ARTICLES OF ASSOCIATION OF

ZHONGJI INNOLIGHT CO., LTD.

(Applicable upon initial public offering and listing of overseas listed shares (H Shares))

CONTENTS

CHAPTER 1 GENERAL PROVISIONS

Article 1 The Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China (the "Securities Law"), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Rules Governing the Listing of Shares on the ChiNext Market of the Shenzhen Stock Exchange, the Guidelines for the Articles of Association of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"), and other relevant provisions, with a view to safeguarding the legitimate rights and interests of Zhongji InnoLight Co., Ltd. (中際旭創股份有限公司) (the "Company") and its shareholders and creditors and regulating the organization and acts of the Company.

Article 2 The Company is a joint stock company with limited liability established pursuant to the Company Law and other relevant regulations of the People's Republic of China.

The Company was established by the overall restructuring of Longkou Zhongji Electrical Engineering Machinery Co., Ltd. (龍口中際電工機械有限公司). It was registered with the Shandong Provincial Administration for Industry and Commerce (山東省工商行政管理局), and has obtained a business license with the Unified Social Credit Identifier 370681400000521.

Article 3 The Company was approved by the China Securities Regulatory Commission (the "CSRC") on March 13, 2012 pursuant to the document "Zheng Jian Xu Ke [2012] No. 326" (證監許可[2012]326 號), to initially issue 16,670,000 RMB ordinary shares to the public. The shares were listed on the ChiNext Market of the Shenzhen Stock Exchange on April 10, 2012.

The Company has filed with the CSRC on July 8, 2026, and received approval from The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on [•], [•] for its initial public offering of [•] H Shares, which were listed on the Main Board of the Hong Kong Stock Exchange on [•], [•].

The shares issued by the Company and listed on the Shenzhen Stock Exchange are referred to as "A Shares"; and the shares issued by the Company and listed on the Main Board of the Hong Kong Stock Exchange are referred to as "H Shares".

Article 4 The registered name of the Company:

Chinese name: 中際旭創股份有限公司
English name: ZHONGJI INNOLIGHT CO., LTD.

Article 5 Domicile of the Company: Zhuyouguan Town, Longkou City, Shandong Province, 265705

Article 6 The registered capital of the Company is RMB[•].

Article 7 The Company is a perpetual joint stock company.

Article 8 The chairman of the board of directors shall be the legal representative of the Company. If the chairman of the board of directors resigns, he/she is deemed to have resigned as the legal representative at the same time. If the legal representative resigns, the Company shall, within 30 days from the date of his/her resignation, appoint a new legal representative.

The legal consequences of civil activities conducted by the legal representative in the name of the Company shall be borne by the Company. The restrictions on the functions and powers of the legal representative set out in these Articles or at the shareholders' meeting shall not be imposed against a bona fide counterparty. Where the legal representative causes damage to others in performing his/her duties, the Company shall assume the civil liability. After assuming civil liability, the Company may claim reimbursement from the legal representative at fault in accordance with the laws or the Articles of Association.

Article 9 All assets of the Company shall be divided into shares of equal value. The shareholders shall be liable to the Company to the extent of the shares they subscribed for. The Company shall be liable for its debts to the extent of all of its assets.

Article 10 The Articles of Association shall, as of the date of entry into force, be a legally binding document which regulates the Company's organization and acts as well as the relationship of rights and obligations between the Company and its shareholders and between the shareholders, and shall be legally binding on the Company, its shareholders, directors and senior management. Pursuant to these Articles, a shareholder may file a lawsuit against another shareholder, against the Company's directors, president and other senior management personnel, or against the Company; and the Company may file a lawsuit against its shareholders, directors, president and other senior management personnel.

Article 11 Other senior management personnel as mentioned in these Articles of Association refer to the vice-president(s), chief financial officer, chief engineers and board Secretary.

Article 12 According to provisions of the Constitution of the Communist Party of China, the Company has established a Communist Party organization and carries out Party activities. The Company shall provide requisite conditions for the activities of the Party organization.

CHAPTER 2 BUSINESS OBJECTIVES AND SCOPE

Article 13 The Company's business objectives: With a view to enhancing economic cooperation and technological exchange, the Company shall adopt advanced technology and scientific management methods, actively research, develop, and manufacture products that are marketable both domestically and internationally. By providing efficient, convenient, and high-quality services, the Company aims to meet the ever-growing material and cultural needs of society, improve the economic efficiency of the enterprise, and enable all investing parties to obtain satisfactory returns on their investment.

Article 14 Registered in accordance with the law, the business scope of the Company includes: manufacturing of communication equipment; manufacturing of optical communication devices; sales of optical communication devices; manufacturing of electronic components; retail of electronic components; manufacturing of optoelectronic devices; sales of optoelectronic devices; manufacturing of integrated circuit chips and related products; technical services, technical development, technical consultation, technical exchange, technical transfer, and technology promotion; import and export of goods; investment activities using self-owned funds; business management; and leasing of non-residential real estate. (Except for items subject to approval in accordance with laws, such business activities shall be carried out with business licenses independently in accordance with laws).

CHAPTER 3 SHARES

Section 1 Issuance of Shares

Article 15 Shares of the Company shall take the form of registered share certificates.

If the share capital of the Company includes non-voting shares, the words "non-voting" must be added to the names of such shares. Where the equity capital includes shares with weighted voting rights, the words "limited voting rights" or "restricted voting rights" must be added to the name of each class of shares (other than those with the most favorable voting rights).

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

Shares of the same class in the same issuance shall be issued under the same terms and at the same price; the same amount shall be paid for each share subscribed for by any unit or individual.

Article 17 The nominal value of the shares issued by the Company shall be denominated in RMB, with a par value of RMB1 per share.

Article 18 The A Shares issued by the Company shall be centrally deposited with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The H Shares issued by the Company may primarily be deposited with the custodian company of Hong Kong Securities Clearing Company Limited in accordance with the laws and practices for securities registration and depository of the place where the shares of the Company are listed, or may also be held by shareholders in their own names.

Article 19 With the five corporate shareholders of Longkou Zhongji Electrical Engineering Machinery Co., Ltd. (龍口中際電工機械有限公司) acting as the promoters, namely Shandong Zhongji Investment Holding Co., Ltd. (山東中際投資控股有限公司), Favor Bright Industrial (Hongkong) Limited (澤輝實業(香港)有限公司), Zhejiang Fuxin Venture Capital Co., Ltd. (浙江富鑫創業投資有限公司), Shanghai Xianghe Equity Investment Partnership (L.P.) (上海祥禾股權投資合夥企業(有限合夥)) and Shenzhen Zhongke Hongyi Venture Capital Co., Ltd. (深圳市中科宏易創業投資有限公司), the Company was established by way of an overall conversion based on a contribution of RMB50,000,000.00, which was funded from RMB140,506,875.68 in the audited net assets of Longkou Zhongji Electrical Engineering Machinery Co., Ltd. (with August 31, 2010 as the benchmark date). Upon its establishment, the number of shares subscribed by Shandong Zhongji Investment Holding Co., Ltd. was 31,907,500, representing 63.815% of the total share capital.

Article 20 The number of shares in issue of the Company is [•], all of which are ordinary shares, including 1,115,234,641 A ordinary shares, and [•] H ordinary shares, representing approximately [•]% and [•]% of the total share capital of the Company, respectively.

Article 21 Except as otherwise provided by laws, neither the Company nor its subsidiaries (including the affiliates of the Company) shall provide any financial assistance to any person for the acquisition of shares in the Company or its parent company by means of gift, advance, guarantee, loans or other means.

Section 2 Increase, Decrease and Repurchase of Shares

Article 22 According to the operation and development needs of the Company, subject to the laws and regulations, the Company may increase the share capital in the following ways upon approval of resolutions at the shareholders' meetings:

(1) Issuance of shares to non-specific targets;

(2) Issuance of shares to specific targets;

(3) Distribution of bonus shares to existing shareholders;

(4) Converting the reserve funds into share capital;

(5) Other methods as provided for by laws and administrative regulations and approved by the CSRC and other securities regulatory bodies in the places where the shares of the Company are listed.

Article 23 The Company may decrease the registered share capital. The Company's reduction of the registered capital shall be carried out in accordance with the procedures stipulated in the Company Law and other regulations, these Articles.

Article 24 The Company shall not repurchase its own shares, unless otherwise under the circumstances:

(1) Reducing the Company's registered share capital;

(2) Merging with other companies which hold shares of the Company;

(3) Using the shares for an employee stock ownership plan or equity incentive plan;

(4) Purchasing their shares from shareholders who have voted against the resolutions on the merger or division of the Company at a shareholders' meeting upon their request;

(5) Using shares for conversion of corporate bonds issued by the listed company that can be converted into shares;

(6) Necessary for the listed company to maintain its value and the interests of the shareholders.

(7) Other circumstances as permitted by laws, administrative regulations, departmental rules and the regulatory rules of the place where the Company's shares are listed.

Except for the circumstances described above, the Company shall not repurchase its own shares.

Article 25 The repurchase of the Company's shares by the Company may be carried out through public centralized trading, or other methods recognized by laws, administrative regulations, CSRC or the stock exchange where the Company's shares are listed, subject to compliance with applicable laws, administrative regulations, departmental rules and other methods recognized by securities regulatory authorities where the Company's shares are listed.

Where the Company repurchases its own shares under the circumstances specified in items (3), (5) and (6) under the first paragraph of Article 24 of these Articles, such repurchase shall be conducted through public centralized trading and in accordance with the relevant provisions of laws and regulations, administrative regulations, departmental rules and securities regulatory authorities where the Company's shares are listed.

Article 26 A resolution shall be passed at the shareholders' meeting when the Company is to repurchase its own shares under the circumstances specified in items (1) and (2) under the first paragraph of Article 24 of these Articles. In case of the circumstances stipulated in items (3), (5) and (6) under the first paragraph of Article 24 of these Articles, a resolution of the board of directors may be passed by more than two-thirds of the directors attending the board meeting in accordance to the provisions of these Articles or as authorized by the shareholders' meeting.

After the Company has repurchased its own shares under the first paragraph of Article 24 of these Articles, the shares repurchased shall be canceled within ten days from the date of purchase (under the circumstance set out in items (1)), or shall be transferred or canceled within six months (under the circumstances set out in items (2) and (4)). If the Company repurchases its shares under the circumstances set out in items (3), (5) and (6), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or canceled within three years. Where laws, regulations and the securities regulatory rules of the place where the Company's shares are listed provide otherwise in respect of matters relating to share repurchase, such provisions shall prevail.

When the Company repurchases its own shares, it shall perform the obligation of information disclosure in accordance with the Securities Law and the securities regulatory rules of the place where the Company's shares are listed.

Section 3 Transfer of Shares

Article 27 The shares of the Company shall be transferred in accordance with laws. Transfer of any H Shares shall be executed with a written instrument of transfer in usual or common form or any other forms accepted by the board of directors (including the standard transfer format or transfer form specified from time to time by the Hong Kong Stock Exchange), which may only be signed by hand or (if the transferor or transferee is a company) affixed with an effective corporate seal. If the transferor or transferee is a recognized clearing house or its agent thereof defined in the relevant provisions in force from time to time of the laws of Hong Kong Special Administrative Region of the People's Republic of China (the "Hong Kong"), the instrument of transfer may be signed by hand or by machine imprinted signatures. All transfer instruments shall be kept at the legal address of the Company or other place designated by the board of directors from time to time.

Article 28 The Company shall not accept its own shares as the subject of pledges.

Article 29 Shares issued prior to the public offering of A Shares of the Company shall not be transferred within one year from the date on which A Shares of the Company are listed and traded on the stock exchange. Where laws, administrative regulations or the securities regulatory rules of the place where the Company's shares are listed have other provisions governing the transfer of the Company's shares held by its shareholders and the actual controlling party of a company, those provisions shall prevail.

The directors and senior management of the Company shall declare to the Company of their holdings of shares of the Company and the changes therein. The shares transferred 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 Company. The shares of 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 of the Company held by them shall not be transferred within half a year from their departure from the Company.

If the listing rules of the place where the Company's shares are listed have other provisions in respect of restrictions on the transfer of the Company's shares, such provisions shall prevail.

If shares are pledged during a statutory or regulatory lock-up period, the pledgee shall not exercise the rights under the pledge during such lock-up period. Holding shares of the Company on behalf of another in a manner that violates laws or administrative regulations is prohibited.

Article 30 Any gains from sale of Company's shares or other securities with the nature of equity by the directors and senior management members or shareholders holding 5% or more of the Company's shares (excluding those circumstances where Hong Kong Securities Clearing Company Limited and HKSCC Nominees Limited act as nominee holders) within six months after their purchase of the same, and any gains from the purchase of the shares or other securities with the nature of equity 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 recover such gains from the abovementioned parties. However, there is an exception for securities companies that hold more than 5% of the shares due to the purchase of surplus shares after the package sale, and other circumstances stipulated by the CSRC. Where laws, regulations and the securities regulatory rules of the place where the Company's shares are listed provide otherwise with respect to relevant matters, such provisions shall prevail.

Shares or other securities with the nature of equity held by directors, senior management members 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 provision set forth above, 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 comply within the aforesaid period, the shareholders are entitled to initiate litigation directly in the people's court of the PRC in their own names for the interest of the Company.

If the board of directors fails to implement the provisions set forth above, the responsible directors shall bear joint and several liabilities in accordance with law.

CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Section 1 General Provisions on Shareholders

Article 31 The Company shall establish a register of shareholders in accordance with evidentiary documents provided by the securities registration and clearing authorities. The register of shareholders is sufficient evidence to prove that the shareholders hold the Company's shares. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

The Company shall enter into a share custody agreement with the securities depository and clearing authorities, make regular inquiries about the information on major shareholders and the changes in shareholdings (including equity pledges) of major shareholders, and keep abreast of the Company's shareholding structure. The transfers and transmissions of shares shall be registered in the register of members. Duplicates of the H Shares register of members shall be maintained at the Company's place of domicile. The appointed overseas agency shall ensure the consistency between the original and the duplicate of the H Shares register of members. The register of shareholders kept in Hong Kong shall be available for inspection by shareholders. However, the register of members may be closed on terms equivalent to those set out in section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The original register of members of H Shares listed in Hong Kong is kept in Hong Kong and is available for inspection by shareholders, but the Company may suspend the registration of shareholders in accordance with applicable laws and regulations and the securities regulatory rules of the place where the Company's shares are listed. In the event that any shareholder whose name is recorded in or any person who requests to have his/her name entered in the H Shares register of members loses his/her share certificate(s), he/she may apply to the Company for replacement of new share certificate(s) in respect thereof. Where a shareholder of H Shares loses his/her share certificate(s) and applies for replacement, such application shall be dealt with in accordance with the laws, rules of the stock exchange or other relevant regulations of the place where the original copy of the register of shareholders of H Shares is maintained.

Article 32 Where the Company convenes a shareholders' meeting, distributes dividends, liquidates or carries out other activities that require the determination of identity of shareholders, the board of directors or a convener of the shareholders' meeting shall set a record date for determination of shareholding. The shareholders who are registered after the market closes on the record date are the shareholders who enjoy the relevant rights and interests.

Article 33 The rights of shareholders of the Company are as follows:

(1) To receive dividends and other forms of interest distribution according to the number of shares held;

(2) To legally require to hold, convene, preside over, participate in or authorize proxies of shareholders to attend the shareholders' meeting and exercise corresponding voting rights;

(3) To supervise the operations of the Company, provide suggestions or submit queries;

(4) To transfer, grant or pledge the shares held according to the provisions of the laws, administrative regulations and these Articles;

(5) To read and copy these Articles, the register of shareholders, shareholders' meeting minutes, resolutions of board meetings and financial and accounting reports;

(6) To participate in the distribution of the remaining properties of the Company in proportion to their shareholdings in the event of the termination or liquidation of the Company;

(7) To require the Company to acquire shares from the shareholders voting against any resolutions adopted at the shareholders' meeting concerning the merger and division of the Company;

(8) Other rights conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, or these Articles.

Article 34 If the shareholders request access to or reproduction of relevant materials of the Company, they shall comply with the provisions of the Company Law, the Securities Law, other applicable laws and administrative regulations as well as the securities regulatory rules of the place where the Company's shares are listed, and provide the Company with written documents evidencing the class and number of the shares held by them in the Company. Upon verification of their status as shareholders, the Company shall provide such shareholders with the information as required by them.

Shareholders who hold more than 3% of the Company's shares individually or collectively for more than 180 consecutive days may require to inspect the Company's accounting books and accounting vouchers, provided that they shall submit a written request to the Company stating the purpose thereof. 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 inspection, and shall reply to the shareholder in writing and explain the reasons within 15 days from the date of written request. If the Company refuses to provide access for inspection, the shareholder may file a lawsuit with a people's court. When inspecting or copying relevant materials, shareholders shall comply with the provisions of laws and administrative regulations concerning the protection of state secrets, trade secrets, personal privacy, and personal information.

Article 35 If the content of the resolution of the Company's shareholders' meeting or board of directors violates laws or administrative regulations, shareholders have the right to request the people's court to declare such resolution invalid.

If the convening procedures or voting methods of the shareholders' meeting or the board meeting violate laws, administrative regulations or these Articles, or the content of the resolution violates these Articles, 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. However, the resolution shall not be revoked if there are only minor flaws in the convening procedures or voting methods of the shareholders' meeting or the board meeting resulting in no substantial impact on the resolution.

Where a dispute arises among the board of directors, shareholders and other related parties regarding the validity of a resolution of the shareholders' meeting, they shall promptly file a lawsuit with the people's court. Before the people's court makes a judgment or ruling to revoke the resolution or otherwise, the related parties shall execute the resolutions of the shareholders' meeting. The Company, directors and senior management personnel shall earnestly fulfill their responsibilities to ensure the normal operation of the Company.

Where the people's court has made a judgment or ruling on relevant matters, the Company shall perform its information disclosure obligations in accordance with laws, administrative regulations, the requirements of the CSRC and the stock exchange, by fully explaining their impacts, and actively cooperating with the execution after the judgment or ruling takes effect. For matters involving corrections of previous issues, they shall be handled promptly and the corresponding information disclosure obligations shall be fulfilled.

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

(1) The resolution is passed without holding a shareholders' meeting or a board meeting;

(2) The resolution is not voted on at a shareholders' meeting or a board meeting;

(3) The number of persons present at the meeting or the number of votes held does not attain the number stipulated in the Company Law, the securities regulatory rules of the place where the Company's shares are listed or these Articles;

(4) The number of persons voting in favor of the resolution or the number of votes held does not attain the number stipulated in the Company Law, the securities regulatory rules of the place where the Company's shares are listed or these Articles.

Article 36 In the event of any loss caused to the Company as a result of violation of any laws, administrative regulations or provisions of these Articles by the directors or senior management except audit committee members when performing their duties in the Company, the shareholders holding more than 1% shares separately or jointly for over 180 consecutive days may submit a written request to the audit committee to file an action with the people's court. Where audit committee members violate laws, administrative regulations or these Articles in their duty performance and cause loss to the Company, the aforesaid 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 refuse to file an action upon receipt of the shareholders' written request specified in the preceding paragraph, or fail 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 to the people's court for the interest of the Company.

In the event that any other person infringes upon the legitimate rights and interests of the Company and causes losses thereto, the shareholders specified in the preceding paragraph of this Article may file an action with the people's court pursuant to the provisions of the preceding paragraphs.

Where loss is caused to the Company as a result of violation of laws, administrative regulations or these Articles by directors, supervisors and senior management members of a wholly-owned subsidiary of the Company in the course of performing their duties, or where the legitimate rights and interests of a wholly-owned subsidiary of the Company are infringed by any other person, thereby causing any loss, the shareholders individually or jointly holding more than 1% of the shares of the Company for over 180 consecutive days may request the supervisory committee or the board of directors of the wholly-owned subsidiary in writing to initiate legal proceedings in the people's court or directly files an action with the people's court in their own name pursuant to the provisions of the first three paragraphs under section 189 of the Company Law.

Article 37 In the event that a director or a senior management member violates laws, administrative regulations or these Articles, thus causing damage to the interests of shareholders, the shareholders may file an action with the people's court.

Article 38 The obligations of shareholders of the Company are as follows:

(1) To abide by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and these Articles;

(2) To make payment according to the shares subscribed for and the subscription methods;

(3) Not to withdraw their shares capital unless prescribed otherwise in laws, regulations and the securities regulatory rules of the place where the Company's shares are listed;

(4) Not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity and the limited liability of shareholders to damage the interests of the Company's creditors;

Shareholders who abuse their shareholders' rights and cause the Company or other shareholders to suffer damages shall bear compensation liability in accordance with the law.

Shareholders who abuse the independent legal person status of the Company and limited liability of shareholders to evade debts and cause damage to the interests of the creditors of the Company shall bear joint and several liability for the Company's debt.

Shareholders who utilize two or more companies under their control to engage in the conduct specified in the preceding paragraph, each of those companies shall assume joint and several liabilities for the debts of any one of them.

(5) To perform other duties prescribed in laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and these Articles.

Article 39 If the shareholders holding more than 5% of the voting shares of the Company pledge their shares, they shall submit a written report to the Company on the day of such pledge.

Controlling shareholders or de facto controllers shall maintain control over the Company and the stability of its production operations if they pledge the Company's shares held or effectively controlled by them.

In the event of any transfer of the Company's shares held by a controlling shareholder or de facto controller, such person shall comply with the restrictive provisions regarding the transfer of shares stipulated under laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and regulations of the CSRC and the stock exchange, as well as the undertakings he/she has made in respect of restrictions on share transfer.

Article 40 The controlling shareholders and de facto controllers of the Company shall exercise their rights and fulfill their obligations and safeguard the interests of the listed company in accordance with the provisions of laws, administrative regulations, the CSRC and the stock exchanges.

The controlling shareholders and de facto controllers of the Company shall comply with the following requirements:

(1) To exercise shareholders' rights in accordance with the law, and not to abuse the controlling right or take advantage of related-party relationship to harm the lawful rights and interests of the Company or other shareholders;

(2) To strictly fulfill the public declarations and undertakings made and not to alter or waive such declarations or undertakings in a unilateral manner;

(3) To strictly perform the obligation of information disclosure in accordance with relevant provisions and actively cooperate with the Company to procure proper information disclosure, notifying the Company in a timely manner of material matters that have occurred or will likely occur;

(4) Not to appropriate the funds of the Company in any manner;

(5) Not to compel, instigate or request the Company and relevant staff to provide guarantees in violation of laws or regulations;

(6) Not to take advantage of the Company's undisclosed material information to seek gains, or divulge undisclosed material information relating to the Company in any manner, or be engaged in insider trading, short-swing trading or market manipulation or other acts in violation of laws and regulations;

(7) Not to compromise the lawful rights and interests of the Company and other shareholders through any means, such as unfair related-party transaction, profit distribution, asset restructuring, and external investment;

(8) To guarantee the integrity of the Company's assets and the Company's independence in terms of staffing, finance, organisation and business, and not to affect the independence of the Company in any manner;

(9) Other provisions under laws, administrative regulations, provisions of CSRC, the securities regulatory rules of the place where the Company's shares are listed and other provisions of these Articles.

If a controlling shareholder or de facto controller of the Company does not act as a director of the Company but actually executes the affairs of the Company, the provisions of the Articles on the duties of loyalty and diligence of directors shall apply.

A controlling shareholder or de facto controller of the Company who instructs directors and senior management to engage in acts detrimental to the interests of the Company or its shareholders shall be jointly and severally liable with such directors and senior management.

Section 2 General Provisions for Shareholders' Meetings

Article 41 The shareholders' meeting of the Company shall comprise all shareholders. The shareholders' meeting is the organ of authority of the Company, which exercises its powers in accordance with the law:

(1) To elect and replace directors who are not staff representatives, and to decide on matters relating to the remuneration of directors;

(2) To examine and approve reports of the board of directors;

(3) To examine and approve the Company's proposals for profit distribution plans and loss recovery plans;

(4) To resolve on any increase or decrease of the Company's registered capital;

(5) To resolve on the issue of corporate bonds by the Company;

(6) To resolve on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;

(7) To amend these Articles;

(8) To resolve on the appointment and dismissal of an accounting firm that undertakes the auditing of the Company;

(9) To examine and approve the guarantees stipulated in these Articles;

(10) To examine and approve the following significant transactions: purchases or sales of assets (excluding purchases of raw materials or sales of commodities and other assets related to the ordinary course of business), external investments, provision of financial assistance, leases of assets (as lessor or lessee), donation of assets or acceptance of donated assets (excluding acceptance of cash assets), restructuring of claims or debts, asset mortgages, entrusted wealth management, and entering into entrustment or licensing agreements:

1. If the total assets involved in the transaction account for more than 50% of the Company's latest audited total assets, where the total assets involved in the transaction have both book value and appraised value, the higher one shall prevail;

2. If the relevant operating income of the subject of the transaction (e.g. equity) in the latest accounting year accounts for more than 50% of the audited operating income of the Company in the latest accounting year, and the absolute amount exceeds RMB30 million;

3. If the relevant net profit of the subject of the transaction (e.g. equity) in the latest accounting year accounts for more than 50% of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB3 million;

4. If the transaction amount (including assumed debts and expenses) of the transaction accounts for more than 50% of the Company's latest audited net assets, and the absolute amount exceeds RMB30 million;

5. If the profits arising from the transaction account for more than 50% of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB3 million.

   If the data involved in the calculation of index in 1 to 5 above is negative, the absolute value of the data shall be taken.

6. For transactions for the purchase or sale of assets by the Company, the higher of the total assets and the transaction amount shall be used as the calculation benchmark, and such transactions shall be aggregated by type of transaction over any consecutive 12-month period. If the aggregated amount reaches 30% of the latest audited total assets, those transactions for which the relevant decision-making procedures have already been complied with in accordance with the foregoing provisions shall no longer be included in the scope of such aggregation.

(11) To examine and approve matters relating to changes in the use of proceeds;

(12) To examine the equity incentive plans and employee stock ownership plans;

(13) To examine and approve the following material related transactions:

1. Related transactions between the Company and related natural persons involving an amount of more than RMB3 million;

2. Related transactions between the Company and related legal persons (excluding the receipt of cash assets by the Company and the provision of guarantees) involving an amount of more than RMB10 million and related transactions representing more than 5% of the absolute value of the Company's latest audited net asset;

3. For a guarantee provided by the Company to a related person, regardless of the amount, such guarantee shall be submitted to the shareholders' meeting for deliberation and approval after being reviewed and approved by the board of directors.

(14) To examine other matters as required by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or these Articles to be decided by the shareholders' meeting.

A shareholders' meeting may authorize the board of directors to decide on the issuance of corporate bonds. Save for the foregoing, the functions and powers of the aforesaid shareholders' meeting may not be exercised by the board of directors or other organizations and individuals through authorization.

Article 42 The following acts of external guarantee of the Company shall be submitted to the shareholders' meeting for deliberation and approval after being reviewed and approved by the board of directors:

(1) Any guarantee to be provided after the total amount of external guarantees provided by the Company and the subsidiaries it controls has exceeded 50% of the net assets as audited in the latest period;

(2) Any guarantee to be provided after the total amount of external guarantees provided by the Company has exceeded 30% of the Company's total assets audited in the latest period;

(3) The single guarantee for an amount more than 10% of the net assets audited in the latest period;

(4) Any guarantee to be provided for a party whose ratio of liabilities to assets exceeds 70%;

(5) The total amount of external guarantees provided by the Company within a consecutive 12-month period has exceeded 30% of the Company's total assets audited in the latest period;

(6) The guarantee to be provided to a shareholder, or to a de facto controller or related party thereof;

(7) Other guarantees that shall be examined and approved by the shareholders' meeting as required by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

When the board of directors reviews guarantee matters, approval must be obtained from more than two-thirds of the directors present at the board meeting. When the shareholders' meeting reviews the guarantee matters mentioned in item (5) of the preceding paragraph, approval must be obtained from more than two-thirds of the voting rights held by the shareholders present at the meeting.

When the shareholders' meeting deliberates on the proposal of providing guarantees for the shareholders, the de facto controller and their related persons, the said shareholders or the shareholders dominated by the de facto controller shall not participate in the voting. The resolution shall be approved by more than half of the voting rights held by other shareholders in attendance at the shareholders' meeting.

Article 43 The shareholders' meetings are divided into annual general meetings and extraordinary shareholders' meetings. The annual general meeting shall be convened once a year and be held within six months after the end of the previous fiscal year.

Article 44 The Company shall convene an extraordinary shareholders' meeting within two months from the date of the occurrence of any of the following circumstances:

(1) The number of directors is less than the number provided for in the Company Law or less than two-thirds of the number prescribed in these Articles;

(2) The uncovered losses of our Company reach one-third of its share capital;

(3) A written request from shareholders who separately or jointly hold 10% or more shares in the Company;

(4) The board of directors considers it necessary;

(5) The audit committee proposes that such a meeting shall be held;

(6) Other circumstances conferred by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles.

If an extraordinary shareholders' meeting is convened in accordance with the securities regulatory rules of the place where the Company's shares are listed, the actual convening date of the extraordinary shareholders' meeting may be adjusted based on the approval progress of the stock exchanges where the Company's shares are listed.

Article 45 The venue for the shareholders' meetings of the Company shall be the place of the Company's domicile, or such other place as determined in the meeting notice issued by the convener of the shareholders' meeting.

The shareholders' meetings shall be provided with a venue and held in the form of onsite meeting. In addition, the Company shall provide internet voting to facilitate the participation of shareholders in the shareholders' meeting. Shareholders participating in the shareholders' meeting by the above means shall be deemed to be present at such meeting.

Article 46 When convening a shareholders' meeting, the Company shall engage lawyers to provide legal opinions and make announcements on the following issues:

(1) Whether the procedures of convening and holding the meeting comply with laws, administrative regulations and these Articles;

(2) Whether the qualifications of attendees and convener are legal and valid;

(3) Whether the procedure and result of voting are legal and valid;

(4) Legal opinions on other matters as requested by the Company.

Section 3 Convening of Shareholders' Meetings

Article 47 The board of directors shall convene shareholders' meetings on time within the prescribed period.

With the consent of a majority of all independent directors, the independent directors shall have the right to propose to the board of directors to convene an extraordinary shareholders' meeting. In response to a proposal from an independent director to convene an extraordinary shareholders' meeting, the board of directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and these Articles, give a written response on whether or not it agrees to convene such an extraordinary shareholders' meeting within ten days after the receipt of the proposal.

If the board of directors agrees to convene an extraordinary shareholders' meeting, it shall give a notice convening such meeting within five days after it has so resolved. If the board of directors does not agree to convene the extraordinary shareholders' meeting, it shall state the reason.

Article 48 The audit committee shall have the right to propose to the board of directors to convene an extraordinary shareholders' meeting, and such proposal shall be made in writing. The board of directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and these Articles, give a written response on whether or not it agrees to convene such an extraordinary shareholders' meeting within ten days after the receipt of the proposal.

If the board of directors agrees to convene an extraordinary shareholders' meeting, it shall give a notice convening such meeting within five days after it has so resolved. Any changes to be made to the original request in the notice shall be subject to approval of the audit committee.

If the board of directors does not agree to convene an extraordinary shareholders' meeting or fails to give a response within ten days after the receipt of the proposal, it shall be deemed that the board of directors is unable or fails to perform its duties in convening the shareholders' meeting. In such case, the audit committee may convene and preside over such meeting on its own.

Article 49 Shareholders who individually or collectively hold more than 10% of the shares of the Company have the right to request the board of directors to convene an extraordinary shareholders' meeting and 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, the securities regulatory rules of the place where the Company's shares are listed and these Articles, provide a written response on whether or not to convene the extraordinary shareholders' meeting within ten days after receiving the request.

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

Where the board of directors does not agree to convene an extraordinary shareholders' meeting, or fails to give response within ten days after receiving the request, shareholders who individually or collectively hold more than 10% of the Company's shares have the right to propose to the audit committee to hold an extraordinary shareholders' meeting, and shall make a written request to the audit committee.

Where the audit committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within five days upon receiving the request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

Where the audit committee fails to issue a notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the audit committee has not convened and presided over the shareholders' meeting, and shareholders who individually or collectively hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over it on their own.

Article 50 Where the audit committee or shareholders decide to convene a shareholders' meeting on its/their own, it/they shall notify the board of directors in writing and, simultaneously, file a report with the relevant branch of the CSRC located in the Company's locality and with the stock exchange.

The shareholders who convene the shareholders' meeting shall hold no less than 10% shares of the Company prior to the announcement of the resolutions of such meeting.

The audit committee or the shareholders who convene the meeting shall submit relevant evidential documents to the relevant branch of the CSRC located in the Company's locality and with the stock exchange when issuing the notice of the shareholders' meeting and the announcement of resolutions of the shareholders' meeting.

Article 51 The board of directors and the secretary to the board of directors shall cooperate with the shareholders' meetings convened by the audit committee or shareholders. The board of directors shall provide the register of members as at the date of record.

Article 52 The necessary expenses for the shareholders' meetings convened by the audit committee or shareholders on their own shall be borne by the Company.

Section 4 Proposals and Notices of Shareholders' Meetings

Article 53 The content of proposals shall fall within the functions and powers of the shareholders' meeting, have clear subject for discussion and specific matters to be resolved and comply with relevant requirements of the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and these Articles.

Article 54 Where the Company convenes a shareholders' meeting, the board of directors, the audit committee and shareholders that hold, individually or collectively, 1% or more of the shares of the Company shall have the right to propose resolutions to the Company.

Shareholders that hold, individually or collectively, 1% or more of the shares of the Company may submit ad hoc proposals in writing to the convener ten days before the convening of the shareholders' meeting. The convener shall give a supplemental notice of the shareholders' meeting within two days upon receipt of the proposals and notify the contents of the ad hoc proposals and submit the ad hoc proposals to the shareholders' meeting for consideration, except for the cases where temporary proposal violates the provisions of laws, administrative regulations or the Articles of Association, or does not fall within the scope of the authority of the shareholders' meeting.

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

The shareholders' meeting shall not vote and make resolutions on proposals that are not specified in the notice of the shareholders' meeting or do not conform to Article 53 of these Articles.

Article 55 The convener of an annual general meeting shall notify all shareholders by means of an announcement 20 days before the meeting; the convener of an extraordinary shareholders' meeting shall notify all shareholders by means of an announcement 15 days before the meeting.

When calculating the commencement date of a term, the date of the meeting shall not be included.

Article 56 A notice of a shareholders' meeting shall include the following:

(1) The time, venue and duration of the meeting;

(2) Matters and proposals submitted to the meeting for consideration;

(3) A prominent written statement that all shareholders are entitled to attend the shareholders' meeting and are entitled to appoint a proxy in writing to attend and vote at the meeting and that such proxy need not be a Shareholder of the Company;

(4) The name and telephone number of the regular contact person for the meeting;

(5) The record date of registration of shareholders entitled to attend the shareholders' meeting;

(6) The time and procedure for voting online or through other means;

(7) Other contents that shall be included in the notice as stipulated in laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the provisions of these Articles.

The notice and supplementary notice of the shareholders' meeting shall fully and completely disclose all the specific content of all proposals. Where an independent director is required to express opinions on matters to be discussed, the opinions and reasons of the independent directors shall be disclosed at the same time when the notice of shareholders' meeting or the supplementary notice is issued.

If a shareholders' meeting adopts online voting, the notice of the shareholders' meeting shall clearly specify the voting time and voting procedures for such online voting. The online voting for the shareholders' meeting shall start no earlier than 3:00 p.m. on the day prior to the convening of the physical shareholders' meeting, and no later than 9:30 a.m. on the day on which the physical shareholders' meeting is convened, and shall end no earlier than 3:00 p.m. on the day of the conclusion of the physical shareholders' meeting.

The interval between the shareholding record date and the date of convening the shareholders' meeting shall be no more than 7 working days. Once determined, the date of record shall not be changed.

Article 57 Where the election of directors is to be discussed at a shareholders' meeting, the notice of the shareholders' meeting shall fully disclose the particulars of the director candidates, which at least shall include the following:

(1) Personal particulars such as educational background, working experience and part-time jobs;

(2) Whether there is any related relationship with the Company or the controlling shareholder and the actual controller of the Company;

(3) Disclosure of the number of shares held in the Company;

(4) Whether or not they have been subject to penalties imposed by the CSRC and other relevant authorities and any disciplinary action taken by any stock exchange;

(5) Other requirements as stipulated by the securities regulatory rules of the place where the Company's shares are listed.

The shareholders' meeting shall adopt a cumulative voting system when electing or replacing directors.

Save in the case of the election of directors on a cumulative voting basis, each director candidate shall be proposed as a separate proposal.

Article 58 After the shareholders' meeting notice has been issued, the shareholders' meeting should not be postponed or canceled without justifiable reasons, and the proposals listed in the notice of the shareholders' meeting should not be canceled. In the event of a postponement or cancelation, the convener shall make an announcement and explain the reasons at least 2 working days before the original date of the convening. If the securities regulatory rules of the place where the Company's stock is listed have special provisions regarding the procedures for postponing or canceling a shareholders' meeting, these provisions shall be followed, provided that they do not violate the regulatory requirements of the domestic jurisdiction.

Section 5 Holding of Shareholders' Meetings

Article 59 The board of directors and other conveners of the Company shall take necessary measures to ensure the normal order of the shareholders' meeting. They shall take measures to prevent the shareholders' meeting from any interference, disturbance and violation of the legitimate rights and interests of the shareholders and report timely to relevant authorities for investigation.

Article 60 All shareholders or their proxies registered on the record date for equity registration shall be entitled to attend the shareholders' meeting. They shall have the right to speak and exercise voting rights at the meeting in accordance with relevant laws, regulations, and these Articles as well as exercise voting rights in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and these Articles (unless individual shareholders are required to abstain from voting on certain matters under the securities regulatory rules of the place where the Company's stock is listed).

Pursuant to the applicable laws and regulations and the Hong Kong Listing Rules, if any shareholder is required to abstain from voting on a resolution, or is restricted to voting only in favor of (or against) a resolution, the votes cast by such shareholder or his/her proxy in contravention of such requirement or restriction shall be disregarded in calculation of the total numbers of shares with voting rights. Where a shareholder is a recognized clearing house (or its nominee) as defined in the relevant ordinances of Hong Kong as amended from time to time, such shareholder may authorize its company representative or one or more persons as it deems fit to act as its proxy at any shareholders' meeting.

Shareholders may attend the shareholders' meeting in person, or they may entrust proxies to attend and vote on their behalf.

Article 61 Individual shareholders attending the meeting in person shall present their personal identity cards or other valid certificates or proof that can indicate their identity. Proxies attending the meeting shall present their personal identity cards and the power of attorney from the shareholder.

Corporate shareholders shall be represented by its legal representative or proxies authorized by the legal representative. Legal representatives attending the meeting shall present their personal identity cards or valid documents that can prove their identity as the legal representative. Proxies authorized to attend the meeting shall present their personal identity cards or the written power of attorney legally issued by the legal representative of the legal person shareholder, except for shareholders who are a recognized clearing house as defined in the relevant ordinances in force from time to time under the laws of Hong Kong or the securities regulatory rules of the place where the shares of the Company are listed and its proxy.

Shareholders that are unincorporated partnership enterprises shall attend the meeting through their natural person executive partners or the designated representatives of their non-natural person executive partners, or through proxies appointed by the aforementioned persons. Where a natural person executive partner or the designated representative of a non-natural person executive partner attends the meeting, he/she shall present his/her identity card and valid proof certifying his/her capacity as the natural person executive partner or the designated representative of the non-natural person executive partner. Where a proxy is appointed to attend the meeting, the proxy shall present his/her identity card and a written power of attorney legally issued by the natural person executive partner or the designated representative of the non-natural person executive partner of such shareholder.

If the shareholder is a recognized clearing house (or its nominee) as defined in the relevant ordinances of Hong Kong as amended from time to time or the securities regulatory rules of the place where the Company's shares are listed, such shareholder may authorize its company representative or one or more persons it deems fit to act as its proxy at any shareholders' meeting or any meeting of creditors; however, if more than one person is so authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized. A person so authorized shall be entitled to exercise the rights on behalf of such shareholder (without production of a share certificate, notarized authorization and/or further evidence of due authorization), and shall enjoy the same statutory rights as other shareholders, including the right to speak and vote, as if such person were a personal shareholder of the Company.

Article 62 Any shareholder entitled to attend and vote at a shareholders' meeting shall be entitled to appoint another person (who need not be a shareholder) as his/her proxy to attend and vote on his/her behalf. The power of attorney issued by a shareholder to appoint another person to attend a shareholders' meeting shall contain the following particulars:

(1) Name of the principal, and the type and number of shares held in the Company;

(2) Name of the proxy, and whether such proxy has voting rights;

(3) Specific instructions from shareholders, including instructions as to vote for or vote against or abstain from voting in relation to each matter on the agenda to be examined at the shareholders' meeting;

(4) Date of issuance and date of expiry of the power of attorney;

(5) Signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the corporate shall be affixed.

The proxy form shall be deposited at the domicile of the Company or any other place specified in the notice for convening the meeting prior to the convening of the meeting or prior to the time appointed for voting.

Article 63 The power of attorney shall state whether the proxy may vote as he/she wishes if the shareholder does not give specific instructions.

Article 64 If the instrument appointing the voting proxy is signed by another person authorized by the principal, the power of attorney or other authorization document shall be notarized. The notarized power of attorney or other authorization document, together with the instrument appointing the voting proxy, shall be deposited at the domicile of the Company or at such other place as specified in the notice of the meeting.

If the principal is a legal person, its legal representative or a person authorized by its board of directors or other decision-making bodies shall attend the Company's shareholders' meeting as a representative.

Article 65 The register of the persons attending the meeting shall be prepared by the Company. The register shall state the names (or names of the corporations) and identity card numbers of the attendees, the number of voting shares held or represented by the attendees, and the names (or names of the corporations) of the principal.

Article 66 The convener and the lawyers engaged by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of members provided by the securities registration and clearing authorities, and shall register the names of the shareholders and the number of voting shares held by them. The registration for a meeting shall be terminated before the chairperson of the meeting announces the number of shareholders and proxies attending the meeting on-site and the total number of voting shares held by them.

Article 67 If the shareholders' meeting requires directors or senior management to attend the meeting, such directors or senior management shall attend the meeting and respond to shareholders' inquiries.

Article 68 A shareholders' meeting shall be presided over by the chairman of the board of directors. Where the chairman of the board of directors is unable or fails to perform his/her duties, the meeting shall be presided over by a director jointly elected by more than half of the directors.

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

A shareholders' meeting convened by shareholders shall be presided over by the convener or a representative elected by the convener.

Where the chairperson of the meeting violates the rules of procedure and makes it impossible to continue the meeting, with the consent of more than half of the shareholders present at the meeting with voting rights, the shareholders' meeting may elect a person to serve as the chairperson of the meeting and continue the meeting.

Article 69 The Company shall formulate the rules of procedure of the shareholders' meeting, which stipulate in detail the convening, holding and voting procedures of the shareholders' meeting, including notice, registration, consideration of proposals, voting, counting, announcement of voting results, formation of meeting resolutions, meeting minutes and signings and announcements, etc., as well as the authorization principles of the shareholders' meeting to the board of directors, and the authorization content should be clear and specific. The rules of procedure of the shareholders' meeting shall be annexed to these Articles, drawn up by the board of directors and approved by the shareholders' meeting.

Article 70 At the annual general meeting, the board of directors shall report their work for the past year to the shareholders' meeting. Each independent director shall also make his/her work report.

Article 71 The directors and senior management members shall make explanations and statements in response to inquiries and suggestions from shareholders at the shareholders' meeting.

Article 72 The chairperson of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting on-site as well as the total number of voting shares held, which shall be subject to the registration of the meeting.

Article 73 The shareholders' meeting shall have minutes prepared by the secretary to the board of directors. The minutes shall contain the following contents:

(1) Time, venue and agenda of the meeting and name of the convener;

(2) The name of the chairperson of the meeting and the names of the directors, president and other senior management members attending the meeting or attending such meeting as non-voting participants;

(3) The number of shareholders and proxies attending the meeting, the total number of voting shares held by them and the proportion to the total number of shares of the Company;

(4) The process of deliberation, main points of address and voting results of each proposal;

(5) Shareholders' inquiries or suggestions and corresponding replies or explanation;

(6) Names of attorneys, vote counters and scrutineers;

(7) Other contents required by these Articles to be included in the meeting minutes.

Article 74 The convener shall guarantee the authenticity, accuracy and integrity of the content of the meeting minutes. The directors, the secretary to the board of directors, the convener or their representatives who attend the meeting, and the chairperson of the meeting shall sign the meeting minutes. The meeting minutes shall be kept together with the signature book of the attending shareholders, the power of attorney for proxies, and the valid information on voting online and by other means for a period of not less than ten years.

Article 75 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 the meeting as soon as possible or the meeting shall be terminated directly and an announcement shall be published timely. Meanwhile, the convener shall report the same to the local office of the CSRC and the stock exchange.

Section 6 Voting and Resolutions at Shareholders' Meetings

Article 76 The resolutions of the shareholders' meeting are divided into ordinary resolutions and special resolutions.

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

A special resolution at a shareholders' meeting shall be passed by over two-thirds of the voting rights held by the shareholders present at the shareholders' meeting (including shareholders' proxies).

Article 77 The following matters shall be approved by the shareholders' meeting through ordinary resolutions:

(1) Work reports of the board of directors;

(2) Plans of earnings distribution and recovery of losses schemes drafted by the board of directors;

(3) Appointment or dismissal of the members of the board of directors, its remunerations and the payment method;

(4) Annual report of the Company;

(5) Other matters other than those approved by special resolution stipulated in laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed or these Articles.

Article 78 The following matters shall be approved by special resolution at the shareholders' meeting:

(1) The increase or reduction of the registered capital of the Company;

(2) The division, spin-off, merger, dissolution and liquidation of the Company;

(3) Any amendment to these Articles;

(4) The purchase and sale of material assets or amount of guarantee provided by the Company within one year valued at more than 30% of the audited total assets of the Company as in the latest period;

(5) Equity incentive plan;

(6) Other matters as required by laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or these Articles, 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 thus requiring approval by a special resolution.

Article 79 Shareholders (including shareholders' proxies) shall exercise voting rights based on the number of shares with voting rights represented by them, and each share shall be entitled to one vote. When a vote is taken, shareholders (including shareholders' proxies) with two or more votes are not required to cast all their votes as affirmative, negative or abstention votes.

Where material issues affecting the interests of minority shareholders are considered at the shareholders' meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The Company's own shares held by the Company do not carry voting rights and such shares shall not count towards the total number of shares with voting rights at shareholders' meeting.

If a shareholder purchases shares with voting rights of the Company in violation of the provisions of Clause 1 and Clause 2 of Article 63 of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the shareholders' meeting for 36 months after the purchase.

The board of directors, independent directors, shareholders holding 1% or more of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations or provisions of the CSRC, may publicly solicit shareholders' voting rights. When soliciting shareholders' voting rights, full disclosure of information such as the specific voting intentions shall be made to the solicited party. It is prohibited to solicit shareholders' voting rights in a paid or disguised paid manner. Except for the statutory conditions, the Company shall not impose a minimum shareholding restriction on the solicitation of voting rights.

Article 80 When a shareholders' meeting deliberates on matters pertaining to related party transactions, related shareholders shall abstain from voting, the shares with voting rights represented by them shall not be included in the total number of valid votes; the announcement on resolutions of shareholders' meeting shall make full disclosure of votes of non-related shareholders.

The following are the procedures for abstention and voting of shareholders with related relationships at the shareholders' meeting to consider matters of related party transactions:

(1) If a matter under consideration at a shareholders' meeting is related to a shareholder, the shareholder shall disclose his/her related party relationship to the board of directors of the Company prior to the date of the shareholders' meeting;

(2) When the shareholders' meeting considers matters relating to related party transactions, the chairperson of the meeting shall announce the related shareholders and explain and illustrate the related party relationship between the related shareholders and the related party transaction matters;

(3) The chairperson of the meeting shall announce the abstention of the related shareholders from voting, and the non-related shareholders would deliberate and vote on the related party transaction matters;

(4) For a related party transaction to be approved by an ordinary resolution, it must be passed by more than half of the voting rights represented by the shares held by the non-related shareholders present at the shareholders' meeting. For a related party transaction to be approved by a special resolution, it must be passed by more than two-thirds of the voting rights represented by the shares held by the non-related shareholders present at the shareholders' meeting;

(5) If a related shareholder fails to disclose the related party relationship or abstain from voting on the related matter in accordance with the above procedures, all resolutions passed in relation to such related matter shall be null and void, and such matter shall be submitted for a re-vote.

Article 81 Except when the Company is under a special circumstance such as crisis, the Company shall not, without an approval by a special resolution at a shareholders' meeting, enter into any contract to handover all or part of the management of important business of the Company with a person other than directors, president and other senior management members.

Article 82 The list of candidates for directors shall be proposed to the shareholders' meeting for voting.

When voting at the shareholders' meeting for the election of directors, cumulative voting system may be implemented in accordance with the provisions of these Articles or resolutions of shareholders' meeting.

The cumulative voting system shall be adopted if more than two directors are to be elected at the shareholders' meeting.

Article 83 Except for the cumulative voting system, the shareholders' meeting shall vote on all proposals one by one; in the event that there are several proposals for the same matter, they shall be voted in accordance with the time sequence of the proposals. Except the shareholders' meeting is suspended or no resolution can be made for special reasons such as force majeure, the shareholders' meeting shall not set aside the proposal or refrain from voting.

Article 84 No amendment shall be made to a proposal when it is considered at a shareholders' meeting; otherwise, the relevant amendment shall be deemed as a new proposal and shall not be voted on at the shareholders' meeting.

Article 85 The same voting right may only be exercised on site, online or by one of any other means of voting. In the event of repeated voting with the same voting right, the first voting result shall prevail.

Article 86 Voting shall be conducted by open ballot at a shareholders' meeting.

Article 87 When proposals are voted on at the shareholders' meeting, two shareholder representatives shall be appointed to participate in vote counting and scrutinizing. Where any shareholder has interests in any matter considered, the said shareholder and proxy shall not participate in vote counting and scrutinizing.

When proposals are voted on at the shareholders' meeting, the lawyer and shareholder representative shall count and scrutinize the votes jointly and announce the voting results on the spot. Such voting results shall be recorded in the meeting minutes.

Shareholders or proxies thereof voting online or by other manners shall have the right to check their voting results via the corresponding voting system.

Article 88 An on-site shareholders' meeting shall not conclude earlier than that held online or by other means, and the chairperson of the meeting shall announce the voting status and result for each proposal and announce whether the proposal is passed based on the voting result.

Before the formal announcement of voting results, the listed company, vote counters, vote scrutineers, shareholders, network services providers and other related parties involved at the physical shareholders' meetings, over the network and by another voting method shall have an obligation to keep confidential details of the voting.

Article 89 A shareholder attending a shareholders' meeting shall express one of the following opinions on any proposal to be voted on: for, against or abstention, save for the circumstance under which the securities registration and clearing institution, acting as the nominal holder of shares under the Mainland-Hong Kong Stock Connect, or a recognized clearing house (or its nominee) as defined in the relevant ordinances of Hong Kong as amended from time to time or the securities regulatory rules of the place where the Company's shares are listed, acting as a nominee holder, makes a declaration according to the intentions of the de facto holders.

Uncompleted, wrongly completed or illegible ballots and uncast paper ballots shall be deemed as those voters abstaining from their voting rights. The voting results of the shares they hold shall be counted as "abstention".

Article 90 If the chairperson of the meeting has any doubt as to the results of a resolution which has been put to vote, he/she may have the votes counted. If the chairperson of the meeting has not counted the votes, any shareholder who is present in person or by proxy and who objects to the results announced by the chairperson may, immediately after the declaration of the results, demand that the votes be counted and the chairperson shall have the votes counted immediately.

Article 91 Resolutions of the shareholders' meeting shall be announced in due time. The announcement shall specify the number of attending shareholders and proxies, the total number of voting shares they hold and the proportion of these shares to the total number of the voting shares of the Company, the voting method, the voting results for every proposal and the details of each of the resolutions passed.

Article 92 Where a proposal has not been passed or any resolutions of the preceding shareholders' meeting have been changed at the current shareholders' meeting, special mention shall be made in the announcement of the resolutions of the shareholders' meeting.

Article 93 If the shareholders' meeting passes a proposal concerning the election of a director, the newly appointed director shall take office on the date of resolution passed at the shareholders' meeting.

Article 94 Where a proposal in relation to the payment of cash dividends, the issue of bonus shares or the capitalisation of capital reserves has been passed at a shareholders' meeting, the Company shall implement the specific plans 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, administrative regulations or the securities regulatory rules of the place where the shares of the Company are listed, the implementation date may be adjusted accordingly in accordance with such provisions and the actual situation.

CHAPTER 5　BOARD OF DIRECTORS

Section 1　Directors

Article 95　Directors of the Company shall be natural persons and a person may not serve as a director of the Company in case of any of the following circumstances:

(1) The person without civil conduct capacity or with limited civil conduct capacity;

(2) 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 five 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;

(3) The person who is a 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 three years have elapsed since the date of the completion of such insolvency and liquidation of the company or enterprise;

(4) The person who is a 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 three years have elapsed since the date of such revocation of the business license or the order to shut down of the company or enterprise;

(5) 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;

(6) The person has been banned by the CSRC from access to the securities market, and the term of prohibition has not expired;

(7) The person has been publicly determined by the stock exchange as not suitable for acting as a director or senior management personnel of a listed company and the prescribed period has not expired;

(8) Other contents stipulated by laws, administrative regulations, departmental rules or the securities regulatory rules of the place where the shares of the Company are listed.

Where a director is elected or appointed in violation of the provisions of this Article, the election, appointment or engagement shall be invalid. If a director falls under the provisions of this Article during his or her tenure, the Company will dismiss him or her from office and suspend the performance of his/her duties.

Article 96　Directors shall be elected or replaced at the shareholder's meeting and may be dismissed by the shareholders' meeting prior to the expiry of the term of their office. A director shall serve a term of three years and may serve consecutive terms if re-elected upon the expiration of their terms.

The term of office of a director shall commence from the date of taking the position until the expiry of the term of office of the current session of the board of directors. Where a re-election fails to be carried out in a timely manner upon the expiry of the term of office of a director, such director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, and these Articles until the newly elected director assumes office.

The president or other senior management personnel may serve concurrently as directors, provided that the total number of such directors who concurrently serve as president or other senior management personnel, and directors who are employee representatives, shall not exceed a half of the total number of the directors of the Company.

Article 97 Directors shall bear the following duties of fidelity to the Company in accordance with laws, administrative regulations and these Articles:

(1) Not to misappropriate the property or embezzle the funds of the Company;

(2) Not to use his/her own name or other people's names to open accounts to deposit the Company's funds;

(3) Not to take advantage of position to offer bribery or receive other illegal income;

(4) Not to, directly or indirectly, enter into contracts or trade with the Company without reporting to the board of directors or shareholders' meeting and being approved by the board of directors or shareholders' meeting in accordance with these Articles;

(5) Not to make use of the convenience of his/her position to seek for himself/herself or others business opportunities that should belong to the Company, except when such business opportunities are reported to the board of directors or the shareholders' meeting and approved by a resolution of the shareholders' meeting, or when the Company is unable to make use of such business opportunities in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or these Articles;

(6) Not to engage in the same type of business as that of the Company on his/her own account or for others without reporting to the board of directors or the shareholders' meeting and a resolution passed by the shareholders' meeting;

(7) Not to accept commissions on transactions between other persons and the company as his/her own;

(8) Not to unilaterally disclose company secrets;

(9) Not to take advantage of his/her related party relationship to damage the Company's interests;

(10) Other duties of fidelity stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or these Articles.

Any income obtained by a director in violation of this Article shall be attributed to the Company, and he/she shall be liable to compensate the Company for the losses thereof.

The provisions of item (4) of paragraph 2 of this Article shall apply to contracts or transactions entered into with the Company by close relatives of the directors or senior management members, enterprises directly or indirectly controlled by the directors or senior management members or their close relatives, as well as related persons with whom the directors or senior management members have other related relationships.

Article 98 In performing their duties, directors shall fulfill the diligence obligations and exercise the level of reasonable care that is normally expected of an administrator, always acting in the best interests of the Company in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and these Articles.

Directors shall fulfill the following diligence obligations to the Company:

(1) To exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the requirements of national laws, administrative regulations and various economic policies and are not beyond the business scope specified in business license;

(2) To treat all shareholders impartially;

(3) To keep informed of the operation and management conditions of the Company in a timely manner;

(4) To sign written confirmation opinions on the regular reports of the Company and ensure the truthfulness, accuracy and completeness of the information disclosed by the Company;

(5) To faithfully provide relevant information and materials to the audit committee, and not to interfere with the audit committee in their exercise of powers;

(6) Other diligence obligations stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles.

Article 99 If any director fails to attend board meetings in person and fails to appoint another director to attend on his/her behalf for two consecutive times, the said director shall be deemed incapable of performing his/her duties, and the board of directors shall propose replacement of such director to the shareholders' meeting.

If an independent director fails to attend board meetings in person for three consecutive times, the board of directors shall propose replacement of such director to the shareholders' meeting.

For any independent director not qualified or unable to be an independent director or that fails to independently fulfill his/her duty or protect the legitimate rights and interests of the Company and minority investors, shareholder(s) individually or jointly holding more than 1% of the shares of the Company may propose to the board of directors of the Company to question or remove the said independent director.

Except for the circumstances described above and as otherwise provided by laws, regulations, or these Articles regarding ineligibility for directorship, an independent director shall not be removed without cause before the expiration of his/her term.

Subject to compliance with relevant laws and regulations of the place where the Company's shares are listed and the listing rules of the stock exchange, the shareholders' meeting may, by resolution, remove any director before the expiration of his/her term of office (provided that this does not affect any claim for damages under any contract).

Article 100 Directors may resign prior to the expiration of their terms of office. The directors who resign shall submit to the board of directors a written report in relation to their resignation. Relevant information shall be disclosed by the board of directors within two days.

In the event that the resignation of any director results in the number of members of the board of directors falling below the statutory minimum requirement or the composition of the board of directors or any special committee thereunder not in compliance with the laws, regulations and the securities regulatory rules of the place where the Company's shares are listed or these Articles, the resigning director shall continue to perform his/her duties in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles until the newly elected director assumes the office.

Except for the circumstances mentioned in the preceding paragraph, the resignation of a director shall take effect upon the delivery of the resignation report to the board of directors.

Article 101 A director shall complete all of the handover procedures with the board of directors once his/her resignation becomes effective or his/her term of office expires. The duties of fidelity to the Company and the shareholders are not necessarily released upon expiry of his/her term of office. The obligation of confidentiality in respect of trade secrets of the Company survives the termination of his/her term of office until such trade secrets become publicly known. The terms for which other obligations shall continue shall be decided upon in accordance with the principle of fairness, depending on the time which has elapsed between the occurrence of the matter and the termination of tenure and the circumstances and conditions under which the relationship with the Company is terminated. The liability that a director bears during the term of office due to the performance of his/her duties shall not be waived or terminated upon leaving office.

Article 102 Save as specified in these Articles or as legally authorized by the board of directors, no director shall act on behalf of the Company or the board of directors in his/her personal name. If a director acts in his/her own name but a third party may reasonably think that the said director is acting on behalf of the Company or the board of directors, the said director shall make a prior statement of his/her standpoint and capacity.

Article 103 If a director causes damage to others in the course of performing his/her duties in the Company, the Company shall be liable for compensation; the director shall also be liable for compensation if there is intentionality or gross negligence on his/her part.

If a director breaches the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or these Articles in fulfilling his/her duties and causes loss to the Company, the said director shall be liable for compensation.

Article 104 The shareholders' meeting may resolve to dismiss a director, and the dismissal shall take effect on the date of the resolution.

If a director is dismissed before the expiration of his/her term of office without a valid reason, the director may request the Company to compensate him or her.

Section 2 Board of Directors

Article 105 The Company has established a board of directors, which shall be accountable to the shareholders' meeting.

Article 106 The board of directors shall comprise eight directors, of whom one is an employee representative director and at least 1/3 are independent directors.

Article 107 The board of directors shall exercise the following duties and powers:

(1) To convene shareholders' meetings and report its work to the shareholders' meetings;

(2) To implement the resolutions of the shareholders' meetings;

(3) To determine the operation plans and investment plans of the Company;

(4) To formulate the profit distribution plans and plans for recovery of losses of the Company;

(5) To formulate plans of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;

(6) To draft plans for significant acquisitions of the Company, the purchase of shares of the Company, merger, division, dissolution and change of the form of the Company;

(7) To determine, to the extent authorized by the shareholders' meeting, on such matters as the external investments, purchase or sale of assets, assets mortgage, external guarantee, entrusted wealth management, related party transactions and external donation of the Company;

(8) To determine the establishment of the internal management structure of the Company;

(9) To determine the appointment or dismissal of the president and the secretary to the board of directors of the Company, and determine their remuneration, rewards and penalties; based on the nomination of the president, to determine the appointment or dismissal of senior management personnel, including vice president and Chief Financial Officer of the Company and determine their remuneration, rewards and penalties;

(10) To formulate the basic management system of the Company;

(11) To formulate proposals for any amendment of these Articles;

(12) To manage the information disclosure of the Company;

(13) To propose to the shareholders' meeting for appointment or replacement of the accounting firms which provide audit services to the Company;

(14) To listen to work reports of the president of the Company and review his/her work;

(15) Other duties as stipulated in laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and these Articles.

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

Article 108 The board of directors of the Company shall make a statement to the shareholders' meeting regarding the non-standard audit opinion issued by the certified public accountant on the Company's financial report.

Article 109 The board of directors shall formulate the rules of procedure for the board of directors to ensure that the board of directors implements the resolutions of the shareholders' meeting, improves the work efficiency and makes scientific decisions. The rules of procedure for the board of directors shall be annexed to the Articles of Association and shall be drafted by the board of directors and approved by the shareholders' meeting.

Article 110 The board of directors shall define the authority and establish stringent review and decision-making procedures in respect of external investments, acquisition and sale of assets, mortgage of assets, external guarantees, entrusted wealth management, related party transactions and external donations. Major investment projects shall be subject to review by relevant experts and professionals, and then submitted to the shareholders' meeting for approval.

The scope of authority of the board of directors regarding operational decisions is as follows:

(1) The transactions of the Company that meet one of the following criteria shall be submitted to the board of directors for consideration and approval:

1. If the total assets involved in the transaction account for more than 10% of the Company's latest audited total assets, where the total assets involved in the transaction have both book value and appraised value, the higher one shall prevail;

2. If the relevant operating income of the subject of the transaction (e.g. equity) in the latest accounting year accounts for more than 10% of the audited operating income of the Company in the latest accounting year, and the absolute amount exceeds RMB5 million;

3. If the relevant net profit of the subject of the transaction (e.g. equity) in the latest accounting year accounts for more than 10% of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB1 million;

4. If the transaction amount (including assumed debts and expenses) of the transaction accounts for more than 10% of the Company's latest audited net assets, and the absolute amount exceeds RMB5 million;

5. If the profits arising from the transaction account for more than 10% of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB1 million.

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

The transactions referred to in the preceding paragraphs represent: purchases or sales of assets (excluding purchases of raw materials, fuel, power, and sales of products, commodities, and other assets related to daily operations; however, purchases or sales of such assets involved in asset swaps are still included), external investments (including entrustment of wealth management, entrusted loans, investments in subsidiaries, joint ventures, associates, and investments in trading financial assets, available-for-sale financial assets, held-to-maturity investments, etc.), provision of financial assistance, leases of assets (as lessor or lessee), conclusion of management contracts (including entrusting operations, entrusted operations, etc.), gifts of assets or acceptance of gifts, debt or liability restructuring, transfer of research and development projects, and conclusion of license agreements.

(2) For transactions involving the purchase or sale of assets by the Company, the higher of the total asset value and the transaction value shall be used as the calculation benchmark. Transactions of the same type shall be aggregated over consecutive 12-month period. If the aggregated amount reaches 10% of the latest audited total assets, the transaction shall be submitted to the board of directors for consideration and approval. If the relevant decision-making procedures have been followed in accordance with the aforementioned provisions, the transaction shall no longer be included in the scope of cumulative calculation.

(3) Related transactions between the Company and related natural persons involving an amount exceeding RMB300,000 shall be considered and approved by the board of directors of the Company; related party transactions between the Company and related legal persons involving an amount exceeding RMB1 million and accounting for more than 0.5% of the absolute value of the Company's latest audited net assets shall be considered and approved by the board of directors of the Company.

(4) External guarantee matters that do not meet the consideration and approval authority thresholds of the shareholders' meeting as stipulated in these Articles shall be considered and approved by the board of directors.

When the board of directors deliberates on external guarantee matters, such matters shall be considered and approved as well as resolved by more than two-thirds of the directors attending the board meeting.

If the Company provides a guarantee to a related person, regardless of the amount, such guarantee shall be submitted to the shareholders' meeting for consideration after being reviewed and approved by the board of directors.

The board of directors may, based on the actual circumstances of the Company, specifically authorize the president to execute matters falling within the scope of authority of the board of directors as set forth in the preceding paragraph.

Article 111 The board of directors shall have one chairman and one vice chairman. The chairman and vice chairman shall be elected by the board of directors by a majority of all directors.

The board of directors may, based on actual needs, appoint one honorary chairman, who shall be elected or removed by a majority of all directors. The honorary chairman may attend board meetings and shareholders' meetings as a non-voting participant; the honorary chairman is not a member of the board of directors and does not enjoy the rights nor assume the obligations of a director on the board.

Article 112 The chairman shall exercise the following functions and powers:

(1) To preside over shareholders' meetings, and convene and preside over board meetings;

(2) To supervise and examine the implementation of board resolutions;

(3) To exercise the functions and powers as the legal representative;

(4) To exercise other functions and powers conferred by the board of directors.

Article 113 The vice chairman of the Company shall assist the chairman in his/her work. Where the chairman is unable to perform or does not perform his/her duties, such duties shall be performed by vice chairman; where vice chairman is unable to perform his/her duties, one director shall be elected by over half of the directors to perform such duties.

Article 114 The board of directors shall convene at least two meetings each year, convened by the chairman, with written notice to all directors 10 days prior to the meeting.

Article 115 Any shareholder(s) holding 1/10 or more of the voting rights, 1/3 or more of the directors, 1/2 or more of independent directors, the audit committee or the president may propose to convene an interim board meeting. The chairman shall convene and preside over a board meeting within 10 days from receipt of such proposal.

Article 116 The notice of convening an interim board meeting by the board of directors shall be served by personal delivery, mail, e-mail or facsimile. Notice of the meeting shall be served five days before the date of the meeting. In case of an emergency requiring the convening of an interim board meeting as soon as possible, the meeting notice may be served at any time via telephone or other oral means, provided that the convener shall make an explanation at the meeting.

If a director attended the meeting and did not raise an objection, before or at the time of attending the meeting, regarding not having received the notice of the meeting, it shall be deemed that the notice of the meeting has been duly given to such director.

Article 117 A notice of the board meeting shall include:

(1) Date and venue of the meeting;

(2) Duration of the meeting;

(3) Subject matters and issues;

(4) Date of notice.

Article 118 The board meeting shall be held upon the attendance of more than half of directors. The resolutions made by the board of directors must be passed by more than half of all directors.

Voting on board resolutions is conducted on a one-person-one-vote basis.

Article 119 If any director has connection with the enterprise or individual involved in the resolution made at a board meeting, such director shall submit a written report to the board of directors in a timely manner. The said connected director shall not vote on the said resolution for himself/herself or on behalf of another director. The board meeting may be held when more than half of the non-connected directors attend the meeting. The resolution of the board meeting shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the meetings is less than three, the issue shall be submitted to the shareholders' meeting for consideration. If there are any additional restrictions on directors' participation in and voting at board meetings in accordance with laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

Article 120 The resolution of the board of directors shall be voted in written voting methods such as completing a ballot, or voting by a show of hands. Each director shall have one vote.

The board meeting shall be convened on site in principle. If necessary, the meeting, on the condition that the directors can fully express their opinions, can be held through video, telephone, fax or email voting, etc. upon the consent of the convener (presider) and the proposer. In addition, the on-site mode and other modes can be concurrently adopted for the convening of the board meeting.

If the meeting is convened in an off-site manner, the number of the participating directors shall be counted based on the directors present in the video and those expressing their opinions in teleconferencing as well as the valid votes delivered via fax, email or other means within the prescribed period or the written confirmation letters submitted by the directors afterwards to confirm their attendance of the meeting.

Article 121 Directors shall attend board meetings in person. If any director cannot attend the meeting for any reason, he/she may authorize another director in writing to act on his/her behalf, and an independent director shall appoint another independent director to attend a meeting on their behalf. The power of attorney shall set out the name of the proxy, the matters represented, scope of authorization and validity period, and shall be signed or sealed by the appointing director. The appointed director who attends the meeting shall exercise the director's duties within the scope of authorization. If a director does not attend a board meeting in person and does not appoint a proxy to attend the meeting, he/she shall be deemed to have abstained from voting at that meeting.

Article 122 The board of directors shall file resolutions passed at the meeting as minutes, and minutes shall be signed by the attending directors.

The minutes of meetings of the board of directors shall be kept for the Company's record for a term of not less than 10 years.

Directors shall sign on the minutes and be accountable for the board resolutions. If a resolution of the board of directors violates the laws, administrative regulations or these Articles and as a result of which the Company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be released from that liability. The director who has abstained from voting or has neither attended the meeting nor authorized another person to attend the meeting and the director who gives a definite objection during the discussion but no negative votes in the poll shall not be exempted from the liability.

Article 123 The minutes of meetings of the board of directors shall include the following:

(1) The date and venue of the meeting and the name of the convener;

(2) The names of the directors present and names of directors being appointed by others to attend the meeting (proxies);

(3) The agenda;

(4) The main points of directors' speeches;

(5) The voting method of each resolution and the result (with the voting result to include the number of polls that vote for, against or abstaining).

Section 3 Independent Directors

Article 124 Independent directors shall earnestly perform their duties in accordance with the provisions of laws, administrative regulations, the CSRC, the securities regulatory rules of the place where the Company's shares are listed and these Articles, play a role in participating in decision-making, supervision and checks and balances, professional consultation in the board of directors, safeguard the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders.

Article 125 Independent directors must maintain their independence. The following persons shall not serve as independent directors:

(1) Personnel employed by the Company or its affiliated enterprises, as well as their spouses, parents, children and other major social relations;

(2) Natural person shareholders who directly or indirectly hold more than 1% of the issued shares of the Company or are among the top ten shareholders of the Company and their spouses, parents or children;

(3) persons employed by shareholders who directly or indirectly hold more than 5% of the issued shares of the Company or by the top five shareholders of the Company and their spouses, parents and children;

(4) Persons employed in the affiliated enterprises of the controlling shareholder or actual controller of the Company and their spouses, parents and children;

(5) Persons who have significant business dealings with the Company and its controlling shareholders, actual controllers or their respective affiliated enterprises, or persons who are employed in entities with significant business dealings, or by the controlling shareholders and actual controllers of such entities;

(6) Persons who provide financial, legal, consulting, sponsorship and other services to the Company and its controlling shareholders, actual controllers or their respective affiliated enterprises, including but not limited to all project team members of the intermediary agency providing the services, review personnel at all levels, persons signing reports, partners, directors, senior management personnel and principal persons in charge;

(7) Persons who have had any of the circumstances listed in items (1) to (6) during the last twelve months;

(8) Other persons who are not independent as stipulated by laws, administrative regulations, the provisions of the CSRC, the securities regulatory rules of the place where the Company's shares are listed and these Articles.

Article 126 To serve as an independent director of the Company, the following conditions must be met:

(1) Being qualified to serve as a director of a listed company in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and other relevant provisions;

(2) Meeting the independence requirements stipulated in these Articles;

(3) Possessing basic knowledge of the operation of a listed company and being familiar with relevant laws, regulations and rules;

(4) Having more than five years of working experience in law, accounting or economics necessary to perform the duties of an independent director;

(5) Having good personal character and no record of major bad faith or other bad records;

(6) Other conditions as stipulated by laws, administrative regulations, the provisions of the CSRC, the securities regulatory rules of the place where the Company's shares are listed and these Articles.

Article 127 Independent directors, as members of the board of directors, are obligated to be faithful and diligent to the Company and all shareholders and to perform the following duties prudently:

(1) Participating in the decision-making of the board of directors and expressing clear opinions on matters discussed;

(2) Supervising potential major conflicts of interest between the Company and its controlling shareholders, de facto controllers, directors and senior management, and protecting the legitimate rights and interests of minority shareholders;

(3) Providing professional and objective advice on the Company's operation and development to promote the improvement of the board's decision-making level;

(4) Other duties as stipulated by laws, administrative regulations, the provisions of the CSRC, the securities regulatory rules of the place where the Company's shares are listed and these Articles.

Article 128 Independent directors exercise the following special powers:

(1) To independently engage an intermediary agency to audit, consult or verify specific matters of the Company;

(2) Propose to the board of directors to convene an extraordinary shareholders' meeting;

(3) Propose to convene a board meeting;

(4) Publicly solicit shareholder rights from shareholders in accordance with the law;

(5) Express independent opinions on matters that may harm the interests of the Company or minority shareholders;

(6) Other powers as prescribed by laws, administrative regulations, the provisions of the CSRC, the securities regulatory rules of the place where the Company's shares are listed and these Articles.

Where an independent director exercises the powers listed in items (1) to (3) of the preceding paragraph, it shall be subject to the consent of more than half of all independent directors.

Where an independent director exercises the powers listed in paragraph 1, the Company shall disclose them in a timely manner. If the above-mentioned powers cannot be exercised normally, the Company will disclose the specific circumstances and reasons.

Article 129 The following matters shall be submitted to the board of directors for consideration with the consent of more than half of all independent directors of the Company:

(1) Related transactions that should be disclosed;

(2) Plans for the Company and related parties to change or waive commitments;

(3) Decisions and measures taken by the board of directors of the acquired company in connection with the acquisition;

(4) Other matters as prescribed by laws, administrative regulations, the provisions of the CSRC, the securities regulatory rules of the place where the Company's shares are listed, and these Articles.

Article 130 The Company shall establish a mechanism for special meetings which will be attended by independent directors only. Matters such as related party transactions to be considered by the board of directors shall be approved in advance by a special meeting of the independent directors.

The Company shall convene special meetings of the independent directors on a regular or ad hoc basis. Matters specified in items (1) to (3) under paragraph 1 of Article 128 and Article 129 of these Articles shall be considered by a special meeting of the independent directors.

The special meetings of the independent directors may consider and discuss other matters of the Company when necessary. The special meetings of the independent directors shall be convened and chaired by an independent director nominated by more than half of the independent directors; in the event that the convener does not perform his/her duties or is unable to perform his/her duties, two independent directors and above can convene a meeting on their own and nominate a representative to chair the meeting.

The special meetings of the independent directors shall prepare minutes of meetings in accordance with regulations. The minutes of meetings shall record the opinions of the independent directors. The independent directors shall sign and confirm the minutes of meetings.

The Company shall facilitate and support the convention of the special meetings of the independent directors.

Section 4 Special Committees of the Board of Directors

Article 131 The board of directors shall establish an audit committee to exercise the duties of the supervisory committee as required by the Company Law and the duties as required by the securities regulatory rules of the place where the shares of the Company are listed. The board of directors of the Company shall establish relevant special committees such as strategy, nomination, remuneration and appraisal committees as needed. The special committees are accountable to the board of directors and perform their duties in accordance with these Articles and the authorization of the board of directors, and the proposals shall be submitted to the board of directors for consideration and resolution.

The members of each special committee shall all be composed of directors. The members of the audit committee shall be non-executive directors who do not hold senior management positions in the Company. Each special committee shall have no fewer than three members. For the audit committee, the nomination committee, and the remuneration and appraisal committee, independent directors shall constitute the majority and serve as the convener. The convener of the audit committee shall be an accounting professional.

The board of directors shall be responsible for formulating the terms of reference for the special committees to regulate their operations.

Article 132 The audit committee is responsible for auditing and disclosing the financial information of the Company, supervising and evaluating the internal and external auditing work and internal control. The following matters shall be submitted to the board of directors for consideration after being approved by more than half of all members of the audit committee:

(1) Disclosure of the financial information in the financial accounting reports and regular reports, as well as the internal control evaluation reports;

(2) Appointment or removal of the accounting firm undertaking the audit work of the Company;

(3) Appointment or removal of the head of finance of the Company;

(4) Change of accounting policies and accounting estimates or correction of significant accounting errors resulting from reasons other than changes in accounting standards;

(5) Other matters as prescribed by laws, administrative regulations, the provisions of the CSRC, the securities regulatory rules of the place where the Company's shares are listed and these Articles.

Article 133 The audit committee shall hold at least one meeting each quarter. An extraordinary meeting may be held when it is proposed by two or more members, or when it is deemed necessary by the convener. Meetings of the audit committee shall be held only if more than two-thirds of the members are present.

The audit committee shall pass a resolution upon the approval of more than half of its members.

The voting on the resolutions of the audit committee shall be one vote for one person.

Minutes shall be prepared for the resolutions of the audit committee as required and shall be signed by the members of the audit committee present at the meeting.

The board of directors shall be responsible for formulating the rules of procedure for the audit committee.

Article 134 The nomination committee is responsible for formulating the criteria and procedures for selection of directors and senior management, selecting and reviewing the candidates for directors and senior management and their qualifications, and making recommendations to the board of directors on the following matters:

(1) Nomination or appointment and removal of directors;

(2) Appointment or dismissal of senior management;

(3) Other matters as prescribed by laws, administrative regulations, the provisions of the CSRC, the securities regulatory rules of the place where the Company's shares are listed and these Articles.

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

Article 135 The remuneration and appraisal committee shall be responsible for formulating assessment standards for and conducting appraisals of directors and senior management, formulating and reviewing remuneration policies and packages such as decision-making mechanism, decision-making process, payment and stop-payment recourse arrangement for directors and senior management, and making recommendations to the board of directors in respect of the following matters:

(1) The remuneration of directors and senior management;

(2) The formulation or change of the equity incentive scheme and employee share ownership plan, the granting of benefits to incentive targets and the achievement of conditions for the exercise of such benefits;

(3) Arrangement of shareholding plans by directors and senior management in the subsidiaries to be spun off;

(4) Other matters as prescribed by laws, administrative regulations, the provisions of the CSRC, the securities regulatory rules of the place where the Company's shares are listed and these Articles.

If the board does not adopt or does not fully adopt the recommendations of the remuneration and appraisal committee, it shall record the remuneration and appraisal committee's opinion and the specific reasons for not adopting the same in the resolution of the board and disclose the same.

Article 136 The strategy committee is primarily responsible for studying the Company's long-term development strategies and major investment decision-making and making recommendations thereon. Its main functions and powers are as follows:

(1) To study the long-term development plans, business goals and development guideline of the Company and make recommendations;

(2) To study the business strategies of the Company, including but not limited to product strategy, market strategy, marketing strategy, research and development strategy and talent strategy, and make recommendations;

(3) To study the major investments, financing plans and major capital operations that require the approval of the board of directors as provided in the Articles of Association and make recommendations;

(4) To responsible for the formulation of Company's ESG strategy and the determination of major issues, and to oversee the implementation of relevant measures;

(5) To study other major issues that affect the development of the Company and make recommendations;

(6) Other functions and powers as conferred by laws, regulations, normative documents, the securities regulatory rules of the place where the Company's shares are listed, and the board of directors.

CHAPTER 6 SENIOR MANAGEMENT

Article 137 The Company shall have one president, who shall be appointed or dismissed by the board of directors.

The Company shall have several vice presidents, who shall be appointed or dismissed by the board of directors.

The Company shall have one chief financial officer, one chief engineer, and one secretary to the board, all of whom shall be appointed or dismissed by the board of directors.

Article 138 The circumstances set forth in Article 95 of these Articles regarding ineligibility for directorship shall also apply to senior management.

The provisions concerning the fiduciary duties of directors as set forth in Article 97, and the provisions concerning the duty of diligence as set forth in items (4) to (6) of Article 98 of these Articles shall also apply to senior management.

Article 139 Persons holding positions other than director or supervisor in the controlling shareholder or actual controller entity of the Company shall not hold the position of senior management in the Company.

Senior management of the Company shall receive their remuneration only from the Company and shall not have their salaries paid by the controlling shareholder on behalf of the Company.

Article 140 The president shall have a term of office of three years, and may serve consecutive terms.

Article 141 The president of the Company shall be accountable to the board of directors and perform the following duties:

(1) To be in charge of the Company's production, operation and management, to organize and implement the resolutions of the board of directors and to report his/her work to the board of directors;

(2) To organize and implement the Company's annual operating plan and investment scheme;

(3) To draft the plan for establishment of the internal management departments of the Company;

(4) To draft the Company's basic management system;

(5) To formulate basic rules and regulations for the Company;

(6) To recommend the appointment or dismissal of vice presidents and the chief financial officer of the Company;

(7) To decide on the appointment or dismissal of management members other than those required to be appointed or dismissed by the board of directors;

(8) Other duties as conferred by these Articles or the board of directors.

The president may be present at the meetings of the board of directors.

Article 142 The Company shall formulate working rules for the president, which shall be implemented after approval by the board of directors.

Article 143 The working rules for the president shall include the following:

(1) The requirements for convening, procedures and attendees of the president's office meeting;

(2) The specific duties and division of responsibilities among the president and other senior management;

(3) The usage of the Company's funds and assets, the limits of his/her authority to enter into material contracts, and the mechanism of reporting to the board of directors;

(4) Other matters as the board of directors shall deem necessary.

Article 144 The president may tender his/her resignation before the expiry of his/her term of office. The specific procedures and measures regarding the resignation of the president shall be governed by the labor contract entered into between the president and the Company.

Article 145 The appointment or dismissal of the Company's vice presidents, chief finance officer and chief engineer shall be made by the board of directors upon the recommendation of the Company's president for assisting the president in his/her work.

Article 146 The secretary to the board of directors of the Company shall be nominated by the chairman of the board of directors and shall be appointed or removed by the board of directors. In removing the secretary to the board of directors before the expiration of the term of office of the secretary to the board of directors, the board of directors shall have sufficient reasons and shall not remove without cause.

The secretary to the board of directors is responsible for the organization of shareholders' meetings and board meetings, document keeping and management of information regarding the shareholders of the Company, dealing with information disclosure and other matters.

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

Article 147 If a senior management causes losses to others in performing his/her duties for the Company, the Company shall be liable for compensation; the senior management shall also be liable for compensation if there is intentionality or gross negligence on his/her part. If a senior management violates the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles while performing his/her duties for the Company, causing losses to the Company, he/she shall be liable for compensation.

Senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If any senior management fails to faithfully perform their duties or violates his/her fiduciary duties and harms the interests of the Company and the public shareholders, he/she shall be liable for compensation in accordance with the laws.

CHAPTER 7 FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Section 1 Financial Accounting System

Article 148 The Company shall formulate its financial and accounting systems in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and regulations of relevant state departments. The fiscal year of the Company shall follow the calendar year, that is, the period from January 1 to December 31 each calendar year shall be counted as one fiscal year.

Article 149 Within four months from the end of each accounting year, the Company shall submit its annual financial and accounting report to the CSRC and the stock exchange. Within two months from the end of the first half of each fiscal year, the Company shall submit its interim report to the branch of the CSRC and the stock exchange.

The aforementioned annual and interim reports shall be prepared in accordance with the relevant laws, administrative regulations, the requirements of the CSRC and the securities regulatory rules of the place where the Company's shares are listed.

Article 150 The Company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

Article 151 When distributing after-tax profits of the year, the Company shall allocate 10% of its after-tax profits to the Company's statutory reserve fund. When the aggregated balance in the statutory reserve fund has reached 50% or more of the Company's registered capital, the Company needs not to make any further allocations to that fund.

Where the Company's statutory reserve fund is not enough to make up losses of the Company for the preceding year, the current year's profits shall be applied firstly to make up the losses before being allocated to the statutory reserve fund in accordance with the preceding paragraph.

After allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund from its after-tax profits upon the approval of the shareholders' meeting.

Except for those not distributed in proportion to shareholdings as prescribed in these Articles, the remaining after-tax profit, after recovery of losses and appropriation of reserve funds, shall be distributed to shareholders in proportion to their shareholdings.

If the shareholders' meeting distributes profits to shareholders in violation of the preceding paragraph or the Company Law, shareholders must refund to the Company the profits distributed; if losses are caused to the Company, the shareholders and the responsible directors, and senior management shall be liable for compensation.

No profit shall be distributed in respect of the shares of the Company which are held by the Company.

The Company shall appoint one or more receiving agent(s) in Hong Kong for the holders of the H Shares. A receiving agent shall, on behalf of the relevant H shareholders, receive and hold the dividends and other amounts distributed by the Company in respect of the H Shares for further payment to those H shareholders. The receiving agents appointed by the Company shall comply with the laws, regulations and the provisions of the securities supervisory rules in the place where the Company's shares are listed.

Article 152 The reserve fund of the Company shall be used for making up for the loss, expansion of its production and operation or capitalized to increase registered capital of the Company.

To cover the Company's losses with reserve funds, the discretionary reserve fund and statutory reserve fund shall be used first; if it cannot be covered, the capital reserve fund can be used according to regulations.

When the statutory reserve fund is capitalized to increase registered capital, the retained portion of the fund shall not be less than 25% of the registered capital of the Company before the capitalization.

Article 153 After the resolution on the profit distribution plan is approved at the shareholders' meeting of the Company, or after the board of directors of the Company has formulated a specific plan based on the conditions and upper limit for the next-year interim dividend approved by the annual shareholder's meeting, the board of directors of the Company shall complete the distribution of dividends (or shares) within two months after conclusion of the shareholders' meeting.

Article 154 The profit distribution policy of the Company is as the following:

1. The Company implements a continuous and stable profit distribution policy, whereby the Company's profit distribution should focus on reasonable investment returns to investors and also take into account the Company's sustainable development. The Company's profit distribution shall not exceed the scope of accumulated distributable profits and shall not impair the Company's ability to continue operations as a going concern.

   The formulation and amendment of the Company's profit distribution policy shall be proposed by the board of directors and submitted to the shareholders' meeting for consideration and approval. The profit distribution policy proposed by the board of directors must be approved by more than half of the directors. In the process of making relevant decisions and justifications, the board of directors shall give full consideration to the opinions of independent directors and public investors.

The Company may distribute dividends in cash, by way of shares, or through a combination of cash and shares, and shall actively promote the distribution of dividends in cash. If the conditions for cash dividend distribution are met, the Company shall prioritize cash dividends for profit distribution. The annual cash dividend shall not be less than 10% of the distributable profits realized for the year, and within any three consecutive accounting years, the cumulative profits distributed by the Company in cash shall not be less than 30% of the average annual distributable profits realized in those three years. If the Company has major investment plans or significant cash expenditure (excluding fundraising projects), it may refrain from distributing dividends.

Major investment plans or significant cash expenditure refer to any of the following circumstances:

① Any proposed external investment, asset acquisition or equipment purchase by the Company within the next 12 months where the cumulative expenditure reaches or exceeds 50% of the Company's latest audited net assets, and exceeds RMB50 million;

② Any proposed external investment, asset acquisition or equipment purchase by the Company within the next 12 months where the cumulative expenditure reaches or exceeds 30% of the Company's latest audited total assets.

The major investment plans or significant cash expenditure mentioned above shall be submitted to the shareholders' meeting for approval after being reviewed by relevant experts and professionals organized by the board of directors.

2. The board of directors shall distinguish the following circumstances after taking into account various factors including its industry features, development stages, business model and profitability as well as whether it has any substantial capital expenditure arrangement, and stipulate differentiated cash dividend policy in accordance with the procedures set out in the Articles of Association:

(1) If the Company is in a mature development stage without significant capital expenditure arrangement, the minimum percentage of cash dividends in this profit distribution shall be 80%;

(2) If the Company is in a mature development stage with significant capital expenditure arrangement, the minimum percentage of cash dividend in this profit distribution shall be 40%;

(3) If the Company is in a growing development stage with significant capital expenditure arrangement, the minimum percentage of cash dividend in this profit distribution shall be 20%;

If it is difficult to distinguish the development stages of the Company but there are significant capital expenditure arrangements, it shall be handled in accordance with the provisions of the preceding paragraph.

3. The profit distribution proposal shall be proposed by the board of directors and implemented after being considered and approved by the shareholders' meeting. The annual profit distribution proposal shall explain the plan for utilizing the retained undistributed profits. If the Company is profitable for the year but the board of directors does not propose a cash dividend plan, it shall disclose the reasons, as well as the plan and arrangement for utilizing the retained funds in the periodic report; if a share dividend is to be distributed, it shall also explain the reasonableness and feasibility of distributing the share dividend. After the shareholders' meeting adopts a resolution on profit distribution, the board of directors shall complete the profit distribution plan within two months from the date the shareholders' meeting is convened.

4. The Company shall formulate a dividend return plan and a dividend plan for the next three years. The dividend return plan shall focus on the Company's long-term and sustainable development. Based on a comprehensive analysis of factors such as the actual situation of the Company's business operations, shareholder requirements and willingness, social cost of capital, and external financing environment, it shall establish a mechanism for providing investors with consistent, stable, and scientific returns. The Company shall review the dividend return plan and the dividend return plan every three years. The Company may make appropriate and necessary adjustments to the dividend plan and the dividend return plan based on the opinions of shareholders (especially public investors) and independent directors. Adjustments to the dividend plan and the dividend return plan shall be made with the protection of shareholders' rights and interests as the starting point and shall not conflict with the relevant provisions of the Articles of Association.

5. The Company values providing reasonable investment returns to its investors and maintaining continuity and stability. Any change to the dividend distribution policy must be approved by the board of directors and passed by voting at the shareholders' meeting.

Section 2 Internal Audit

Article 155 The Company implements an internal audit system which is equipped with dedicated audit personnel to conduct internal audits for supervision of financial income and expenditure and economic activities of the Company.

Article 156 The internal audit institution is accountable to the board of directors.

The internal audit institution shall accept the supervision and guidance of the audit committee in the course of supervising and inspecting the Company's business activities, risk management, internal control and financial information. If the internal audit institution discovers relevant major issues or clues, it shall report directly to the audit committee immediately.

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

The audit committee participates in the assessment of the person in charge of internal audit.

Article 157 The internal audit institution is responsible for the specific organization and implementation of the internal control evaluation of the Company. The Company issues the annual internal control evaluation report based on the evaluation report issued by the internal audit institution and reviewed by the audit committee and relevant materials.

Section 3 Appointment of Accounting Firm

Article 158 The Company shall appoint an accounting firm which is qualified under the Securities Law and the securities regulatory rules of the place where the Company's shares are listed to audit its accounting statement, conduct verification of net assets and other relevant consultation services. The term of appointment shall be one year and renewable.

Article 159 The engagement, dismissal or non-renewal of an accounting firm by the Company shall be determined by the shareholders' meeting. The board of directors shall not appoint an accounting firm before the decision of the shareholders' meeting.

Article 160 The Company guarantees that it will provide the accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information without any objection, omission or falsehood.

Article 161 The auditing fees payable to an accounting firm shall be determined by the shareholders' meeting.

Article 162 A 15 days' prior notice shall be given to the accounting firm if the Company decides to remove not to re-appoint such accounting firm. The accounting firm shall be entitled to make representations when the resolution regarding the removal of the accounting firm is taken for voting at the shareholders' meeting of the Company.

Where the accounting firm resigns, it shall make statements to the shareholders' meeting whether there is any impropriety within the Company.

CHAPTER 8 NOTICE AND ANNOUNCEMENT

Section 1 Notice

Article 163 A notice of the Company shall be sent by:

(1) Personal delivery;

(2) Postal mail (including express mail);

(3) Telephone;

(4) Fax;

(5) Email;

(6) Announcement;

(7) Other means recognized by the securities regulatory rules of the place where the Company's shares are listed or stated in these Articles.

Article 164 Notices issued by the Company by way of announcement shall be deemed to have been served to all parties concerned once announced.

Article 165 The notice of meeting of the Company's shareholders' meeting shall be made by way of announcement.

Article 166 Any notice convening a meeting of the board of directors shall be given by personal delivery, postal delivery, email or facsimile.

Article 167 If the Company's notice is sent by personal delivery, the date of service shall be the date when the recipient signed (or stamped) to acknowledge receipt of the same; if the Company's notice is sent by postal mail, the date of service shall be the seventh working day from the date on which the post office receives the notice; if the Company's notice is issued by announcement, the date of service shall be the date when the Company publishes the first announcement.

Article 168 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the proceedings at that meeting and resolution adopted thereat.

Section 2 Announcements

Article 169 The Company designates the *China Securities Journal*, the *Securities Times*, the CNINFO website (http://www.cninfo.com.cn), the website of Shenzhen Stock Exchange, and the website of Hong Kong Stock Exchange (www.hkexnews.hk) as the media for publishing the Company's announcements and other information requiring disclosure.

Unless the context otherwise requires, in relation to the announcements made to the holders of A Shares or the announcements made within the PRC as required by the relevant provisions and these Articles, it refers the publication of information on the website of Shenzhen Stock Exchange and on media 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 these Articles, the announcements shall be, in accordance with the relevant provisions of the Hong Kong Listing Rules, 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.

For the purpose of providing or delivering corporate communication to the H shareholders as required by the securities regulatory rules of the place where the Company's shares are listed, the Company may dispatch or provide such corporate communication by electronic means to the H shareholders or post such corporate communication on the website of the Company or the website of the stock exchange where the Company's shares are listed, subject to the securities regulatory rules of the place where the Company's shares are listed, in lieu of dispatching such corporate communications to H shareholders by personal delivery or by prepaid mail.

CHAPTER 9 MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Section 1 Merger, Division, Capital Increase and Capital Reduction

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

In case of merger by absorption, a company absorbs any other company and the absorbed company is dissolved. In case of merger by new establishment, two or more companies merge into a new one and the parties to the merger are dissolved.

Article 171 If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and inventory of assets. The Company shall notify its creditors within ten days from the date of the resolution for the merger and shall publish an announcement in the *China Securities Journal*, the *Securities Times*, the CNINFO website (http://www.cninfo.com.cn), other media designated by the competent authorities or on the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days from the date of such resolution. A creditor may within 30 days upon receipt of the notice or, in case he/she fails to receive such notice, within 45 days from the date of the announcement, demand the Company repay its debts or provide guarantees for such debts.

Article 172 When the Company is merged, the claims and debts of each party to the merger shall be succeeded to by the company surviving the merger or the new company established subsequent to the merger.

Article 173 Where there is a division of the Company, its assets shall be divided accordingly.

Where there is a division of the Company, a balance sheet and inventory of assets shall be prepared. The Company shall notify its creditors within ten days from the date of the resolution for the division and shall publish an announcement in the *China Securities Journal*, the *Securities Times*, the CNINFO website (http://www.cninfo.com.cn), other media designated by the competent authorities or on the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days from the date of such resolution.

Article 174 Unless otherwise agreed in the written agreement entered into between the Company and its creditors in relation to the repayment of debts prior to the division, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

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

The Company shall notify its creditors within ten days from the date of the resolution for the reduction of its registered capital and shall publish an announcement in the *China Securities Journal*, the *Securities Times*, the CNINFO website (http://www.cninfo.com.cn), other media designated by the competent authorities or on the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days from the date of such resolution. A creditor may within 30 days upon receipt of the notice or, in case he/she fails to receive such notice, within 45 days from the date of the announcement, demand the Company repay its debts or provide guarantees for such debts.

If the Company reduces its registered capital, it shall reduce the amount of capital contribution or shares in accordance with the proportion of shareholdings held by shareholders, unless otherwise provided by laws or otherwise provided in these Articles.

Article 176 If the Company still has a deficit after making up for the loss in accordance with Article 152 of these Articles, it may reduce its registered capital to make up for the loss. If the registered capital is reduced to make up for the loss, the Company shall not make any distribution to the shareholders, nor shall the shareholders be relieved of the obligation to pay the capital contribution or monies in respect of shares.

Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of paragraph 2 of Article 175 of these Articles shall not apply, but an announcement shall be made on the CNINFO website, other media designated by the competent authorities or on the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days from the date of the resolution of the shareholders' meeting on the reduction of the registered capital.

After the Company reduces its registered capital in accordance with the provisions of the preceding two paragraphs, it may not distribute its profits until the accumulated amount of its statutory reserve fund and discretionary reserve fund reaches 50% of the Company's registered capital.

Article 177 If the registered capital is reduced in violation of the Company Law and other relevant provisions, the shareholders shall return the funds they have received, and if the capital contribution of the shareholders is reduced or waived, it shall be restored to its original state; if losses are caused to the Company, the shareholders and the directors and senior management who are held liable shall bear the liability for compensation.

Article 178 When the Company issues new shares for the purpose of increasing its registered capital, the shareholders shall not have preferential subscription rights, unless otherwise provided for in these Articles or decided by a resolution of the shareholders' meeting that the shareholders shall be entitled to preferential subscription rights.

Article 179 In the event of a merger or division of a company, if there is a change in the registration items, the Company shall go through the change registration with the company registration authority in accordance with the law; If the Company is dissolved, it shall go through the deregistration procedures in accordance with the law; If a new company is established, the company establishment registration shall be completed in accordance with the law.

If the Company increases or decreases its registered capital, it shall go through the change registration with the company registration authority in accordance with the law.

Section 2 Dissolution and Liquidation

Article 180 The Company shall be dissolved upon the occurrence of the following events:

(1) A resolution on dissolution is passed at the shareholders' meeting;

(2) Dissolution is required due to the merger or division of the Company;

(3) The business license is revoked or the Company is ordered to close down or dissolved in accordance with the laws;

(4) The Company suffers significant hardships in operation and management, and its continued existence would cause significant losses to shareholders' interests, and such issues cannot be resolved through other means, shareholders representing over 10% of the total voting rights of the Company may petition the people's court to dissolve the Company;

(5) Other causes of dissolution as specified in these Articles.

In the event that the Company has the dissolution causes as prescribed in the preceding paragraph, it is obligated to announce the causes of dissolution through the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within ten days.

Article 181 If the Company is in the situation as described in item (1) or (5) of Article 180 of these Articles and has not yet distributed its properties to shareholders, it can continue to exist by amending these Articles or through a resolution of the shareholders' meeting.

The amendment of these Articles or the resolution of the shareholders' meeting as per the preceding paragraph must be passed by more than two-thirds of the voting rights held by the shareholders attending the shareholders' meeting.

Article 182 Where the Company is dissolved pursuant to items (1), (3), (4) or (5) of Article 180 of these Articles, it shall be liquidated. The directors are the liquidation obligators of the Company and shall establish a liquidation committee to carry out liquidation within 15 days after the dissolution circumstance arises.

The liquidation committee shall be composed of directors, unless otherwise stipulated in these Articles or otherwise elected by the resolution of the shareholders' meeting.

If a liquidation obligor fails to fulfill its liquidation obligations in a timely manner and causes losses to the Company or its creditors, it shall bear compensation liability.

Article 183 The liquidation committee shall exercise the following powers during the liquidation:

(1) Cleaning up the Company's property and preparing separate balance sheets and inventory of assets;

(2) Notifying and announcing to creditors;

(3) Disposal of the outstanding business of the Company in connection with its liquidation;

(4) Settlement of tax arrears and taxes arising from the liquidation process;

(5) Clearance of claims and debts;

(6) Distribution of the remaining property of the Company after the settlement of its debts;

(7) Representing the Company in civil litigation activities.

Article 184 The liquidation committee shall notify the creditors within ten days since its establishment and make public announcement in the *People's Daily* or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 60 days. Creditors shall, within 30 days upon receipt of the notice or, in case he/she fails to receive such notice, within 45 days from the date of the announcement, declare their claims to the liquidation committee.

Creditors shall provide explanations and evidence for their claims upon their declarations of such claims. The liquidation committee shall record the creditors' claims.

The liquidation committee shall not pay off any debts to any creditors during the period of claim declaration.

Article 185 After clearing the assets of the Company and preparing a balance sheet and inventory of assets, the liquidation committee shall formulate a liquidation plan for confirmation by the shareholders' meeting or the people's court.

The remaining assets of the Company, after the payment for liquidation expenses, wages, social insurance premiums and statutory compensation of staff and paying the taxes owed, settling the Company's debts, shall be distributed by the Company in proportion to their shareholdings.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities unrelated to liquidation. The properties of the Company shall not be distributed to the shareholders until the settlement of debts in accordance with the preceding paragraph.

Article 186 If the liquidation committee, after clearing the assets of the Company and preparing a balance sheet and inventory of assets, finds that the assets of the Company are insufficient to pay off its debts, it shall file an application to the people's court for bankruptcy.

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 187 Upon completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit the report to the shareholders' meeting or the people's court for confirmation and submit the report to the company registration authority to apply for de-registration of the Company and announce the termination of the Company.

Article 188 The members of the liquidation committee are under a duty of loyalty and diligence in the performance of their liquidation duties.

Members of the liquidation committee shall not accept bribes or other illegal income by taking advantage of their position, nor shall they appropriate company property.

If the members of the liquidation committee are negligent in performing their liquidation duties and cause losses to the Company, they shall be liable for compensation; if they cause losses to creditors due to intent or gross negligence, they shall be liable for compensation.

Article 189 Where the Company is declared bankrupt in accordance with law, it shall implement bankruptcy liquidation in accordance with the relevant laws relating to enterprise bankruptcy.

CHAPTER 10 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 190 The Company shall amend the Articles of Association in any of the following circumstances:

(1) After amendments are made to the Company Law or other relevant laws, administrative regulations and securities regulatory rules of the place where the Company's shares are listed, the matters stipulated in these Articles are in conflict with the provisions of the revised laws, administrative regulations and securities regulatory rules of the place where the Company's shares are listed;

(2) If changes of the Company occur, resulting in inconsistency with those specified in these Articles;

(3) The shareholders' meeting has resolved to amend these Articles.

Article 191 Where the amendments to these Articles passed by resolutions of the shareholders' meetings require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the changes involved shall be registered in accordance with the laws.

Article 192 The board of directors shall amend these Articles in accordance with the resolution of the shareholders' meetings on amendment to these Articles and the examination and approval opinions from relevant authorities.

Article 193 If the amendment to these Articles is information required to be disclosed by laws and regulations, it shall be announced in accordance with the regulations.

CHAPTER 11 SUPPLEMENTARY PROVISIONS

Article 194 Definitions

(1) Controlling shareholders refers to shareholders whose shares account for more than 50% of the total share capital of the Company; or shareholders who, although they do not hold more than 50% of the shares, hold shares with voting rights sufficient to have a significant influence on the resolutions of the shareholders' meeting.

(2) De facto/actual controllers refer to natural persons, legal persons or other organisations who, through investment relationships, agreements or other arrangements, are able to actually dominate the Company's behaviour.

(3) Related (connected) relationship refers to the relationship between controlling shareholders, de facto controllers, directors and senior management of the Company and the enterprises they directly or indirectly control, as well as other relationships that may lead to the transfer of interests of the Company.

(4) "Accounting firm" in these Articles shall have the meaning consistent with that of "auditor" in the Hong Kong Listing Rules, and "independent director" shall have the meaning consistent with that of "independent non-executive director" in the Hong Kong Listing Rules.

Article 195 The board of directors may formulate by-laws in accordance with the provisions of these Articles. The by-laws shall not be inconsistent with the provisions of these Articles.

Article 196 These Articles are prepared in Chinese. In case of discrepancies between any other languages or different versions of these Articles and these Articles, the Chinese version of these Articles after the latest approval and registration by the Market Supervision Administration of Yantai city shall prevail.

Article 197 For the purposes of these Articles, the expressions "above", "within" and "less than" shall include the number indicated; the expressions "less", "beyond", "below", "more than" and "over" do not include the number indicated.

Article 198 These Articles shall be interpreted by the board of directors of the Company.

Article 199 The annexes to these Articles include the rules of procedure of the shareholders' meeting and the rules of procedure of the board of directors.

Article 200 These Articles have been considered and approved by the shareholders' meeting and shall become effective and enforceable on the date on which the issue of H Shares of the Company is filed with the CSRC and listed for trading on the Hong Kong Stock Exchange. The original articles of association of the Company shall automatically become invalid as from the date of these Articles becoming effective.