts incurred before the Company is divided shall be jointly and severally liable by the Company after the division, unless otherwise agreed upon in a written agreement between the Company and its creditors regarding debt settlement before the division.

Article 194 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 Shareholders' meeting and make announcement thereof in media such as the China Securities Journal in compliance with the requirements of CSRC 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, its shares shall be reduced correspondingly in proportion to the shares held by its Shareholders, unless otherwise stipulated by the laws or the Articles of Association.

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

Article 195 Where the Company still has losses after making up its losses in accordance with the Articles of Association, it may reduce its registered capital to make up the losses. If the registered capital is reduced to make up losses, the Company shall not make distribution to its Shareholders, nor exempt the Shareholders from their obligation to make payment on shares.

The provisions of the second paragraph of the article above shall not apply to the reduction in the registered capital in accordance with the preceding paragraph. The Company shall publish an announcement in the media designated in the Articles of Association or National Enterprise Credit Information Publicity System within 30 days from the date of the resolution on the reduction of its registered capital at the Shareholders' meeting.

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

If the reduction of the registered capital is in violation of the Company Law and other relevant provisions, the Shareholders shall return the funds they have received and the reduced capital contribution of the Shareholders shall be restored to its original amount; in case of losses caused to the Company, the Shareholders and the liable Directors and senior management members shall be liable for compensation.

Article 196 Where an increase in registered capital of the Company is made by means of issue of new shares, the Shareholders do not have any pre-emptive right unless otherwise provided in the Articles of Association or the Shareholders' meeting resolves that the Shareholders shall have pre-emptive right.

Article 197 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 the laws. When the Company is dissolved, the Company shall cancel its registration in accordance with the laws. When a new company is established, its establishment shall be registered in accordance with the 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 198 The Company shall be dissolved for the following reasons:

- (I) the term of its operations as stipulated in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred;
- (II) the Shareholders' meeting resolves to dissolve the Company;
- (III) dissolution is necessary due to merger or division of the Company;
- (IV) if the Company's business license is revoked, the Company is ordered to close down or be revoked in accordance with the law;

- (V) 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 10% or more 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 199 Where the Company falls under the circumstances of items (I) and (II) of Article 198 hereof and has not distributed any property to Shareholders, it may continue to exist by amending the Articles of Association or by a resolution of the Shareholders' meeting.

Amendments to the Articles of Association in accordance with the provisions of the preceding paragraph or by resolution of the Shareholders' meeting shall be approved by two-thirds or more of the voting rights held by the Shareholders attending the Shareholders' meeting.

Article 200 If the Company is dissolved pursuant to item (I), (II), (IV) or (V) of Article 198 hereof, 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 or persons determined by the Shareholders' meeting. If liquidation obligors fail to perform their liquidation obligations in a timely manner, causing losses to the Company or its creditors, they shall bear compensation liability. If a liquidation committee is not established within the time limit or fails to carry out the liquidation after its formation, any interested party may apply to the people's court to designate relevant personnel to form a liquidation committee to carry out liquidation.

Article 201 The liquidation committee shall perform the following duties during the liquidation period:

- (I) to sort out the assets of the Company and prepare a balance sheet and an inventory of assets separately;
- (II) to notify the creditors by notice or announcement;
- (III) to deal with the outstanding liquidation-related business of the Company;
- (IV) to pay off outstanding taxes as well as taxes arising in the course of liquidation;
- (V) to settle claims and debts;
- (VI) to allocate the remaining assets of the Company after the settlement of debts;
- (VII) to represent the Company in any civil proceedings.

Article 202 The liquidation committee shall notify creditors within 10 days from the date of its establishment, and publish an announcement in media such as the China Securities Journal in compliance with the requirements of CSRC or the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation committee within 30 days from the date of receiving the notice, or within 45 days from the date of announcement in case they have not received the notice.

A creditor filing a proof of a claim shall explain the matters related to the claim and provide proof materials. The liquidation committee shall register the proof of the claim. During the period of declaring the claim, the liquidation committee shall not pay off the creditor's claims.

Article 203 Upon sorting out the assets of the Company and preparing a balance sheet and an inventory of assets, the liquidation committee shall prepare a liquidation report which shall be submitted to the Shareholders' meeting or the people's court for a confirmation.

The remaining assets of the Company after paying the liquidation expenses, employee salaries, social insurance expenses, and statutory compensation, paying the outstanding taxes, and paying off the debts of the Company shall be distributed by the Company according to the proportion of shares held by the Shareholders.

During the liquidation period, the Company exists but shall not carry out business activities unrelated to liquidation. The assets of the Company will not be distributed to shareholders until they have been paid off in accordance with the provisions of the preceding paragraph.

Article 204 If the liquidation committee discovers that the assets of the Company are insufficient to repay its debts after sorting out the assets of the Company and preparing a balance sheet and an inventory of assets, it shall apply to the People's Court for bankruptcy liquidation in accordance with the law.

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

Article 205 After the Company's liquidation is completed, the liquidation committee shall prepare a liquidation report, submit it to the Shareholders' meeting or the people's court for confirmation, and submit it to the company registration authority to apply for cancellation of the company registration.

Article 206 Members of the liquidation committee shall discharge their duties honestly and they owe duties of loyalty and diligence.

If a member of the liquidation team neglects to perform the liquidation duties and causes losses to the Company, he/she shall be liable for compensation; if a member of the liquidation committee causes losses to creditors due to intentional or gross negligence, he/she shall be liable for compensation.

Article 207 In case the Company is declared to be insolvent according to the laws, liquidation shall be processed in accordance with the laws on corporate bankruptcy.

CHAPTER X AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 208 The Company shall amend the Articles of Association under any of the following circumstances:

- (I) after the amendments are made to the Company Law or relevant laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed, the provisions of the Articles of Association are in conflict with the amended laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed;
- (II) there is a change in the situation of the Company, which is inconsistent with the matters recorded in the Articles of Association;
- (III) the Shareholders' meeting decides to amend the Articles of Association.

Article 209 The amendments to the Articles of Association adopted by the Shareholders' meeting shall be submitted to the competent authorities for approval if they are subject to approval by the competent authorities. If there is any change relating to the registered particulars of the Company, an application shall be made for registration of the changes in accordance with the laws.

Article 210 The Board of Directors shall amend the Articles of Association in accordance with the resolution of the Shareholders' meeting on the amendments to the Articles of Association and the approval opinions of relevant competent authorities.

Article 211 The amendment to the Articles of Association constitutes the information required to be disclosed by the laws and regulations and shall be announced in accordance with regulations.

CHAPTER XI SUPPLEMENTARY PROVISIONS

Article 212 Definitions

- (I) A Controlling Shareholder refers to a shareholder holding shares representing more than 50% of the total share capital of the Company; a Shareholder holding no more than 50% of shares in the Company, but the voting rights vested by the shares held by him/her have a material effect on any resolutions made at a Shareholders' meeting, or the controlling shareholder as defined in the securities regulatory rules of the place where the Company's shares are listed.
- (II) An actual controller refers to a natural person, legal person or other organization which can effectively control the Company through investments, agreements or other arrangements.
- (III) Connected relationships refer to relationships between Controlling Shareholders, actual controllers, Directors, senior management of the Company and enterprises directly or indirectly controlled by the same, and other relations which may give rise to a transfer of interests of the Company. However, enterprises owned by the State will not be regarded as having connected relationships only because they are under common control of the State.

- (IV) Unless otherwise specified in relevant laws, administrative regulations and securities regulatory rules of the place where the Company's shares are listed, in the 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. The "non-independent Director" referred to in the Articles of Association may include the meanings of "executive director" and "non-executive director" in the Hong Kong Listing Rules.
- (V) The term "online" in the Articles of Association refers to the online methods recognized by relevant laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed, including but not limited to website addresses, webinars, webcasts, video conferences, or any form of teleconference system (telephone, video, online, or other technological means).

Article 213 The Board of Directors may formulate by-laws in accordance with the provisions of the Articles of Association. Such by-laws shall not be in conflict with the Articles of Association.

Article 214 The Articles of Association are written in Chinese. In case of any inconsistency between the Chinese version and other translations or versions of the Articles of Association, the latest Chinese version approved and registered by the Administration for Industry and Commerce shall prevail.

Article 215 Disputes among the Company, its Shareholders, Directors, and senior management members involving the provisions of the Articles of Association shall be resolved through negotiation first; if negotiation fails, any party shall have the right to submit the relevant dispute to the competent people's court at the domicile of the Company for resolution through litigation.

Article 216 The term "or more", "within" or "or less" as stated in the Articles of Association shall all include the given figure; the term "not more than", "beyond" "over", "exceeding", "lower than", "more than", "less than" shall all exclude the given figure.

Article 217 The right of interpretation of the Articles of Association shall be vested in the Board of Directors of the Company.

Article 218 The annexes hereof shall include the Rules of Procedure for the Shareholders' Meeting and the Rules of Procedure for the Meetings of the Board of Directors.

Article 219 Matters not covered in the Articles of Association shall be dealt with in accordance with the relevant provisions of the national laws, regulations, normative documents and the securities regulatory rules of the place where the shares of the Company are listed. In case the Articles of Association conflict with the relevant provisions of the national laws, regulations, normative documents and the securities regulatory rules of the place where the shares of the Company are listed, those provisions of the laws, regulations, normative documents and the securities regulatory rules of the place where the shares of the Company are listed shall prevail.

Article 220 The Articles of Association shall be effective from the date of being considered and approved by the Shareholders' meeting of the Company, and the same shall apply to any amendment thereof.