SHANDONG CHENMING PAPER HOLDINGS LIMITED

If there is any inconsistency or conflict between the English and Chinese versions, the Chinese version shall prevail for all purposes.

(A foreign-invested joint stock company incorporated in the People's Republic of China with limited liability)

ARTICLES OF ASSOCIATION

(Approved by the 2006 General Meeting on April 30, 2007, revised by 2007 2nd Extraordinary General Meeting on September 12, 2007, 2008 1st Extraordinary General Meeting on April 11, 2008, 2008 General Meeting on May 26, 2009, 2012 2nd Extraordinary General Meeting on November 5, 2012, 2012 General Meeting on May 15, 2013, 2013 2nd Extraordinary General Meeting on November 15, 2013, 2015 1st Extraordinary General Meeting on February 13, 2015, 2015 2nd Extraordinary General Meeting on July 22, 2015, 2016 2nd Extraordinary General Meeting on June 2, 2016, 2018 1st Extraordinary General Meeting on February 13, 2018, 2017 General Meeting on June 13, 2018, 2018 6th Extraordinary General Meeting on December 28, 2018, 2018 General Meeting on June 11, 2019, 2019 3rd Extraordinary General Meeting on December 3, 2019, 2021 General Meeting on May 11, 2022 and 2022 1st Extraordinary General Meeting on June 15, 2022, the Board of Directors on July 18, 2022 pursuant to the authorisation of the General Meeting, Revised by 2022 General Meeting on May 12, 2023, the Board of Directors on July 17, 2023 pursuant to the authorisation of the General Meeting, 2023 General Meeting on May 14, 2024, the Board of Directors on July 31, 2024 pursuant to the authorisation of the General Meeting, 2025 1st Extraordinary General Meeting on October 28, 2025 and 2026 2nd Extraordinary General Meeting on October 20, 2026)

(The Articles of Association is formulated in accordance with the currently effective law, regulation and constitutional system of The Company Law of the People's Republic of China (the "Company Law"), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (the "Trial Administrative Measures"), Opinions on Further Standardising Operations and Intensifying Reforms of Companies Listed Overseas ("Opinions"), Guidelines for the Articles of Association for Listed Companies (2025) (the "Guidelines for the Articles of Association"), Code of Corporate Governance for Listed Companies (as amended in October 2025) (the "CG Code"), Procedural Rules for General Meeting of Listed Companies (the "Procedural Rules for General Meeting" or "CSRC Announcement [2025] No. 7"), Measures for the Administration of Independent Directors of Listed Companies (as revised in 2025), Regulatory Guidance for Listed Companies No. 3 – Distribution of Cash Dividends by Listed Companies (as revised in 2025), Guidelines for Self-discipline Regulation of Listed Companies of Shenzhen Stock Exchange No. 1 – Standard Operation of Listed Companies on the Main Board (as amended in 2026) ("Guidelines for Standard Operation"), and Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules") and Rules Governing the Listing of Securities of Shenzhen Stock Exchange (as amended in 2026) (the "SZSE Listing Rules").)

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CHAPTER 1 GENERAL PROVISIONS

Article 1

For the purposes of safeguarding the lawful rights and interests of Shandong Chenming Paper Holdings Limited (the "Company"), the shareholders, staff and creditors, and regulating the organisation and conduct of the Company, 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 Guidelines for the Articles of Association of Listed Companies (2025), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (the "Trial Administrative Measures") and other relevant provisions.

Article 2

The Company is a joint stock limited company established in accordance with the Company Law, the Securities Law, and other relevant regulations.

The Company was established through share offering with the approval of the Document [1993] No.17 issued by Weifang Economic Reform Committee, and was registered with Shouguang County Industry and Commerce Administration and has obtained a business license with unified social credit code of 913700006135889860.

The Company was regulated in accordance with regulations of Guo Fa [1995] No.17 and Lu Zheng Fa [1995] No.126. Approved by Lu Ti Gai Han Zi [1996] No.123 issued by Shandong Economic Reform Committee and Lu Zheng Gu Zi [1996] No.98 issued by the People's Government of Shandong Province, the Company was re-registered with the Administration of Industry and Commerce of Shandong Province.

Approved by Ministry of Foreign Trade and Economic Cooperation Document [1997] No.075, the Company was registered as a foreign-invested company.

Article 3

Approved by Document [1997] No.63 issued by the People's Government of Shandong Province on February 28, 1997 and by Securities Commission of the State Council on May 4, 1997, the Company issued 115,000,000 domestic listed foreign shares for the first time to overseas investors. The shares became listed in Shenzhen Stock Exchange on May 26, 1997.

Approved by Zheng Jian Gong Si Zi [2000] No.151 issued by China Securities Regulatory Commission on September 30, 2000, the Company issued 70,000,000 Renminbi – denominated ordinary shares, which became listed in Shenzhen Stock Exchange on November 20, 2000.

Approved by The Stock Exchange of Hong Kong Limited, the Company initially issued 355,700,000 H shares, which became listed on the SEHK on June 18, 2008, in a global offering.

Approved by Zheng Jian Xu Ke [2015] No. 2130 issued by China Securities Regulatory Commission on September 17, 2015, to non-publicly issue not more than 45,000,000 preference shares through several times. The initial issuance of not less than 22,500,000 shares was completed within 6 months from the date of approval for issuance, and the remaining issuances were completed within 24 months from the date of approval for issuance. Among which, 22,500,000 preference shares issued in the first tranche were listed for transfer on Shenzhen Stock Exchange's negotiated transaction platform on April 8, 2016, 10,000,000 preference shares issued in the second tranche were listed for transfer on Shenzhen Stock Exchange's negotiated transaction platform on September 12, 2016, and 22,500,000 preference shares issued in the third tranche were listed for transfer on Shenzhen Stock Exchange's negotiated transaction platform on October 24, 2016. The preference shares issued above were redeemed on March 17, 2021, August 16, 2021 and September 22, 2021, respectively.

In addition to the above issuance of A shares, B shares, H shares and preference shares, subsequent to a series of bonus shares, capital increase from conversion, convertible bonds, repurchase of B shares, repurchase of H shares, equity incentives, redemption of preference shares, repurchase and cancellation of some restricted shares which have been granted but not yet unlocked, etc., the current shareholding structure of the Company is as follows:

2,934,556,200 ordinary shares, of which:

1,699,865,684 A shares held by shareholders of domestic listed domestic shares, accounting for 57.93% of the total shares; including 455,781,319 A shares (state-owned corporate shares) held by Chenming Holdings Limited (晨鳴控股有限公司), accounting for 15.53% of the total shares. 1,244,084,365 A shares held by shareholders of other domestic shares, accounting for 42.40% of the total shares;

706,385,266 B shares held by shareholders of domestic listed foreign shares, accounting for 24.07% of the total shares; and

528,305,250 H shares held by shareholders of overseas listed foreign shares, accounting for 18.00% of the total shares.

Article 4

The Company's registered name in Chinese is 山東晨鳴紙業集團股份有限公司, and in English Shandong Chenming Paper Holdings Limited.

Article 5

Registered Address: Shengcheng Road No.595, Shouguang, Shandong
Zip Code: 262705
Tel.: 0536-2158008
Fax: 0536-2158977

Article 6

The Company's registered capital is RMB2,934,556,200.

Article 7

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

Article 8

Executive directors or the general manager of the Company are legal representatives of the Company.

When an executive director or the general manager who serves as a legal representative resigns, such resignation shall be deemed to also constitute the resignation from the position of legal representative.

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

Article 9

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

Any restriction on the powers of the legal representative stipulated in the Articles of Association or by the shareholder meeting shall not be asserted against a bona fide counterparty.

Where the legal representative causes damage to others in the performance of his duties, the Company shall bear civil liability. After bearing the civil liability, the Company may claim compensation from the at-fault legal representative in accordance with the provisions of law or the Articles of Association.

Article 10

The liability of the shareholders of the Company to the Company is limited to the shares subscribed by them. The Company is liable for its debts to the extent of all its assets.

Article 11

Since the effective date hereof, the Articles of Association shall become a legally binding document that governs the Company's organization and operations, as well as the rights and obligations among the Company and its shareholders, and among the shareholders themselves. The Articles of Association shall be legally binding on the Company, its shareholders, Directors and senior management. Pursuant to the Articles of Association, a shareholder may bring proceedings against another shareholder, a shareholder may bring proceedings against the Company's Directors or senior management, a shareholder may bring proceedings against the Company, and the Company may bring proceedings against its shareholders, Directors or senior management.

Article 12

The senior management in the Articles of Association refers to the manager, deputy general manager, the financial controller, Secretary to the Board of Directors, and other persons as stipulated in the Articles of Association.

CHAPTER 2 BUSINESS OBJECTIVE AND SCOPE

Article 13

The Company's business objective is to give full play to the advantages of a joint stock limited company, fund investment and construction in paper making and related industries through a wide range of channels and accelerate the growth of the Company; to provide excellent products and services that satisfy customers' needs and bring huge profits for all the shareholders.

Article 14

Upon due registration in accordance with the law, the business scope covers manufacturing, processing and distribution of machine – made paper, cardboard and other paper products and paper-making raw materials and paper machines. The relevant procedures shall be performed in accordance with the law for industries where foreign investment is restricted by the state or subject to special provisions except for industries where foreign investment is prohibited by the state.

For items within the Company's business scope that are required by laws and administrative regulations to be approved, such approval shall be obtained in accordance with the law.

Article 15

The Company shall conscientiously implement the development concepts of innovation, coordination, green, openness and sharing, promote excellent entrepreneurship, proactively fulfill its social responsibilities and develop good corporate governance practices.

Article 16

The Company shall be active in practicing the concept of green development to integrate ecological and environmental protection requirements into the development strategy and corporate governance process, and proactively participate in ecological civilization construction, thereby playing a demonstrating and leading role in pollution prevention, resource conservation, ecological protection and other aspects.

Article 17

While maintaining sustainable development, improving business performance, and safeguarding the interests of shareholders, the Company shall also actively fulfill its social responsibilities in terms of community welfare, disaster relief, public welfare undertakings and other aspects.

The Company is encouraged to help poor counties or villages under partner assistance, and proactively connect with and support poor regions to develop industries, foster talents, and promote employment.

CHAPTER 3 PARTY ORGANIZATION

Article 18

The CPC Shandong Chenming Paper Holdings Limited Committee has been set up based on the Constitution of the Communist Party of China, the Trial Regulation on the Work at Primary-Level Party Organizations of State-Owned Enterprises, and other regulations, as approved by the higher Party committee. Meanwhile, pursuant to relevant provisions, a Party Disciplinary Inspection Committee has also been established.

Article 19

The number for the Party Committee secretary, deputy Party Committee secretary, and committee member shall be determined upon the approval of the higher-level Party committee. The appointment and removal of the relevant personnel shall be carried out in accordance with the relevant regulations.

Article 20

The Company's Party Committee shall, in accordance with relevant provisions, establish primary-level Party committees, general branch committees, and branch committees at various levels, establish and improve Party affairs work institutions, and equip them with Party affairs staff. The Company's Party organization shall conduct regular elections in accordance with the Regulations on the Election Work of Primary-Level Organizations of the Communist Party of China.

Article 21

By insisting on and improving the leadership mechanism of "Dual Entry and Cross Appointment", eligible members of the Party Committee may take seats in the Board of Directors and the management through statutory procedures, while eligible members of the Board of Directors and the management who are also Party members may take seats in the Party Committee in accordance with related regulations and procedures.

Article 22

The Company's Party Committee plays a leadership role, providing direction, managing the overall situation, and ensuring implementation. It discusses and makes decisions on significant matters of the Company in accordance with regulations. Its main duties are:

(1) strengthen the political construction of the Company's Party, adhere to and implement the fundamental, basic, and important systems of socialism with Chinese characteristics, educate and guide all Party members to always maintain a high degree of consistency with the Party Central Committee centered on Xi Jinping in terms of political stance, direction, principles, and path;

(2) deeply study and implement the ideology of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, study and promote the Party's theory, implement the Party's line, principles and policies, supervise and ensure the implementation of major decisions and deployments of the Party Central Committee and resolutions of higher-level Party organizations in our Company; promote the Company to shoulder its responsibilities and missions, focus on its main responsibilities and businesses, serve major national and provincial development strategies, and fully fulfill its economic, political, and social responsibilities;

(3) research and discuss major business management issues of the Company, support the general meeting, Board of Directors, and management to exercise their powers in accordance with the law;

(4) strengthen the leadership and supervision of the Company's personnel selection and appointment, and focus on the construction of the leadership team, cadre team, and talent team;

(5) fulfill the main responsibility of the Company's Party conduct and clean governance construction, lead and support disciplinary inspection agencies to fulfill their supervisory, disciplinary and accountability responsibilities, strictly enforce political discipline and rules, and promote the extension of comprehensive and strict governance of the Party to the grassroots level;

(6) strengthen the construction of grassroots Party organizations and Party member teams, unite and lead employees and the masses to actively participate in the Company's reform and development;

(7) leading the ideological and political work, spiritual civilization construction, and united front work of the Company, as well as leading group organizations such as the Company's labor union, Communist Youth League, and women's organizations;

(8) discuss and decide on other important matters within the scope of the Party committee's responsibilities.

Article 23

A list of material operational and management matters shall be established in accordance with relevant regulations. Material operational and management matters shall be reviewed and discussed by the Party Committee in advance, and then decided upon by the Board of Directors, the management, and other relevant parties in accordance with their respective authorities and prescribed procedures. The Party Committee shall strictly review and monitor the proposals authorized by the Board of Directors to prevent unauthorized or excessive delegation of authority. Matters authorized by the Board of Directors to be decided by the Chairman or the management shall generally not be subject to prior study or discussion by the Party Committee.

Article 24

The funding for Party construction work shall be included in the Company's budget and charged as the Company's management costs, and the Party Committee shall be control the use of such funding.

CHAPTER 4 SHARES

Section 1 Share Issuance

Article 25

The Company shall at all time have ordinary shares. The Company may, in accordance with its needs and upon the approval of the Company's supervisory department authorized by the State Council, create shares of other classes such as preference shares.

Article 26

The Company's shares shall be issued in accordance with the principles of openness, fairness and impartiality, and there shall be equal rights in each share of the same category. For shares of the same category issued in the same offering, the issuance conditions and price per share shall be the same; and the subscribers shall pay the same amount for each share they subscribe for.

Article 27

Ordinary shares issued by the Company shall have a par value of RMB1.

The above-mentioned RMB refers to the legal currency of the PRC.

Article 28

The Company may, upon approval of securities regulatory authorities of PRC, issue shares to domestic and overseas investors.

For purpose of the preceding paragraph, foreign investors mean investors in foreign countries, Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC and Taiwan who subscribe for shares issued by the Company; domestic investors mean investors in PRC other than the above-mentioned regions who subscribe for shares issued by the Company.

Article 29

Ordinary shares issued by the Company to domestic investors and subscribed for in Renminbi are domestic RMB-denominated common shares (A share). Ordinary shares issued by the Company to overseas investors for subscription in foreign currencies are foreign shares. Foreign shares listed in Chinese Mainland are domestic listed foreign shares (B share); foreign shares listed overseas are overseas listed foreign shares. Domestic shares and domestic listed foreign shares are categorized as domestic listed shares, while overseas listed foreign shares are categorized overseas listed shares.

The foregoing foreign currencies refer to legal currencies of foreign countries or regions accepted by the national foreign currency administrative authorities and can be used to subscribe for shares of the Company.

Overseas listed foreign shares issued by the Company in Hong Kong are H shares. H shares refer to ordinary shares listed in The Stock Exchange of Hong Kong Limited ("SEHK"), denominated in Renminbi and subscribed for and traded in Hong Kong dollar.

Upon the approval of securities supervisory authorities of PRC, domestic share shareholders may transfer their shares to overseas investors and the shares can be listed and traded overseas. The listing and trade of the transferred shares in overseas exchanges must comply with supervisory procedures, regulations and requirements of the overseas securities markets. Listing and dealing of the transferred shares on overseas stock exchanges is not subject to vote by separate class shareholder meetings.

Article 30

Approved by the company approval department authorized by the State Council, the Company has a total of 2,934,556,200 ordinary shares in issue. The total number of ordinary shares issued in the initial public offering is 66,647,400 shares. The number of shares issued to the promoter at the time of its establishment is 46,497,400, accounting for 69.77% of the aggregate issued by the Company in the initial public offering, and accounting for 1.58% of the Company's total number of ordinary shares issued.

Article 31

The Company or its subsidiaries (including affiliates of the Company) shall not, by way of a gift, advance, guarantee, borrowings or otherwise, provide financial assistance to a person who acquires shares of the Company or its parent company, except for the implementation of the Company's employee share ownership plan.

For the benefit of the Company, upon a resolution adopted by the shareholders' general meeting, or a resolution made by the Board in accordance with the Articles of Association or the authorization of the shareholders' general meeting, the Company may provide financial assistance for any person who acquires the shares of the Company or its parent company. However, the aggregate total amount of such financial assistance shall not exceed 10% of the total amount of issued share capital. A resolution adopted by the Board shall be approved by more than two-thirds of all the Directors.

Section 2 Increase, Decrease and Repurchase of Shares

Article 32

The Company may, according to its business and development needs and laws and regulations, and subject to resolutions of the General Meeting, may increase its capital by:

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

(2) Issuance of shares to specific investors;

(3) Issuing bonus shares to existing shareholders;

(4) Converting capital reserves into share capital; and

(5) Other ways approved by laws and regulations.

To increase its capital by issuing new shares, the Company shall obtain the approval under provisions of the Articles, and proceed according to laws and regulations of the PRC.

Article 33

The Company may reduce its registered capital. When the Company reduces its registered capital, it shall follow the procedures stipulated in the Company Law of the People's Republic of China, other relevant provisions, and the Articles of Association.

Article 34

The Company shall not acquire its own shares. However, this shall not apply in any of the following circumstances:

(1) to reduce its registered capital;

(2) to merge with another company that holds shares of the Company;

(3) to use shares for employee stock ownership plans or equity incentives;

(4) to acquire shares held by shareholders who disagree with the resolutions made by general meetings about mergers and division of the Company;

(5) to use the shares for conversion into convertible corporate bonds issued by the Company;

(6) to safeguard the Company's value and shareholders' rights and interests.

Article 35

The Company may acquires its own shares through open and centralized trading or other methods permitted by laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions. Acquisition of the Company's own shares under the circumstances set out in (3), (5) and (6) of paragraph 1 of Article 34 of the Articles of Association shall be made through open and centralised trading.

Article 36

When the Company acquires its own shares under the circumstances specified in Subparagraphs (1) and (2) of Paragraph 1 of Article 34 of the Articles of Association, a resolution of the shareholders' general meeting shall be adopted; when the Company acquires its own shares under the circumstances specified in Subparagraphs (3), (5) and (6) of Paragraph 1 of Article 34 of the Articles of Association, a resolution may be adopted at a Board meeting attended by more than two-thirds of the Directors in accordance with the provisions of the Articles of Association or the authorization of the shareholders' general meeting.

Shares acquired by the Company according to (1) of Paragraph 1 of Article 34 herein shall be cancelled within 10 days of the acquisition; according to (2) and (4) shall be transferred or cancelled within 6 months of the acquisition; according to (3), (5) and (6), the total number of the Company's shares held by the Company shall not exceed 10% of the total number of issued shares of the Company, and shall be transferred or cancelled within three (3) years.

Section 3 Transfer of Shares

Article 37

Shares of the Company shall be transferred in accordance with the law.

Article 38

The Company does not accept the Company's shares as the subject of a charge.

Article 39

Shares issued in prior to the IPO of the Company shall not be transferred within one (1) year since shares of the Company are traded on the stock exchange.

Directors and other senior management shall report holdings and changes of holdings to the Company and shall not transfer more than 25% of shares of the Company held by them each year during the term of office as determined upon assumption of office; shares of the Company held by them shall not be traded within one (1) year since the shares become tradable. The above-mentioned persons shall not transfer shares of the Company held by them within six (6) months since they leave office.

If laws, administrative regulations or the CSRC otherwise provide for the transfer of shares held by shareholders in the Company, such provisions shall prevail.

Article 40

Proceeds from sales of the Company's shares or other securities with equity nature within six (6) months of the purchase and from purchase of the Company's shares within six (6) months of sales by Directors, senior management and shareholders who hold over 5% of the Company's shares belong to the Company and will be obtained by the Board of Directors of the Company, except for securities brokers that purchase more than 5% of the Company's shares as a result of the outstanding stocks after the underwriting of shares and other circumstances stipulated by the China Securities Regulatory Commission.

The shares or other equity securities held by Directors, senior management or natural person shareholder mentioned in the preceding paragraph shall include the shares or other equity securities held by his/her spouse, parents and children and held through another person's account.

If Board of Directors of the Company fails to comply with the foregoing provision, shareholders have the right to require the Board to comply with the provision within thirty (30) days. If the Board fails to do so as required, shareholders have the right to bring proceedings in their names to people's counts in the interests of the Company.

If the Board fails to comply with the first provision of the article, the responsible Directors shall assume joint liability.

CHAPTER 5 SHAREHOLDERS AND GENERAL MEETING

Section 1 General Provisions of Shareholder

Article 41

The Company shall establish a register of members based on the certificates provided by the securities registration and clearing authorities. The register of members shall be sufficient evidence of the shareholders' shareholding in the Company. A shareholder enjoys the relevant rights and assumes the relevant obligations in accordance with the class of shares he holds. Shareholders holding the same class of shares are entitled to the same rights and assume the same obligations.

Article 42

When the Company intends to convene a shareholders' general meeting, distribute dividends, liquidate and engage in other activities that involve determination of shareholdings, the Board shall decide on a date for the determination of rights attaching to shares in the Company. Shareholders whose names appear in the register of shareholders at the end of the record date are shareholders of the Company.

Article 43

Shareholders of the Company have the following rights:

(1) the right to dividends and other distributions in proportion to the number of shares held;

(2) the right to request, convene, host, attend or appoint a proxy to attend shareholders' general meetings and to exercise the corresponding voting right;

(3) the right to supervise and manage operations of the Company and to put forward proposals and raise inquiries;

(4) the right to transfer, gift or pledge shares held by them in accordance with the laws, administrative regulations and the Articles of Association;

(5) the right to inspect and copy the Articles of Association, the register of shareholders, minutes of shareholders' general meetings, resolutions of Board meetings and financial and accounting reports, and shareholders who meet the relevant requirements may inspect the Company's accounting books and accounting vouchers;

(6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the number of shares held; and

(7) the right to request the Company to acquire shares held by shareholders who disagree with the resolutions on mergers and division of the Company made by general meetings;

(8) other rights provided by laws, administrative regulations and the Articles of Association.

Article 44

Where a shareholder requests to inspect or copy the relevant materials of the Company, such shareholder shall comply with the provisions of laws and administrative regulations including the Company Law of the People's Republic of China and the Securities Law of the People's Republic of China.

Article 45

If a resolution passed at the Company's meeting or Board meeting violates laws or administrative regulations, shareholders have the right to institute proceedings before a people's court to render the resolution invalid.

If the procedures for convening, or the method of voting at, a shareholders' general meeting or Board meeting violate laws, administrative regulations or the Articles of Association, or a resolution violates the Articles of Association, shareholders are entitled to institute proceedings before a people's court to rescind such resolution within sixty (60) days of the adoption of such resolution. However, this shall not apply if there are only minor defects in the procedures for convening a shareholders' general meeting or Board meeting or in the voting method, and such defects have no material impact on the resolution.

Where the Board, shareholders or other relevant parties have disputes over the validity of a resolution at a shareholders' general meeting, they shall promptly file a lawsuit with a people's court. Prior to the people's court rendering a judgment or ruling such as revoking the resolution, the relevant parties shall implement the resolution at the shareholders' general meeting. The Company, its Directors and senior management shall earnestly perform their duties to ensure the normal operation of the Company.

Where the people's court renders a judgment or ruling on the relevant matters, the Company shall perform its information disclosure obligations in accordance with the provisions of laws, administrative regulations, the China Securities Regulatory Commission (CSRC) and the stock exchange, fully explain the impacts, and actively cooperate with the implementation after the judgment or ruling becomes effective. If the matters involve the correction of prior issues, the Company shall handle such issues in a timely manner and perform the corresponding information disclosure obligations.

Article 46

A resolution of the shareholders' general meeting or the Board meeting of the Company shall be deemed not to have been formed under any of the following circumstances:

(1) The resolution is made without convening a shareholders' general meeting or a Board meeting;

(2) No vote is taken on the matter of the resolution at the shareholders' general meeting or the Board meeting;

(3) The number of attendees at the meeting or the number of voting rights they hold fails to meet the number of attendees or the number of voting rights held as prescribed in the Company Law or the Articles of Association;

(4) The number of persons who approve the matter of the resolution or the number of voting rights they hold fails to meet the number of persons or the number of voting rights held as prescribed in the Company Law or the Articles of Association.

Article 47

Where a Director (other than a member of the Audit Committee) or senior management, in performing their duties for the Company, violates laws, administrative regulations or the Articles of Association and causes losses to the Company, shareholders individually or aggregately holding more than 1% of the Company's shares for 180 consecutive days or more shall have the right to request in writing the Audit Committee to institute proceedings before a people's court. Where a member of the Audit Committee, in performing their duties for the Company, violates laws, administrative regulations or the Articles of Association and causes losses to the Company, the aforesaid shareholders may request in writing the Board to institute proceedings before a people's court.

If the Audit Committee or the Board refuses to institute proceedings after receiving the written request from the shareholders as specified in the preceding paragraph, or fails to institute proceedings within 30 days from the date of receiving the request, or in case of emergency where failure to institute proceedings immediately will cause irreparable damage to the Company's interests, the shareholders specified in the preceding paragraph shall have the right to institute proceedings directly in their own names with a people's court for the benefit of the Company.

Where any other person infringes upon the legitimate rights and interests of the Company and causes losses to the Company, the shareholders specified in the first paragraph of this Article may institute proceedings before a people's court in accordance with the provisions of the preceding two paragraphs.

Where a director, supervisor or senior management of a wholly-owned subsidiary of the Company, in performing their duties, violates laws, administrative regulations or the Articles of Association and causes losses to the Company, or where any other person infringes upon the legitimate rights and interests of a wholly-owned subsidiary of the Company and causes losses, shareholders individually or aggregately holding more than 1% of the Company's shares for 180 consecutive days or more may, in accordance with the provisions of the first three paragraphs of Article 189 of the Company Law, request in writing the Supervisory Committee or the Board of the wholly-owned subsidiary to institute proceedings before a people's court or institute proceedings directly in their own names before a people's court.

Where a wholly-owned subsidiary of the Company has no Supervisory Committee or supervisor but has an Audit and Risk Management Committee, the provisions of the first and second paragraphs of this Article shall apply.

Article 48

Shareholders may institute proceedings before a people's court if a Director or senior management has violated laws, administrative regulations or the Articles of Association and infringe the interests of shareholders.

Article 49

Shareholders of the Company shall assume the following obligations:

(1) to abide by laws, administrative regulations and the Articles of Association;

(2) to pay subscription monies according to the number of shares subscribed and the method of subscription; and

(3) Except for the circumstances stipulated by laws and regulations, no withdrawal of shares is allowed;

(4) not to abuse the rights of shareholders to harm the interests of the Company or other shareholders; not to abuse the independent status of the Company as a legal person and the limited liability of shareholders to harm the interests of any creditors of the Company;

(5) other obligations imposed by laws, administrative regulations and the Articles of Association.

Article 50

Shareholders of the Company shall be liable for indemnity in accordance with the laws if he/she/it abuses his/her/its shareholder's rights and causes loss on the Company or other shareholders. Shareholders of the Company, who abuse the Company's independent status as a legal person and the shareholders' limited liability or evades the repayment of debts resulting in materially damaging the interests of the creditors of the Company, shall be jointly and severally liable for the debts of the Company.

Section 2 Controlling Shareholders and De Facto Controllers

Article 51

The controlling shareholders and de facto controllers of the Company shall exercise their rights and fulfil their obligations in accordance with laws, administrative regulations, the requirements of the CSRC and stock exchanges to safeguard the interests of the Company.

Article 52

The controlling shareholders and actual controllers of the Company shall comply with the following provisions:

(1) They shall exercise shareholder rights in accordance with the law, and shall not abuse control rights or use related relationships to damage the legitimate rights and interests of the Company or other shareholders;

(2) They shall strictly perform the public statements and various commitments made, and shall not arbitrarily modify or exempt such commitments;

(3) They shall strictly perform information disclosure obligations in accordance with relevant provisions (including the provisions of the stock exchange), actively cooperate with the Company in information disclosure work, and promptly inform the Company of major events that have occurred or are to occur;

(4) They shall not occupy the Company's funds in any manner;

(5) They shall not coerce, instigate or require the Company and relevant personnel to provide guarantees in violation of laws and regulations;

(6) They shall not use the Company's undisclosed major information to seek benefits, shall not disclose undisclosed major information related to the Company in any manner, and shall not engage in illegal and irregular acts such as insider trading, short-term trading, and market manipulation;

(7) They shall not damage the legitimate rights and interests of the Company and other shareholders through any means such as unfair related transactions, profit distribution, asset restructuring, and external investment;

(8) They shall ensure the integrity of the Company's assets, and the independence of the Company's personnel, finance, institutions and business, and shall not affect the independence of the Company in any manner;

(9) They shall comply with other provisions of laws, administrative regulations, the provisions of the China Securities Regulatory Commission (CSRC), the business rules of the stock exchange and the Articles of Association.

Where a controlling shareholder or actual controller of the Company does not hold the position of a Director of the Company but actually performs the Company's affairs, the provisions of the Articles of Association regarding the duty of loyalty and duty of care of Directors shall apply.

Where a controlling shareholder or actual controller of the Company instructs a Director or senior management to engage in acts that damage the interests of the Company or shareholders, such controlling shareholder or actual controller shall bear joint and several liability with such director or senior management.

Article 53

Where a controlling shareholder or actual controller pledges the Company's shares held or actually controlled by them, they shall maintain the stability of the Company's control right and production and operation.

Article 54

Where a controlling shareholder or actual controller transfers the Company's shares held by them, they shall comply with the restrictive provisions on share transfer as stipulated in laws, administrative regulations, the provisions of the China Securities Regulatory Commission (CSRC) and the stock exchange, as well as the commitments they have made regarding the restriction of share transfer.

Section 3 General Provisions of Shareholders' General Meetings

Article 55

The shareholders' general meeting of the Company shall be composed of all shareholders. The shareholders' general meeting is the organ of authority of the Company and may exercise the following functions and powers in accordance with the law:

(1) to decide on the operating policies and investment plans of the Company;

(2) to elect and replace Directors who are not employee representatives, and to decide matters concerning the remuneration of Directors;

(3) to examine and approve reports of the Board;

(4) to examine and approve the Company's proposed annual preliminary and final financial budgets;

(5) to examine and approve the Company's profit distribution plans and plans for making up losses;

(6) to decide on increases or reductions in the Company's registered capital;

(7) to decide on matters such as merger, division, dissolution and liquidation, or change of corporate form of the Company;

(8) to decide on the issue of bonds by the Company;

(9) to adopt resolutions on the Company's appointments or, dismissals of accounting firms that undertake the Company's audit business;

(10) to examine and approve the guarantee stipulated in Article 56;

(11) to examine matters relating to the purchases and disposals of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;

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

(13) to examine and approve the equity incentive plans and employee stock ownership plans;

(14) to amend the Articles of Association;

(15) other matters required by laws, administrative regulations and the Articles of Association to be resolved by the general meeting of shareholders.

The shareholders' general meeting may authorize the Board of Directors to resolve on the issue of corporate bonds.

Article 56

The following provision of guarantees to third parties by the Company are subject to the review and approval of the general meeting of shareholders upon the review and approval of the Board of Directors.

(1) a single guarantee that exceeds 10% of the Company's latest audited net assets;

(2) any guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlled subsidiaries has reached or exceeded 50% of the Company's latest audited net assets;

(3) any guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlled subsidiaries has reached or exceeded 30% of the Company's latest audited total assets;

(4) a guarantee provided to a party with an asset-liability ratio of over 70% as shown in its latest financial statement;

(5) the cumulative guarantee amount in the last 12 months has exceeded 30% of the Company's latest audited total assets;

(6) the guarantee to be provided in favour of shareholders, beneficial controllers and their related parties; and

(7) other guarantees stipulated in the relevant laws and regulations, and the Articles of Association.

When a guarantee is reviewed by the Board of Directors, it shall be reviewed and approved by more than two-thirds of the Directors present at the Board meeting. When a guarantee mentioned in clause (5) above is reviewed at the shareholders' general meeting, it shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting.

When a proposal on providing guarantee for any shareholder, beneficial controller and its related parties is being reviewed at the shareholders' general meeting, the said shareholder or the shareholders controlled by the said beneficial controller shall abstain from voting on the proposal, and the proposal shall be subject to approval by a simple majority of the voting rights of the other shareholders attending the meeting.

The controlling shareholder, beneficial controller and other affiliates shall not compel the Company to provide guarantees for others.

Article 57

Except under unusual circumstances such as a crisis, unless an approval is obtained by a special resolution in a shareholders' general meeting, the Company shall not enter into any contract with any party other than the Directors and senior management, pursuant to which such party shall be responsible for managing the whole or any substantial part of the Company's business.

Article 58

General meetings of shareholders include annual general meetings and extraordinary general meetings of shareholders. A general meeting of shareholders shall be convened by the Board. The annual general meeting of shareholders shall be held once every year within six (6) months after the end of the previous accounting year.

The Board shall hold an extraordinary general meeting of shareholders within two (2) months upon the occurrence of one of the following circumstances:

(1) the number of Directors is less than the number required by the Company Law or less than two-thirds of the number required by the Articles of Association;

(2) the uncovered losses are in excess of one third of the Company's total paid-in capital;

(3) request by shareholder(s) individually or jointly holding not less than 10% of the Company's shares;

(4) the Board considers it necessary;

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

(6) independent Directors propose to hold such a meeting according to the Articles of Association; and

(7) other circumstances as provided by laws and regulations, departmental rules or the Articles of Association.

Article 59

The venue for the Company's shareholders' general meeting shall be the Company's domicile or other venues designated by the Board. A venue shall be set up for the shareholders' general meeting which shall be held in the form of an on-site meeting. The Company shall also provide online voting to facilitate shareholders.

Article 60

When convening the shareholders' general meeting, the Company shall engage a lawyer to attend the meeting and provide legal advice regarding the following issues and make announcement thereof:

(1) Whether the convening and procedures of the meeting are in accordance with the laws, administrative regulations and the Articles of Association;

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

(3) Whether the voting mechanism and voting results are lawful and valid;

(4) Other legal advice as requested by the Company.

Section 4 Calling of Shareholders' General Meetings

Article 61

The Board of Directors shall convene the shareholders' general meeting in a timely manner within the time limit as specified.

With the consent of more than half of all independent directors, independent Directors shall have the right to propose to the Board to convene an extraordinary general meeting. The Board shall reply in writing, within ten (10) days of receiving such proposal, whether it consents to such proposal in accordance with the provisions of the laws, administrative regulations and the articles of association of the Company.

The Board shall give the notice convening an extraordinary general meeting within five (5) days after it has passed the relevant resolution. The Board shall give reasons for its objection to convene such a general and publish an announcement in this regard.

Article 62

The audit committee is entitled to propose, in writing, to the Board to convene an extraordinary general meeting. The Board shall reply, in writing, within ten (10) days of receiving such proposal, whether it consents to such proposal in accordance with the provisions of the laws, administrative regulations and the Articles of Association.

The Board shall give the notice convening an extraordinary general meeting within five (5) days after it has passed the relevant resolution. Any change to the original proposal is subject to the consent of the audit committee.

If the Board rejects to convene such a general meeting or fails to reply within ten (10) day of receiving such proposal, it shall be deemed as being unable or having failed to fulfil its duties to convene general meetings, in which circumstances, the audit committee may convene and chair the general meeting.

Article 63

Any shareholders individually or aggregately holding more than 10% of the shares with voting rights of the Company are entitled to request, in writing, to the Board to convene an extraordinary general meeting. The Board shall reply, in writing, within ten (10) days of receiving such proposal, whether it consents to such request in accordance with the provisions of the laws, administrative regulations and the Articles of Association.

The Board shall give the notice convening an extraordinary general meeting within five (5) days after it has passed the relevant resolution. Any change to the original request is subject to the consent of such shareholders.

If the Board rejects to convene such a general meeting or fails to reply within ten (10) day of receiving such request, such shareholders individually or aggregately holding more than 10% of the shares with voting rights of the Company are entitled to request, in writing, to the audit committee to convene such an extraordinary general meeting.

The audit committee shall give the notice convening an extraordinary general meeting within five (5) days after it has passed the relevant resolution. Any change to the original request is subject to the consent of such shareholders.

If the audit committee fails to give a notice convening such a general meeting within the prescribed time, it shall be deemed as having failed to convene such a general meeting, in which circumstance, shareholders individually or aggregately holding more than 10% of the shares with voting rights of the Company for more than ninety (90) consecutive days are entitled to convene and chair such a general meeting.

Article 64

If the audit committee or the shareholders decide to convene and chair a general meeting of the shareholders, the Supervisory Committee or the shareholders shall notify the Board in writing and make filings with the stock exchange.

Before issuing a notice of resolutions of shareholders' general meeting, the convening shareholders shall have a shareholding of no less than 10%.

Upon issuance of the notice of shareholders' general meeting and notice of resolutions of shareholders' general meeting, the audit committee or the convening shareholders shall submit relevant proof to the stock exchange.

Article 65

When a shareholders' general meeting is convened by the audit committee or by the shareholders, the Board and the Secretary to the Board shall act in concert therewith. The Board shall provide the register of shareholders as on the record date.

Article 66

When a shareholders' general meeting is convened by the audit committee or by the shareholders, the Company shall bear all the necessary expenses thereof.

Section 5 Proposals and Notices of Shareholders' General Meetings

Article 67

The content of a proposal shall fall within the scope of the powers of the shareholders' general meeting, there shall be a clear topic and specific resolution matters, and the content of a proposal shall comply with the relevant provisions of laws, administrative regulations and the Articles of Association.

Article 68

When the Company convenes a shareholders' general meeting, the Board of Directors, the audit committee and shareholder(s) individually or jointly holding 1% or more of the shares of the Company shall have the right to propose motions.

Any shareholders individually or aggregately holding more than 1% of the Company's shares (including preferred shares with restored voting rights, etc.) may submit a temporary proposal in writing to the convener ten days before the shareholders' general meeting is convened. The convener shall issue a supplementary notice within two (2) days of receiving such proposals, announce the content of the extraordinary proposals, and submit such extraordinary proposals to the shareholders' general meeting for consideration. However, this shall not apply if the temporary proposal violates the provisions of laws, administrative regulations or the Company's Articles of Association, or does not fall within the scope of the powers of the shareholders' general meeting.

Except for the circumstances specified in the preceding paragraph, after the convener issues the announcement of the notice of the shareholders' general meeting, it shall not amend the proposals already listed in the notice of the shareholders' general meeting or add new proposals.

Proposals that are not listed in the notice of the shareholders' general meeting or do not comply with the provisions of the Articles of Association shall not be put to vote or resolved at the shareholders' general meeting.

The proposal on nomination of Directors shall be submitted, notified and announced at least 10 (ten) (Hong Kong) trading days before the date of convening the shareholders' general meeting.

Article 69

The convener shall notify all shareholders by way of announcement twenty (20) clear working days (both days exclusive) before the annual general meeting and will notify all shareholders by way of announcement fifteen (15) days prior to the meeting.

Regarding the calculation of the notice period, the date of the meeting and the date when the notice is given shall not be included.

Article 70

A notice of the general meeting contains the following contents:

(1) the time, place and deadlines of the meeting;

(2) submit the matters and motions to the meeting for examination;

(3) explain in clear words: all shareholders of ordinary shares (including preference shareholders with restored voting rights), shareholders of shares with special voting rights and other shareholders are entitled to attend the general meeting, and may appoint proxies in writing to attend the meeting and vote on their behalf. A proxy need not be a shareholder of the Company;

(4) the record date for determining the entitlement of shareholders to attend the general meeting of shareholders;

(5) the name and telephone number of the standing contact person for meeting affairs;

(6) the voting time and voting procedures for online voting or other means of voting.

Article 71

Where the elections of Directors are to be discussed, a notice of the general meeting of shareholders shall fully disclose the particulars of the candidates and at least shall include:

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

(2) whether or not the candidates have any affiliated relation with the Company or its controlling shareholders and de facto controllers;

(3) their shareholding of the Company;

(4) whether or not they have been penalized by the CSRC and other relevant departments, and disciplined by the stock exchange;

Save the elections of Directors by cumulative voting system, each candidate for a Director shall be proposed by way of single proposal.

Article 72

Subsequent to the dispatch of a notice of the general meeting, the general meeting shall not be postponed or cancelled without proper reasons, and the proposals set out in the notice of the general meeting shall not be withdrawn. Once the meeting is postponed or cancelled, the convener shall make an announcement and give reasons at least two (2) working days prior to the original date of the meeting.

Section 6 Convening of Shareholders' General Meetings

Article 73

The Board of the Company and other conveners shall take necessary measures to ensure the order at the General Meeting. Any actions that cause interference to the General Meeting, provocation and troubles, and damages to the legal rights and interests of other shareholders, measures shall be taken to stop such actions and reports shall be made promptly to related departments for further consideration and handling.

Article 74

All shareholders of ordinary shares, shareholders of shares with special voting rights and other shareholders or proxies whose names appear on the register of members on the date of registration of equity entitlements shall be entitled to attend the general meeting and exercise their voting rights in accordance with relevant laws, regulations and the Articles of Association.

A shareholder may attend the shareholders' general meeting in person or appoint a proxy to to attend and vote at the meeting on his behalf.

If the said shareholder is a recognized clearing house by the Law of Hong Kong or its proxy (Recognized Clearing House), the shareholder may authorize one (1) or more suitable person to act as its representative at any shareholders' general meeting or at any class meeting; however, if more than one (1) person are authorized, the power of attorney shall clearly indicate the number and types of the stocks involved by way of the said authorization. The persons after such authorization may represent the Recognized Clearing House to exercise the rights, as if they were the individual shareholders of the Company.

Article 75

An individual shareholder attending the meeting in person shall present his/her valid identity card or other valid documents/certificates that can prove his/her identity; a person attending the meeting on behalf of another person shall present his/her own valid identity card and the shareholder's power of attorney.

A legal person shareholder shall be represented at the meeting by its legal representative or an agent authorized by the legal representative. Where the legal representative attends the meeting, he/she shall present his/her identity card and a valid certificate proving his/her status as the legal representative; where an agent attends the meeting, the agent shall present his/her identity card and a written power of attorney issued in accordance with the law by the legal representative of the legal person shareholder entity.

Article 76

The following contents shall be specified in a power of attorney issued by a shareholder to authorize another person to attend a shareholders' general meeting:

(1) The name of the principal and the type and quantity of the Company's shares held by the principal;

(2) The name of the agent;

(3) The specific instructions of the shareholder, including instructions to vote "for", "against" or "abstain" on each deliberation item included in the agenda of the shareholders' general meeting;

(4) The date of issuance and the term of validity of the power of attorney;

(5) The signature (or seal) of the principal. If the principal is a legal person shareholder, the official seal of the legal entity shall be affixed.

Article 77

Where the proxy form is signed by a person under a power of attorney on behalf of the appointer, the power of attorney or other authorization documents authorized to be signed shall be notarized. A notarized copy of that power of attorney or other authorization documents, together with the proxy form, shall all be deposited at the domicile of the Company or other places specified in the notice of meeting.

Article 78

A meeting register of the general meeting shall be prepared by the Company. The meeting register shall set forth the names of attendees (or the attending units), their identity card numbers, number of voting shares held or represented and name of the appointer (or the appointing unit), etc.

Article 79

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 as well as the number of their voting shares. The registration for a meeting shall end before the chairman of the meeting announces the number of shareholders and proxies attending the meeting in person and the total number of their voting shares held.

Article 80

If the shareholders' general meeting requires Directors and senior management to attend the meeting, the Directors and senior management shall attend and accept inquiries from shareholders.

Article 81

The shareholders' general meeting shall be convened and presided over by the chairman. When the chairman is unable or fails to perform his duties, the vice-chairman shall perform the said duties (where the Company has two or more vice chairmen of the Board, the meeting shall be presided over by the vice chairman elected by more than half of the Directors); when the vice-chairman is unable or fails to perform his duties, a Director jointly elected by more than half of the total number of the Directors shall perform the said duties.

The shareholders' general meeting convened by the Audit Committee shall be presided over by the convenor of the Audit Committee. When the convenor of the Audit Committee is unable or fails to perform his duties, a member of the Audit Committee jointly elected by more than half of the total number of the members of the Audit Committee shall perform the said duties.

In a shareholders' general meeting convened by the shareholders, the convener or he or she shall nominate a representative to chair the meeting.

When a shareholders' general meeting is convened, if the chairman violates the Rules of Procedure and thereby renders the meeting unable to proceed, a new chairman may be elected at the shareholders' general meeting to resume the meeting upon the approval of shareholders representing a majority of the voting rights present.

Article 82

The rules of procedures for shareholders' general meetings shall be formulated by the Company, which shall stipulate the procedures for convening the shareholders' general meeting and voting procedures, including notice, registration, consideration and approval of proposals, voting, vote counting, announcement of voting results, type of resolutions of the meeting, minutes of the meeting and its signature, announcement, and the principle for the shareholders' general meeting authorizing power to the Board. The authorization shall be clear and specific. The rules of procedures of shareholders' general meetings shall constitute an appendix to the Article of Association, which shall be proposed by the Board and approved by the shareholders' general meeting.

Article 83

At the annual shareholders' general meeting, the Board shall report to the shareholders' general meeting on their work in the past year. Each independent Director shall also report on their work.

Article 84

Directors and senior management shall offer clarifications and explanations to the interpellations and proposals made by shareholders during the shareholders' general meeting.

Article 85

Prior to voting, the chairman of the General Meeting shall announce the number of shareholders and proxies present and the total number of shares with voting rights held by them. The number of shareholders and proxies present and the total number of shares with voting rights held by them shall be that as stated in the registration of the meeting.

Article 86

Minutes of shareholders' general meetings shall be compiled by the Secretary to the Board. The minutes shall contain:

(1) the date, place and agenda of the meeting, and the name of convener;

(2) the name of the chairman of the meeting, and Director and senior management of the Company in attendance at the meeting;

(3) numbers of shareholders and proxies present at the meeting, total number of shares with voting rights held by them and its percentage in the aggregate shares of the Company;

(4) the review process, key points of the speech, voting results of each proposal;

(5) the inquiry opinions and suggestions of shareholders, and the corresponding replies or explanations;

(6) the names of lawyers, counting officers and scrutinizers; and

(7) others that the Articles of Association prescribes to be included in the minutes of meetings.

Article 87

The convener shall ensure the truthfulness, accuracy and completeness of the minutes of the meeting. The Directors attending the meeting, the Secretary to the Board, the convener or his representative, and the chairman of the meeting shall sign the minutes of the meeting. The minutes of the meeting and the signed attendance book of the shareholders who attended in person, the proxy forms and the valid information relating to voting online and by other means shall be kept together for no less than ten (10) years.

Article 88

The convener shall ensure the continuation of the shareholders' general meeting until a final resolution is adopted. If the shareholders' general meeting is suspended or a resolution cannot be adopted at the shareholders' general meeting due to force majeure or other extraordinary circumstances, the convener shall take necessary measures to resume the meeting as soon as possible or terminate the current meeting directly, and make a timely announcement. Meanwhile, the convener shall report the matter to the local dispatched office of the China Securities Regulatory Commission (CSRC) and the stock exchange where the Company is located.

Section 7 Voting and Resolutions at Shareholders' General Meetings

Article 89

There shall be two types of resolutions of shareholders' general meetings, namely ordinary resolutions and special resolutions.

To adopt an ordinary resolution, votes representing not less than one-half of the voting rights represented by the shareholders with voting rights (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.

To adopt a special resolution, votes representing not less than two-thirds of the voting rights represented by the shareholders with voting rights (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.

Article 90

A shareholder (including proxy) when voting at a shareholders' general meeting may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote.

When the shareholders' general meeting considers matters that could materially affect the interests of minority investors, the votes of shareholders other than the Directors, senior management of the Company and shareholders who individually or collectively hold more than 5% of the Company's shares shall be counted separately, and the results of such separate vote counting shall be disclosed promptly.

The shares held by the Company have no voting rights, and are not counted as the total number of shares with voting rights held by shareholders attending the meeting.

If a shareholder purchases the shares of the Company with voting rights in violation of the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law, the voting rights of shares exceeding the prescribed proportion shall not be exercised within 36 months after the purchase, and shall not be included in the total number of shares with voting rights attending the general meeting of shareholders.

The Board, Independent Directors and shareholders holding more than 1% of the shares with voting rights or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the China Securities Regulatory Commission may publicly collect from other shareholders the rights to vote. Information including the specific voting intention shall be fully disclosed to the shareholders from whom voting rights are being collected. Consideration or de facto consideration for collecting shareholders' voting rights is prohibited. Except for statutory conditions, the Company shall not impose any minimum shareholding limitation for collecting voting rights.

Article 91

When the shareholders' general meeting resolves on the connected transaction of the Company, the connected shareholders shall refrain from voting and the number of voting shares that they represent shall not be counted as part of the total number of valid voting.

Article 92

The following matters shall be resolved by an ordinary resolution at a shareholders' general meeting:

(1) work reports of the Board;

(2) plans formulated by the Board for distribution of profits and for making up losses;

(3) the appointment and removal of members of the Board and their remuneration and payment methods;

(4) matters other than these required by the laws and administrative regulations or by the Articles of Association to be adopted by special resolutions.

Article 93

The following matters shall be resolved by a special resolution at a shareholders' general meeting:

(1) Increase or decrease in registered capital of the Company;

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

(3) amendments to the Articles of Association and appendices (including the Procedural Rules of the General Meeting, and the Procedural Rules of the Board of Directors Meeting);

(4) purchase or disposal of material assets or any guarantee made within a year, and the amount of which exceeds 30% of the latest audited total assets of the Company;

(5) option incentives;

(6) any other matters stipulated by laws, administrative regulations or the Articles of Association, as well as other matters considered by the shareholders' general meeting, by way of an ordinary resolution, to have a substantial impact on the Company.

Article 94

The list of candidates for Directors shall be submitted to the shareholders' general meeting for voting by way of a proposal.

When making a vote in the election of Directors in the shareholders' general meeting, a cumulative voting system shall be implemented according to the requirements of the Articles of Association or a resolution passed by the shareholders' general meeting.

A cumulative voting system shall be implemented if more than two independent Directors are elected at the shareholders' general meeting.

Article 95

Other than the cumulative voting system set out in the Articles of Association, the shareholders' general meeting will vote on all motions one by one, and for the different motions on the same matter, voting will be proceeded according to the order of the times these motions are put forward. Other than special reasons such as force majeure that results in the interruption of the meeting or makes it impossible to come to resolution, the shareholders' general meeting shall not postpone the motions and shall vote on them.

Article 96

When considering any motions in the General Meeting, no amendments shall be made to the motions, otherwise, any such change shall be considered as a new motion and voting thereon shall not take place in that meeting.

Article 97

The same voting rights can only be exercised either through on-the-spot voting, online voting or other means of voting. Should there be repeated voting by the same voting right, the first vote cast shall be taken.

Article 98

A registered voting method shall be adopted at the shareholders' general meeting for voting.

Article 99

Before voting on motions in the General Meeting, two shareholder representatives shall be recommended to participate in vote counting and scrutiny. Should any shareholders have interests in the item to be considered, the related shareholders and their proxies shall not participate in vote counting and scrutiny.

During the vote on a motion in the General Meeting, vote counting and scrutiny shall be carried out jointly by lawyers and shareholder representatives, and the result of the vote shall be announced on the spot. The resolution of the vote shall be recorded in the minutes of the meeting.

Shareholders or their proxies who vote via the internet or other means have the right to check the results of their votes in the corresponding voting system.

Article 100

The completion of the shareholders' general meeting at the venue cannot be earlier than voting by internet or other methods. The chairman of the meeting shall announce the voting circumstances and results of each resolution, and whether the resolutions have been passed according to the voting results.

Before officially announcing the voting results, the Company, counting officers, scrutinizers and major shareholders, and the internet server shall keep confidential the voting circumstances when they are involved with voting at the venue of the meeting, by internet or other methods.

Article 101

Shareholders present at the general meeting shall present one of the following views during the voting of a resolution: consent, objection or abstention, except for the declaration by securities registration and clearing institution as the nominal holder of stock connect mechanism between PRC and Hong Kong stock markets, based on the actual holders' intentions.

A voting ticket that is incomplete, wrongly completed, illegible, or not yet cast, will be deemed waiver of voting rights. The votes represented by his shares will be treated as "abstention".

Article 102

Should the chairman of the meeting has any doubts on the result of the vote on any resolution, the chairman may carry out a ballot count; should the chairman does not conduct a ballot count and any participating shareholder or his or her proxy has dissenting view on the announced voting result, they have the right to request a ballot count immediately after the announcement of the voting result, and the chairman shall carry out a ballot count immediately.

Article 103

The resolutions of the General Meeting shall be announced in a timely manner, and the announcement shall indicate the number of shareholders and proxies that attended the meeting, the total number of voting shares and its proportion to the total share capital carrying voting rights of the Company, and the voting method, voting results of each resolution and details of each resolution passed. The attendance and voting of the holders of domestic shares (A shares), domestic listed foreign shares (B shares) and overseas listed foreign shares (H shares) shall be analyzed statistically and announced respectively.

Where a motion has not been adopted or the resolution of any previous shareholders' general meeting has been modified in the current shareholders' general meeting, a special explanation shall be made in the announcement on the resolutions of the shareholders' general meeting.

Article 104

If the proposal regarding the election of Directors is approved at the shareholders' general meeting, the newly-elected Directors shall take office immediately after the meeting concludes.

Article 105

If the proposals regarding cash dividends, bonus shares, or conversion of capital reserves into share capital are approved at the shareholders' general meeting, the Company shall implement the specific plans within two months after the conclusion of the shareholders' general meeting.

Section 8 Special Procedures for the Voting of Class Shareholders

Article 106

Shareholders holding different classes of shares are referred to as class shareholders. According to the first paragraph of Article 29 herein, class shareholders of the Company comprise class shareholders holding domestic listed shares and class shareholders holding overseas listed shares.

Class shareholders enjoy rights and bear responsibilities according to the requirements of law, administrative regulations and the Articles of Association of the Company.

Article 107

The Company's proposition to amend or cancel rights of class shareholders is required to be passed as special resolution in General Meetings and passed by the General Meeting convened by the class shareholders affected according to the provisions herein before actions can be taken.

Article 108

The following circumstances shall be deemed to be a variation or abrogation of the rights of holders of certain class shares:

(1) the increase or decrease in the number of shares of such class (including without limitation additional offer (or repurchase) of H shares or additional offer (repurchase) of A shares and/or B shares), or the increase or decrease in the number of shares of a class having equal or additional voting rights, distribution rights or other privileges, except for transfer of shares held by domestic share shareholders of the Company to overseas investors and trade of such shares in overseas markets as stated in Article 26 herein;

(2) to exchange all or part of shares of such class for shares of other classes, or to exchange or grant a right of exchange of all or part of the shares of other classes for shares of such class, except for transfer of shares held by domestic share shareholders of the Company to overseas investors and trade of such shares in overseas markets as approved by securities supervisory authorities of PRC;

(3) to remove or reduce rights to accrued dividends or cumulative dividends attached to shares of such class;

(4) to reduce or remove the rights to a dividend preference or a liquidation preference to distribution of property attached to shares of such class;

(5) to add, remove or reduce the rights to conversion, options, voting, transfer, pre-emptive rights to placement and acquire securities of the Company attached to shares of such class;

(6) to remove or reduce rights to receive payment payable by the Company in particular currencies attached to shares of such class;

(7) to create a new class of shares having rights on voting, distribution or other privileges equal or superior to those of the shares of such class;

(8) to restrict the transfer or ownership of the shares of such class or increase such restrictions;

(9) to issue subscription rights or share conversion rights for shares of such class or other classes;

(10) to increase the rights and privileges of shares of other classes;

(11) to restructure the Company where the proposed restructuring scheme will result in different classes of shareholders bearing a disproportionate burden of obligations of such restructuring; and

(12) to vary or abrogate the terms provided in this chapter.

Article 109

Shareholders of the affected class, whether or not having the right to vote at the shareholders' general meeting, shall nevertheless have the right to vote at class meetings on matters referred to in clause (2) to (8) and (11) to (12) of Article 108 of the Articles of Association, but interested shareholders shall not be entitled to vote at class meetings.

The interested shareholders mentioned in the preceding paragraph shall have the following meanings:

(1) in the case of a repurchase of its own shares by the Company by making offers to all shareholders on a same pro rata basis or through public dealing on a stock exchange, "interested shareholder" shall refer to the controlling shareholders as defined in the Articles of Association;

(2) in the case of a repurchase of its own shares by the Company through an off – market agreement, "interested shareholders" shall refer to the shareholders to which the proposed agreement relates;

(3) in the case of a restructuring of the Company, "interested shareholder" shall refer to a shareholder within a class who bears liabilities less than the proportion burden imposed on other shareholders of that class or who has interests different from those held by shareholders of the same class.

Article 110

A resolution of the class meeting shall be passed by shareholders present in the meeting representing not less than two-thirds of voting rights.

Article 111

Notice of a class meeting convened by the Company shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders twenty (20) clear working days (both days exclusive) before the meeting. Notice of extraordinary general meetings shall be given to all shareholders fifteen (15) days prior to the meeting.

Article 112

Notices of the class meeting only need to be served on shareholders entitled to vote in the class meeting.

The procedures for holding the class meeting shall be similar to those for holding the shareholders' general meeting as much as possible, and the provisions in the Articles of Association relating to the procedures for a shareholders' general meeting shall apply to the class meeting.

Article 113

The special procedures for voting by class shareholders shall not apply in the following circumstances:

(1) where the Company issues, upon approval by a special resolution at a shareholders' general meeting, domestic shares and overseas listed foreign shares once every twelve (12) months, either separately or concurrently, and the respective numbers of domestic shares and overseas listed foreign shares to be issued do not exceed 20% of the respective numbers of the issued domestic shares and overseas listed foreign shares;

(2) where the Company's plan to issue domestic shares and overseas listed foreign shares at the time of incorporation is carried out within fifteen (15) months from the date of approval by securities supervisory authorities of PRC; and

(3) where shareholders holding domestic shares of the Company transfer their shares to overseas investors and such shares are traded in overseas markets.

CHAPTER 6 BOARD OF DIRECTORS

Section 1 General Provisions on Directors

Article 114

The Directors of the Company shall be natural persons. A person may not serve as a Director of the Company under any of the following circumstances:

(1) a person without legal or with restricted legal capacity;

(2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence or who has been deprived of his political rights, in each case less than five (5) years have elapsed since the date of the completion of implementation of such punishment or deprivation or who has been declared probation for less than two years from the date when the probation period expires;

(3) a person who is a former Director, factory manager or manager of a company or enterprise that has entered into insolvent liquidation and he is personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;

(4) a person who is a former legal representative of a company or enterprise whose business license was revoked and which was ordered to close down due to a violation of the law and who incurred personal liability, where less than three (3) years has elapsed since the date of the revocation of the business license and being ordered to close down;

(5) a person who has a relatively large amount of debts due and outstanding and has been listed as a dishonest person subject to enforcement by the people's court;

(6) A person against whom the China Securities Regulatory Commission (CSRC) has imposed a securities market entry ban where the term of the ban has not expired;

(7) A person publicly determined by a stock exchange as unfit to serve as a director, senior management or similar position of a listed company where the term of such determination has not expired;

(8) Other circumstances as prescribed by laws, administrative regulations or departmental rules.

If the election or appointment of Directors violates the provisions of the preceding paragraph, such election, appointment or engagement shall be invalid. If any of the circumstances listed in this Article occurs during the term of office of Directors, the Company shall dismiss their duties and suspend them from performing their duties.

Article 115

The Company sets a Board that comprises no more than thirteen (13) Directors, which includes one Chairman, and may include Vice Chairman(s), and one employee representative Director.

Article 116

Directors shall be elected at the shareholders' general meeting and may be removed from office by the shareholders' general meeting before the expiry of their term. The term of office of the Directors shall be three (3) years. Upon maturity of the current term of office, a Director is eligible for re-election and reappointment.

The Chairman and Vice Chairman of the Board shall be elected and removed by more than one-half of all Directors. The term of office of the Chairman and Vice Chairman shall be three (3) years, renewable upon re-election.

The term of office of a Director shall be calculated from the date when he/she assumes the office until the expiration of the term of the current Board of Directors. If the term of office of a Director expires and a re-election is not conducted in a timely manner, the original Director shall still perform his/her duties as a Director in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association before the newly elected Director assumes the office.

A Director may also hold a senior management position concurrently, but the total number of Directors who concurrently hold senior management positions and Directors who are employee representatives shall not exceed half of the total number of Directors of the Company.

Employee representatives on the Board of Directors shall be democratically elected by the employees of the Company through the employee representative assembly, employee assembly or other forms, and there is no need to submit to the shareholders' general meeting for deliberation.

Article 117

Directors shall comply with laws, administrative regulations and the provisions of the Articles of Association, owe a fiduciary duty of loyalty to the Company, take measures to avoid conflicts between their own interests and the Company's interests, and shall not exploit their powers to seek improper benefits.

Directors owe the following fiduciary duties of loyalty to the Company:

(1) They shall not embezzle the Company's property or misappropriate the Company's funds;

(2) They shall not open accounts in their own names or in the names of other individuals for depositing the Company's funds;

(3) They shall not exploit their powers to accept bribes or other illegal incomes;

(4) They shall not directly or indirectly enter into contracts or conduct transactions with the Company itself, unless they have reported such matter to the Board of Directors or the Shareholders' general meeting and obtained approval through a Board resolution or the Shareholders' general meeting in accordance with the Articles of Association and the provisions of the relevant stock exchange;

(5) They shall not exploit their official positions and powers to seek business opportunities belonging to the Company for themselves or others, except where such matter has been reported to the Board or the Shareholders' general meeting and approved through a resolution of the Shareholders' general meeting, or where the Company is unable to utilize such business opportunities in accordance with the provisions of laws, administrative regulations or the Articles of Association;

(6) They shall not operate on their own behalf or on behalf of others any business that is of the same type as the Company's business, unless they have reported such matter to the Board or the shareholders' general meeting and obtained approval through a resolution of the shareholders' general meeting;

(7) They shall not take into their own possession commissions received from others in transactions with the Company;

(8) They shall not disclose the Company's secrets without authorization;

(9) They shall not exploit their related-party relationships to damage the Company's interests;

(10) Other fiduciary duties of loyalty as prescribed by laws, administrative regulations, departmental rules and the Articles of Association.

Any income obtained by a Director in violation of the provisions of this Article shall belong to the Company; if any loss is caused to the Company, the Director shall be liable for compensation.

The provisions of Item (4) of the second paragraph of this Article shall apply to contracts entered into or transactions conducted between the Company and the following parties: the close relatives of Directors or senior management; enterprises directly or indirectly controlled by Directors, senior management or their close relatives; and other related parties who have a related-party relationship with Directors or senior management.

Article 118

Directors shall comply with laws, administrative regulations and the provisions of the Articles of Association, owe a duty of diligence to the Company and shall exercise the reasonable care that an ordinary manager would normally exercise for the best interests of the Company when performing their duties.

Directors owe the following duties of diligence to the Company:

(1) They shall exercise the rights conferred by the Company prudently, conscientiously and diligently to ensure that the Company's business activities comply with the requirements of national laws, administrative regulations and various national economic policies, and that the business operations do not exceed the business scope specified in the business license;

(2) They shall treat all shareholders fairly;

(3) They shall keep abreast of the Company's business operation and management status in a timely manner;

(4) They shall sign written confirmation opinions on the Company's periodic reports to ensure that the information disclosed by the Company is true, accurate and complete;

(5) They shall truthfully provide relevant circumstances and materials to the Audit Committee and shall not hinder the Audit Committee from exercising its powers;

(6) Other duties of diligence as prescribed by laws, administrative regulations, departmental rules and these Articles of Association.

Article 119

If a Director fails to attend the Board meeting in person for two consecutive times and also fails to entrust another Director to attend such meeting, it shall be deemed that the Director is unable to perform his/her duties, and the Board shall recommend the shareholders' general meeting to remove such Director.

Article 120

Directors may resign before expiry of their terms of office. The Directors who resign shall submit to the Board a written report in relation to their resignation. The resignation shall take effect on the date when the Company receives the resignation report. The relevant information shall be disclosed within two (2) days by the Board. In the event that the resignation of any Director during his term of office results in the number of members of the Board being less than the statutory minimum requirement, the existing Directors shall continue to perform their duties in accordance with the law, administrative regulations, departmental rules and the Articles of Association until the re-elected Directors assume their office.

Article 121

The Company shall establish a Director resignation management system and specify the safeguard measures for pursuing liability and recovery for unfulfilled public commitments and other outstanding matters. When a Director's resignation takes effect or his or her term expires, he or she shall complete all handover procedures with the Board of Directors. The fiduciary duties he or she owes to the Company and shareholders shall not be automatically terminated after the end of their term and shall remain valid within a reasonable period specified in the Articles of Association. The liabilities that a Director should bear for performing their duties during their term of office shall not be exempted or terminated due to leaving office.

Article 122

A resolution may be passed at the shareholders' general meeting to remove a Director, and the removal shall take effect on the date when the resolution is made. If a director is removed before the expiration of their term without just cause, the Director may request the Company to provide compensation.

Article 123

Unless authorized under the Articles of Association or by the Board, no director shall act in the name of the Company or the Board in his or her personal capacity. Where a director acts in his or her personal capacity but a third party may reasonably consider that such director is acting on behalf of the Company or the Board, the director shall, prior to acting, make a declaration of his or her position and capacity.

Article 124

Where a director, in the performance of his or her duties for the Company, causes loss or damage to any other person, the Company shall bear the liability for compensation; provided that where the director has acted with intent or gross negligence, the director shall also bear liability for compensation.

Any Director who violates law, administrative regulations, departmental rules or the Articles of Association during performing his duties and causes losses to the Company shall be liable for compensation to any loss caused to the Company.

Section 2 Board of Directors

Article 125

The Board of Directors shall be independent of controlling shareholders and beneficial controllers.

More than half of members of the Board shall be external Directors and more than one third of the members are independent Directors.

Article 126

The Board of Directors is responsible to the general meeting, with the following duties and authorities:

(1) Call the general meeting, and report details of their work at the general meeting;

(2) Execute resolutions adopted at the general meeting;

(3) Decide on the operating policies and investment plans of the Company;

(4) Formulate the Company's annual budget proposals and final accounts proposals;

(5) Formulate the Company's profit allocation and loss recovery compensation proposals;

(6) Formulate the Company's proposals of increasing or decreasing registered capital and bond issuance and other proposals of securities and listing;

(7) Draft proposals of major acquisitions, repurchase of the Company;

(8) Draft proposals of mergers, division, and dissolution and alterations of forms of the Company;

(9) Determine matters including external investment, purchase and sales of assets, mortgage of assets, external guarantee, entrust financial management and connected transactions, external donations etc., of the Company within the authorization of the general meeting;

(10) Decide on the setting of the Company's internal management institutions;

(11) Appoint or dismiss the Company's managers, Secretary of the Board_and other senior management, and decide on their remuneration, awards and penalties; decide to appoint or dismiss the deputy general manager and the Company's other senior management, including the chief financial officer, upon nomination by the general manager and make decisions on issues related to their remuneration, award and penalty;

(12) Formulate the Company's basic management systems;

(13) Formulate amendments to the Company's Articles of Association;

(14) Manage the issues relating to information disclosure;

(15) Propose the appointment or replacement of the accounting firm responsible for the auditing of the Company at the general meeting;

(16) Listen to the work report of the general manager and evaluate the work;

(17) Perform other duties and authorities provided by the Articles of Association and granted by general meetings.

Matters beyond the scope of authorization of the shareholders' general meeting shall be submitted to the shareholders' general meeting for consideration.

Article 127

The Board shall provide an explanation to the shareholders' general meeting in respect of any non-standard audit opinion issued by the certified public accountants on the Company's financial statements.

Article 128

The Board shall establish the procedural rules of the board of directors meeting to ensure the implementation of the resolutions of the shareholders' general meeting, improve work efficiency, and guarantee sound decision-making.

Article 129

The Board shall determine the authority for matters such as external investment, purchase and sales of assets, mortgage of assets, external guarantee, entrust financial management, connected transactions, and external donations, and shall establish strict review and decision-making procedures. Major investment projects shall be reviewed by relevant experts and professionals and submitted to the shareholders' general meeting for approval.

Article 130

The Chairman of the Board is entitled to the following powers:

(1) to preside over shareholders' general meetings and to convene and preside over Board meetings;

(2) to supervise and check on the implementation of resolutions of the Board;

(3) to exercise other powers conferred by the Board.

The Vice Chairman shall assist the Chairman. If the Chairman is unable or fails to perform his duties, the Vice Chairman shall perform the duties of the Chairman; where the Vice Chairman fails to perform his duties, a Director jointly elected by not less than half members of the Board shall perform the duties of the Chairman.

Article 131

The Board of Directors shall hold four meetings at least each year, which shall be convened by the Chairman of the Board of Directors, and a written notice shall be given to all Directors fourteen days prior to the meeting.

Article 132

Shareholders holding more than 10% of the voting rights, more than one third of the Directors or the audit committee can propose to convene an extraordinary meeting of the Board. The Chairman shall convene and preside over a meeting of the Board within ten (10) days of receiving the proposal. When the Chairman is unable to perform his duties, the Vice Chairman shall convene the extraordinary meeting of Board; when the Vice Chairman is unable to perform his duties, a Director elected by more than half of the Directors shall convene the meeting.

Article 133

Regular and extraordinary Board meetings shall be noticed as follows:

(1) Board meetings shall be notified to all the Directors in writing fourteen (14) days in prior;

(2) Extraordinary Board meetings shall be notified in writing in principle, and otherwise when necessary, five (5) days in prior to all the Directors;

(3) The notice shall be written in Chinese, if necessary, the English version can be attached, including the agenda for the meeting. Any Director may waive the right of receiving the notice of Board meeting;

(4) The notice of Board meeting shall be deemed issued if the Director is present at the meeting and raises no objection to the notice before he attends the meeting or the meeting starts.

Article 134

The notice of Board meeting shall include:

(1) date and place of the meeting;

(2) deadlines of the meeting;

(3) reasons of and agenda for the meeting; and

(4) date of the notice.

Article 135

The Board meeting may not be held unless a majority of the Directors are present.

A resolution at the Board meeting shall be adopted by a simple majority of all the Directors.

In voting on resolutions of the Board of Directors, each Director shall have one vote.

Article 136

Any regular or extraordinary meeting of the Board may be held by way of telephone conference or similar communication equipment so long as all Directors present can clearly hear and communicate with each other. All such Directors shall be deemed present in person at the meeting.

Article 137

If any Director has associated relationship with the enterprises involved in any resolution proposed at a Board meeting, such Director shall not exercise voting rights on the resolution or on behalf of other Directors. Such Board meeting shall not be held unless attended by a majority of Directors having no interest in such matter, and any resolution made thereon shall be subject to affirmative votes of a majority of Directors having no interest in such matter. Where there are less than three (3) Directors having no interest in such matter attend the meeting, the matter shall be submitted to the shareholders' general meeting for consideration and approval.

Article 138

Directors shall attend Board meetings in person. Where a Director is unable to attend a meeting for any reason, he may by a written power of attorney appoint another Director to attend the meeting on his behalf. The power of attorney shall include the name of the proxy, the subject and scope of authorization and validity of the time limit of the proxy, which shall be signed or officially sealed by the authorizing party. A Director appointed as the representative of another Director to attend the meeting shall exercise the rights of a Director within the scope of authority conferred by the appointing Director. Where a Director is unable to attend a Board meeting and has not appointed a proxy to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting.

Article 139

The Board shall record the resolutions passed in the meeting as minutes of the meeting. The Directors and recorder attending the meeting shall sign on the minutes of the meeting. Minutes of the Board meeting shall be recorded as the documents of the Company for a period of no less than ten years.

Article 140

The minutes of the Board meeting shall include:

(1) the convening date, place and the convener's name of the meeting;

(2) names of attending Directors and Directors appointed as proxies to attend the meeting;

(3) agenda of the meeting;

(4) key points of Directors' speeches; and

(5) the voting method and result of each proposal (numbers of affirmative, negative and abstention votes shall be specifically indicated).

Section 3 Independent Directors

Article 141

Independent directors shall conscientiously perform their duties in accordance with the provisions of laws, administrative regulations, the China Securities Regulatory Commission, the stock exchange, and the Articles of Association. They shall play a role in decision-making, oversight and checks and balances, and professional consultation within the Board, safeguard the overall interests of the Company, and protect the lawful rights and interests of minority shareholders.

Article 142

Independent Directors shall comply with the following requirements:

(1) Being qualified to act as a Director of a listed company under the laws, administrative regulations and other relevant provisions;

(2) Demonstrating independence in a manner as required by the Articles of Association and the Hong Kong Listing Rules;

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

(4) Possessing more than five years' working experience in the legal, accounting or economic sectors necessary for performing the duties of an Independent Director;

(5) Possess good personal morality and has not been involved in material dishonesty and other misconducts; and

(6) Other requirements stipulated by laws, administrative regulations, regulations of the China Securities Regulatory Commission, business rules of the stock exchange and the Articles of Association.

Article 143

Independent directors shall maintain independence. The following persons shall not be Independent Directors:

(1) Staff or workers of the Company or its subsidiaries, their spouses, parents, children, or in major social relations (including siblings, parents of spouse, spouse of children, parents of spouse of children, spouses of siblings, siblings in law, etc.) with the staff or workers of the Company or its subsidiaries;

(2) Shareholders, who directly or indirectly hold more than 1% of issued shares of the Company or top ten Shareholders of the Company, and his/her spouses, parents and children;

(3) Shareholders, who directly or indirectly hold more than 5% of issued shares of the Company or persons who work in one of the top five corporate shareholders of the Company, and his/her spouses, parents and children;

(4) Persons who work in the subsidiaries of controlling shareholders and de facto controllers of the Company and their spouses, parents and children;

(5) Persons who have significant business dealings with the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, or who work in entities with which they have significant business dealings and their controlling shareholders or beneficial controllers;

(6) Persons providing financial, legal, consulting and sponsorship and other services to the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, including, but not limited to, all members of the project team of the intermediaries providing the services, reviewers at all levels, persons signing the report, partners, Directors, senior management and principals;

(7) Persons who have been in the situations listed in (1) to (6) within the last twelve months; and

(8) Other persons who do not possess independence as stipulated by laws, administrative regulations, regulations of the China Securities Regulatory Commission, business rules of the stock exchange and the Articles of Association.

Subsidiaries of controlling shareholders and de facto controllers of the Company referred to in (4) to (6) above exclude companies controlled by the same state-owned asset management organisation as the Company and which do not constitute a connected relationship with the Company in accordance with relevant regulations.

Independent Directors shall conduct an annual self-examination of independence and submit the self – examination to the Board. The Board shall evaluate and issue a special opinion on the independence of the incumbent independent Directors on an annual basis, which shall be disclosed at the same time as the annual report.

Article 144

As members of the Board, independent directors owe a duty of loyalty and a duty of diligence to the Company and all shareholders, and shall prudently perform the following duties:

(1) Participating in the decision-making of the Board and expressing their opinions on the matters under consideration;

(2) Supervising potential material conflicts of interest between the Company and its controlling shareholders, beneficial controllers, Directors and senior management to protect the legitimate rights and interests of minority shareholders;

(3) Providing professional and objective advice on the Company's operation and development, and promoting the enhancement of the Board's decision-making level;

(4) Other powers and functions stipulated by laws, administrative regulations, regulations of the China Securities Regulatory Commission and the Articles of Association.

Article 145

Independent Directors exercise the following particular powers:

(1) To engage an agent independently to provide auditing, consultation and review on specific matters of the Company;

(2) To propose to the Board to hold extraordinary general meeting;

(3) To suggest convening meeting of the Board;

(4) To openly solicit shareholders' rights from shareholders in accordance with the law;

(5) To express independent opinions on matters that may jeopardize the rights and interests of the Company or minority shareholders;

(6) Other powers and functions stipulated by laws, administrative regulations, regulations of the China Securities Regulatory Commission and the Articles of Association.

When an independent Director exercises the powers and functions listed in (1) to (3) above, he/she shall obtain the approval of a majority of all independent Directors.

The Company shall disclose in a timely manner any exercise of the powers and functions listed in the first paragraph by independent Directors. If the above powers and functions cannot be exercised normally, the listed company shall disclose the details and reasons.

Article 146

The following matters shall be submitted to the Board for consideration after being approved by a majority of all independent Directors of the Company:

(1) Connected transactions that shall be disclosed;

(2) Proposals of the Company and related parties to change or waive commitments;

(3) Decisions made and measures taken by the Board in response to the acquisition of the Company;

(4) Other matters stipulated by laws, administrative regulations, regulations of the China Securities Regulatory Commission and the Articles of Association.

Article 147

The Company shall establish a dedicated meeting mechanism composed entirely of independent directors. Where the Board deliberates on connected transactions or other relevant matters, prior approval shall be obtained through the independent directors' dedicated meeting.

The Company shall hold the special meeting of independent Directors on a regular or ad hoc basis. Matters listed in items (1) to (3) of the paragraph 1 of Article 145 and Article 146 of the Articles of Association shall be considered at a special meeting of independent Directors.

The special meeting of independent Directors may study and discuss other matters of the Company as needed.

Special meeting of independent Directors shall be convened and presided over by an independent Director jointly elected by a majority of the independent Directors; in the event that the convener fails to or is unable to perform his/her duties, two or more independent Directors may convene and elect a representative to preside over the meeting on their own.

Minutes of the special meeting of independent directors shall be prepared in accordance with the regulations, and the opinions of the independent directors shall be recorded therein. Independent directors shall sign the minutes to confirm their accuracy.

The Company shall facilitate and support the convening of special meeting of independent Directors.

Section 4 Special Committees of the Board

Article 148

The Board shall establish an Audit Committee, which shall exercise the powers of the Supervisory Committee as prescribed under the Company Law.

Article 149

The Audit Committee shall consist of three directors who do not hold senior management positions in the Company, with independent directors forming the majority. A professional accountant among the independent directors shall serve as the convener.

Article 150

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating both internal and external audits, and overseeing internal controls. The following matters shall be submitted to the Board for consideration only after being approved by a majority of all members of the Audit Committee:

(1) The disclosure of financial information in the financial and accounting reports and periodic reports, and the internal control evaluation report;

(2) The appointment or removal of the accounting firm responsible for auditing the Company's listed operations;

(3) The appointment or removal of the Company's Chief Financial Officer;

(4) Changes to accounting policies, accounting estimates, or corrections of material accounting errors for reasons other than changes in accounting standards;

(5) Other matters as required by laws, administrative regulations, the China Securities Regulatory Commission, the Shenzhen Stock Exchange, or the Articles of Association.

Article 151

The Audit Committee shall hold at least one meeting each quarter. An extraordinary general meeting may be convened upon the proposal of two or more members or if deemed necessary by the convener. A meeting of the Audit Committee shall be valid only if attended by at least two-thirds of its members.

A resolution of the Audit Committee shall be passed by a majority of its members.

Each member shall have one vote in the voting on Audit Committee resolutions.

Minutes of the Audit Committee meetings shall be prepared in accordance with the regulations, and attending members of the Audit Committee shall sign the minutes.

The rules of procedure for the Audit Committee shall be formulated by the Board.

Article 152

The Board of the Company shall establish strategy and sustainable development, nominating, remuneration and appraisal committees, among others, which shall perform their duties in accordance with the Articles of Association, the implementation rules of the respective committees, and the authorization of the Board. Proposals of the special committees shall be submitted to the Board for consideration and decision. The rules of procedure for the special committees shall be formulated by the Board.

Article 153

The main duties and powers of the Nominating Committee are as follows:

(1) To make recommendations to the Board regarding the size and composition of the Board in light of the Company's business operations, asset size, and shareholding structure;

(2) To study the criteria and procedures for the selection of directors and senior management, and make recommendations to the Board;

(3) To identify suitable candidates for directors and senior management positions;

(4) To review and provide recommendations on candidates for directors and senior management positions;

(5) To make recommendations to the Board regarding the nomination or appointment and removal of directors, taking into account the skills, knowledge, experience, background, gender, and other characteristics required for directors to serve on the Board, while promoting board diversity to enhance board effectiveness and ensure the benefits of a diverse Board;

(6) To make recommendations to the Board regarding the appointment or removal of senior management;

(7) To review the Board's diversity policy, conduct periodic assessments and amendments, and disclose relevant information in the corporate governance report of the annual report each year;

(8) To review at least annually the Board's structure, size, and composition (including skills, knowledge, and experience), and to make recommendations regarding any proposed changes to the Board to align with the Company's strategy;

(9) To identify suitably qualified individuals to serve as directors and make recommendations to the Board accordingly;

(10) To assess the independence of independent non-executive directors;

(11) To make recommendations to the Board regarding the appointment or reappointment of directors, and the succession planning for directors, particularly the Chairman and Chief Executive Officer;

(12) Other matters as required by laws and regulations, the China Securities Regulatory Commission, the Listing Rules, the Articles of Association, or authorized by the Board.

If the Board does not adopt or fully adopt the recommendations of the Nominating Committee, the Board's resolution shall record the opinions of the Nominating Committee and the specific reasons for not adopting them, and such information shall be disclosed.

Article 154

The Remuneration and Appraisal Committee shall be responsible for formulating and conducting appraisals of directors and senior management, as well as formulating and reviewing the remuneration policies and plans for directors and senior management. The Committee shall make recommendations to the Board on the following matters:

(1) The remuneration of directors and senior management;

(2) The formulation or amendment of equity incentive plans and employee stock ownership plans, including the entitlements of incentive participants and the conditions for exercising such rights;

(3) Proposed shareholding plans for directors and senior management in subsidiaries intended for spin-off arrangements;

(4) The overall remuneration policies and structures for directors and senior management, and the establishment of formal and transparent procedures for formulating such remuneration policies;

(5) To review the management's remuneration proposals in light of the corporate policies and objectives set by the Board;

(6) To make recommendations to the Board regarding the remuneration of non-executive directors;

(7) To take into account the remuneration paid by comparable companies, the time and responsibilities required, and the employment terms of other positions within the Group;

(8) To review compensation payable to executive directors and senior management in the event of loss or termination of office or appointment, to ensure that such compensation is consistent with the terms of their contracts; if not consistent with the contract terms, the compensation shall still be fair and reasonable, and not excessive;

(9) To review compensation arrangements related to the dismissal or removal of directors due to misconduct, to ensure that such arrangements are consistent with the terms of their contracts; if not consistent with the contract terms, the compensation shall still be reasonable and appropriate;

(10) To ensure that no director or any of their associates participates in determining their own remuneration;

(11) To review and/or approve matters relating to share schemes as set out in Chapter 17 of the Listing Rules of The Stock Exchange of Hong Kong Limited; and

(12) Other matters as required by laws and regulations, the China Securities Regulatory Commission, the Articles of Association, the Listing Rules, or authorized by the Board.

If the Board does not adopt or fully adopt the recommendations of the Remuneration and Appraisal Committee, the Board's resolution shall record the opinions of the Committee and the specific reasons for not adopting them, and such information shall be disclosed.

CHAPTER 7 SENIOR MANAGEMENT

Article 155

The Company shall have one general manager and certain number of deputy general managers, who shall be appointed and dismissed by the Board of Directors.

Directors can hold a concurrent post as general manager, deputy general managers or any other senior management post. However, number of Directors who hold a concurrent post cannot be more than half of the number of Directors of the Company.

Article 156

The provisions of the Articles of Association regarding the circumstances under which a person may not serve as a director and the resignation management system shall also apply to senior management.

The provisions of the Articles of Association concerning directors' duties of loyalty and diligence shall also apply to senior management.

Article 157

Persons holding administrative positions other than director or supervisor in the Company's controlling shareholder shall not serve as senior management of the Company.

Senior management of the Company shall receive remuneration solely from the Company and shall not be paid by the controlling shareholder.

Article 158

Each term of office of a general manager shall be three (3) years, and the general manager may be reappointed for consecutive terms.

Article 159

The general manager of the Company shall be accountable to the Board and exercise the following powers:

(1) to lead the Company's production, operation and management, carry out the Board's resolutions, and to report work to the Board;

(2) to implement the Company's annual business and investment plans;

(3) to draft plans for the establishment of the Company's internal management structure;

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

(5) to formulate the specific rules and regulations of Company;

(6) to propose the appointment or dismissal of the Company's deputy manager(s), chief financial officer;

(7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board;

(8) to exercise other powers conferred by the Articles of Association and the Board of Directors.

Article 160

The general manager of the Company shall participate in Board meetings; the general manager who is not a Director of the Company has no voting right at the Boarding meetings.

Article 161

The manager shall formulate detailed rules of work for the manager's office, which shall be implemented upon approval by the Board.

Article 162

The detailed rules of work for the manager shall include the following:

(1) The conditions, procedures, and participants for convening manager meetings;

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

(3) The authority regarding the use of the Company's funds and assets, the execution of major contracts, and the reporting system to the Board;

(4) Other matters deemed necessary by the Board.

Article 163

The manager may resign before expiry of his term of office. The specific procedures and formalities of the resignation of the manager shall be provided for in the employment contracts between the manager and the Company.

Article 164

The Company shall appoint a Board Secretary, who shall be responsible for preparing the general meeting of shareholders and the Board meeting, maintaining company documents, managing shareholder information, handling information disclosure matters, and other related duties.

The Board Secretary shall comply with the relevant provisions of laws, administrative regulations, departmental rules, and the Articles of Association.

Article 165

Where senior management, in the performance of their duties for the Company, cause loss or damage to any other person, the Company shall bear the liability for compensation; provided that where senior management have acted with intent or gross negligence, they shall also bear liability for compensation.

Senior management who violate laws, administrative regulations, departmental rules or the Articles of Association during performing their duties and cause losses to the Company shall be liable for compensation to any loss caused to the Company.

Article 166

Senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders.

Where senior management fail to faithfully perform their duties or breach their duty of integrity, resulting in damage to the interests of the Company or its public shareholders, they shall bear liability for compensation in accordance with the law.

CHAPTER 8 FINANCIAL AND ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION AND AUDIT

Section 1 Financial and Accounting System

Article 167

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and requirements of relevant department of the PRC.

Article 168

The Company's financial reports shall be made available for shareholders' inspection at the Company twenty-one (21) days before the date of every annual general meeting. Each shareholder shall be entitled to a copy of the financial reports mentioned herein.

Article 169

The financial statements of the Company shall be prepared in accordance with PRC accounting standards and regulations, and, if necessary, be prepared in accordance with either international accounting standards or that of the stock exchange of the overseas place where the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, explanations shall be made in the financial statements. When the Company is to distribute its after-tax profits, the lower of the after-tax profits shown in the two financial statements shall be adopted.

Article 170

The Company shall submit and disclose its annual report to the local branch of the China Securities Regulatory Commission and the stock exchange within four months of the end of each fiscal year, its interim report to the local branch of the China Securities Regulatory Commission and the stock exchange within two months of the end of the first half of each fiscal year.

The above-mentioned annual report and interim report shall be prepared in accordance with the provisions of relevant laws, administrative regulations, the China Securities Regulatory Commission and the stock exchange.

Article 171

The Company shall not keep accounts other than those provided by law. Funds of the Company shall not be deposited in an account maintained in any individual's name.

Article 172

When distributing each year's after-tax profits, the Company shall set aside 10% of its after – tax profits for the Company's statutory reserve fund. When the aggregate balance in the statutory reserve fund reaches 50% or more of the Company's registered capital, the Company need not 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 used firstly to make up the losses before being allocated to the statutory reserve fund in accordance with the preceding paragraph. Subject to a resolution of the shareholders' general meeting, 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.

The remaining after-tax profits of the Company, after making up for losses and appropriating to the statutory reserve fund, shall be distributed in proportion to the shareholders' shareholdings, except as otherwise provided in the Articles of Association.

If the shareholders' general meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return the improperly distributed profits to the Company; where such distribution causes loss to the Company, the responsible shareholders as well as the directors and senior management shall bear liability for compensation.

Shares held by the Company itself shall not participate in profit distribution.

Article 173

The Company's reserve funds may be used to offset losses, expand production and operations, or be converted into additional registered capital.

When using reserve funds to offset losses, the discretionary and statutory reserve funds shall be applied first; if these are still insufficient, capital reserve funds may be used in accordance with the applicable regulations.

When the statutory reserve fund is converted into registered capital, the balance of the statutory reserve fund will not fall below 25% of the Company's registered capital prior to the conversion.

Article 174

After the profit distribution plan has been resolved at a shareholders' general meeting, or after the Board has formulated a specific plan based on the conditions and upper limit for interim dividends in the next year approved at the annual general meeting, the shareholders' general meeting shall complete the dividend (or share) distribution within two (2) months after the holding of such meeting.

Article 175

(1) The Company will on principle distribute dividends to shareholders once every year according to their shareholdings. The Company can also distribute the interim cash dividend.

The Company shall pay attention to the reasonable returns to the investors and the sustainable development of the Company when distributing its profit, and the Company's profit distribution policy shall keep continuity and stability.

Holders of shares that have been paid up before payment calls by the Company are entitled to dividends, except that holders of prepaid shares are not entitled to dividends declared thereafter.

(2) During the decision and discussion of the profit distribution policy, the Board and the shareholders' general meeting of the Company shall consider the views of independent directors and public investors, in particular the medium and minority investors, through various means such as telephone calls and emails, and respond to the concerns of the medium and minority investors on a timely basis.

(3) The Company may distribute dividend in cash, in shares or in a combination of both cash and shares. The Board of the Company may propose to distribute interim dividend based on the profit of the Company and its capital requirement.

(4) The Company shall actively promote profit distribution in cash. The Company shall distribute its profit in cash, providing that its cash flow can fulfill the Company's normal operation and long-term development. Profits accumulatively distributed in cash over the past three years shall be no less than 30% of the average annual distributable profits over the three years (i.e. the total cash dividends of the past three years ÷ average of the net profits of the three years ≥30%).

The Company may distribute dividend in shares for its profit distribution based on its accumulated distributable profit, reserves and cash flow providing that sufficient distribution in cash and the reasonable capital size of the Company are ensured. The specific proportion of cash and share shall be determined by the Board based on the operations of the Company and the related requirements of China Securities Regulatory Commission ("CSRC") and submitted to the shareholders' general meeting for consideration and approval.

(5) The Board of the Company shall make a reasonable profit distribution proposal based on, among other things, the requirements of the Articles of Association, and the profit and capital needs of the Company.

1. The Board shall seriously study and discuss the matters such as the timing, conditions and minimum proportion of the distribution in cash by the Company when considering and approving the cash distribution plan and independent directors shall clearly state their views.

2. The profit distribution proposal considered and approved by the Board shall be submitted to the shareholders' general meeting for consideration and approval. When the cash distribution plan is considered and approved at the shareholders' general meeting, to facilitate the medium and minority shareholders attending the shareholders' general meeting they may be offered the facilities such as online voting. For any year of which profit is achieved and the Board of the Company does not make a profit distribution proposal in cash, the annual report for that year shall disclose the reason and the independent directors shall express their views in this regard. The Audit Committee shall supervise the distribution policy and decision process of the Company implemented by the Board and the management.

(6) The Company may be required to adjust its profit distribution policy in view of its production and operations, investment planning and long-term development, and the external operating environment providing that the adjusted profit distribution policy shall not breach the related requirements of CSRC and the stock exchange; the resolution to adjust the profit distribution policy by the Board and the Audit Committee shall be passed by simple majority votes of all directors and all independent directors respectively and independent directors shall express their independent views about the adjusted profit distribution policy.

The proposal to adjust the profit distribution policy shall be passed at the shareholders' general meeting by more than two-thirds of the shareholders present with voting rights.

(7) Provided that the Company makes a profit and the undistributed profit is a positive figure, and there is sufficient cash flow to satisfy ongoing operation and long-term development, the Company shall distribute cash dividends.

When distributing profits, the Board of the Company shall take into full account of various factors such as features of the industries where the Company operates, the stage of development of the Company, its own business model, level of profitability, and whether there is significant capital expenditure arrangement, to distinguish the following situations and put forward differentiated cash dividend policy in accordance with the procedures as required by this Articles of Association:

1. If the Company is at the mature stage of development and has no significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 80% when the profit distribution is made;

2. If the Company is at the mature stage of development and has significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 40% when the profit distribution is made;

3. If the Company is at the growing stage of development and has significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 20% when the profit distribution is made;

If it is difficult to distinguish the stage of development of the Company and the Company has significant capital expenditure arrangement, the profit distribution may be dealt with pursuant to the preceding provisions.

Article 176

The Company may distribute dividends in the following manner:

(1) Cash; cash dividends of domestic shares denominated and declared in RMB shall be distributed in RMB, cash dividends of foreign shares will be distributed in Hong Kong Dollar. The Company is highly concerned about reasonable returns for investors and will adopt positive cash distribution manner.

(2) Shares; shareholders can legally obtain bonus shares in proportion to the shares held by them.

The Company may adopt the above-mentioned two manners at the same time.

Section 2 Internal Audit

Article 177

The Company shall implement an internal audit system, specifying the leadership structure, duties and powers, staffing, funding, use of audit results, and accountability measures for internal audit work.

The internal audit system shall be implemented upon approval by the Board and shall be disclosed externally.

Article 178

The Company's internal audit function shall supervise and inspect the Company's business activities, risk management, internal controls, financial information, and other related matters.

Article 179

The internal auditor shall be accountable to the Board.

In the course of supervising and inspecting the Company's business activities, risk management, internal controls, and financial information, the internal auditor shall accept oversight and guidance from the Audit Committee. If the internal auditor identifies any material issues or leads, it shall report directly to the Audit Committee immediately.

Article 180

The internal auditor shall be responsible for the specific organization and implementation of the Company's internal control assessment. Based on the assessment report and related materials prepared by the internal auditor and reviewed by the Audit Committee, the Company shall issue its annual internal control assessment report.

Article 181

When the Audit Committee communicates with external audit bodies such as accounting firms and national audit authorities, the internal auditor shall actively cooperate and provide the necessary support and assistance.

Article 182

The Audit Committee shall participate in the performance appraisal of the head of the internal auditor.

Section 3 Appointment of Accountants' Firm

Article 183

The Company shall appoint an accounting firm that meets the requirements of the Securities Law to conduct audits of its financial statements, verification of net assets, and other related advisory services. The term of engagement shall be one year and may be renewed.

Article 184

The appointment and dismissal of the accounting firm shall be determined by the general meeting of shareholders. The Board shall not appoint an accounting firm before a resolution of the general meeting of shareholders is passed.

Article 185

The Company shall guarantee that the accounting evidence, accounting books, financial reports and other accounting information provided to the accountants' firm it engages are true and complete and it shall not refuse or withhold any such information nor shall it provide any false information.

Article 186

The audit fees of an accountants' firm shall be determined by the shareholders in general meeting.

Article 187

When the Company removes or decides not to reappoint an accountants' firm, it shall notify the accounting firm in advance. When the shareholders' general meeting votes on the removal of the accounting firm, the accounting firm shall be allowed to state its opinion.

If the accounting firm proposes its resignation, it shall explain to the shareholders' general meeting whether there are any irregularities in the Company.

CHAPTER 9 MERGER AND DIVISION OF THE COMPANY

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

Article 188

The merger of the Company may take the form of absorption or establishment of a new company.

Where one company absorbs another company, it shall be deemed an absorption merger, and the absorbed company shall be dissolved. Where two or more companies merge to establish a new company, it shall be deemed a consolidation merger, and all parties to the merger shall be dissolved.

Article 189

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

In the event of a division of the Company, balance sheets and inventories of assets shall be prepared. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on division and make announcement through newspapers or National Enterprise Credit Information Publicity System within 30 days.

Debts incurred by the Company before its division shall be jointly and severally borne by the company after the division; unless otherwise stipulated in the written agreement reached between the Company and its creditors on the settlement of debts before the division.

Article 190

Where the consideration paid for a merger does not exceed 10% of the Company's net assets, the merger may proceed without a resolution of the general meeting of shareholders, unless otherwise provided in the Articles of Association.

If a merger is carried out without a resolution of the general meeting of shareholders in accordance with the preceding paragraph, it shall be subject to the Board resolution.

Article 191

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on merger and shall make a public announcement in a newspaper or through the National Enterprise Credit Information Publicity System within thirty (30) days of the date of the Company's resolution on merger.

During the merger of the Company, the creditors have the right, within 30 days of receiving the notice or, if such notice is not received, within 45 days of the publication of the announcement, to require the Company to repay its debts or provide a related guarantee.

After the merger, claims and liabilities of parties to the merger shall be taken over by the continuing company or the newly established company.

Article 192

To reduce its registered capital, the Company shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days from the date on which the general meeting of shareholders adopts a resolution to reduce its registered capital, and shall make a public announcement in a newspaper or through the National Enterprise Credit Information Publicity System within 30 days thereof. The creditors have the right, within 30 days of receiving the notice or, if such notice is not received, within 45 days of the publication of the announcement, to require the Company to repay its debts or provide a guarantee for the repayment.

When the Company reduces its registered capital, it shall reduce the capital contributions or shares in proportion to the shareholdings of the shareholders, unless otherwise provided by law or by the Articles of Association.

Article 193

After offsetting losses in accordance with Paragraph 2 of Article 158 of the Guidelines for the Articles of Association for Listed Companies, if losses still remain, the Company may reduce its registered capital to cover such losses. In reducing registered capital to cover losses, the Company shall not distribute funds to shareholders, nor shall it exempt shareholders from their obligation to pay capital contributions or share subscription funds.

A reduction of registered capital in accordance with the preceding paragraph shall not be subject to the provisions of Paragraph 2 of Article 192 of the Articles of Association. However, the Company shall make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System within thirty days from the date on which the general meeting of shareholders adopts the resolution to reduce registered capital.

After reducing its registered capital in accordance with the preceding two paragraphs, the Company shall not distribute profits until the accumulated statutory reserve funds and discretionary reserve funds reach fifty percent of the Company's registered capital.

Article 194

If a reduction of registered capital is carried out in violation of the Company Law or other applicable regulations, the shareholders shall return any funds received, and any exemptions from capital contributions shall be restored to their original state. Where such actions cause loss to the Company, the responsible shareholders as well as the directors and senior management shall bear liability for compensation.

Article 195

When the Company issues new shares to increase its registered capital, shareholders shall not have pre-emptive rights to subscribe for the new shares, except as otherwise provided in the Articles of Association or as determined by a resolution of the general meeting of shareholders.

Article 196

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

Any increase or decrease in the registered capital of the Company shall be registered with the company registration authorities in accordance with the laws.

CHAPTER 10 DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 197

The Company shall be dissolved for the following reasons:

(1) the term of operation expires or other causes for dissolution specified in the Articles of Association occurs;

(2) dissolution by way of a special resolution (two-thirds of the total voting rights) at a general meeting;

(3) dissolution is necessary due to a merger or division of the Company;

(4) the Company's business license is revoked or the Company is ordered to close down or deregister in accordance with law;

(5) where the Company experiences serious difficulties in operation and management and its continuation may cause substantial loss to the interests of shareholders, and no solution can be found through any other channels, shareholders representing more than 10% of the voting rights of all shareholders of the Company may request the People's Court to dissolve the Company;

If the Company encounters the cause of dissolution as stipulated in the preceding paragraph, it shall announce the reasons of dissolution through the National Enterprise Credit Information Publicity System within 10 days.

Article 198

Where the Company is to be dissolved pursuant to paragraphs (1) and (2) of the preceding article, and has not distributed its assets to the shareholders, the Company may continue to exist by amending the Articles of Association or a resolution of the general meeting. The amendment to the Articles of Association or the resolution passed by the general meeting pursuant to the previous paragraph shall be passed by the two-thirds of the votes by shareholders at the general meeting.

Where the Company is dissolved under paragraphs (1), (2), (4) and (5) of the preceding article, it shall be liquidated. The Directors shall be the Company's liquidation obligors, and shall form a liquidation committee and commence liquidation within fifteen (15) days from the date of occurrence of events giving rise to dissolution.

The liquidation committee shall be composed of directors, except as otherwise provided in the Articles of Association or as determined by a resolution of the general meeting of shareholders selecting other persons.

Where the liquidators fail to perform their duties in a timely manner and cause loss to the Company or its creditors, they shall bear liability for compensation.

Article 199

The liquidation committee shall notify creditors within ten (10) days from the date of its establishment, and shall disclose in accordance with the requirements of the stock exchange, and make announcements in the newspaper or the National Enterprise Credit Information Publicity System within sixty (60) days of that date. Creditors should, within thirty (30) days after receiving the notice, or for those who do not receive the notice, within forty-five (45) days from the date of the announcement, declare their claims to the liquidation committee.

When declaring their claims, creditors shall explain relevant particulars of their claims and provide supporting materials. The liquidation committee shall register the claims.

During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

Article 200

During the liquidation period, the liquidation committee shall exercise the following functions and duties:

(1) to ascertain the Company's assets and separately prepare a balance sheet and an inventory of assets;

(2) to notify creditors by sending notice or by making announcement;

(3) to deal with and settle the Company's outstanding business deals in relation to the liquidation;

(4) to settle outstanding taxes and taxes arising from the liquidation process;

(5) to ascertain all claims and debts;

(6) to dispose of the remaining assets of the Company after the repayment of debts; and

(7) to represent the Company in any civil proceedings.

Article 201

After checking the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit it to a shareholders' general meeting or people's court for confirmation.

The remaining assets of the Company after payment of liquidation expenses, employees' salary, social insurance costs and statutory compensation, payment of outstanding taxes and settlement of the Company's debts, respectively, is distributed by the Company in proportion to the shareholdings of shareholders.

During the liquidation period, the Company continues to exist but shall not carry out business activities irrelevant to the liquidation.

Assets of the Company shall not be distributed to shareholders before the payment and settlement provided in the preceding paragraph.

Article 202

If the liquidation committee, after ascertaining the Company's assets and preparing a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to repay its debts, it shall apply to the people's court for a bankruptcy liquidation in accordance with the laws.

After the people's court accepts the application for bankruptcy, the liquidation committee shall transfer the liquidation matters to the bankruptcy administrator designated by the people's court.

Article 203

Following the completion of liquidation, the liquidation committee shall present a report on liquidation and submit to the shareholders' general meeting or the people's court for confirmation to the Company's registration authorities to cancel the Company's registration.

Article 204

Members of the liquidation committee shall, in the performance of their liquidation duties, owe duties of loyalty and diligence.

Where members of the liquidation committee neglect their liquidation duties and cause loss to the Company, they shall bear liability for compensation; where loss is caused to creditors due to intentional acts or gross negligence, they shall also bear liability for compensation.

Article 205

Where the Company is lawfully declared bankrupt, bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

CHAPTER 11 PROCEDURES FOR AMENDMENT TO THE ARTICLES OF ASSOCIATION

Article 206

The Company may, pursuant to the requirements of the laws, administrative regulations and the Articles of Association, amend the Articles of Association.

The Company shall amend the Articles of Association under any of the following situations:

(1) there is a discrepancy between the provisions of the Articles of Association and those of laws and administrative regulations after the amendment to the Company Law or relevant laws and administrative regulations;

(2) there are changes in the situation of the Company resulting in inconsistency in relation to the scenarios mentioned in the Articles of Association;

(3) the shareholders' general meeting resolves to amend the Articles of Association.

Article 207

The Board shall amend the Articles of Association in accordance with the resolution of the general meeting of shareholders approving the amendment and the approval opinions of the relevant regulatory authorities.

Article 208

Any amendment to the Articles of Association shall be subject to announcement if so required by the laws and regulations.

CHAPTER 12 NOTICE AND ANNOUNCEMENT

Section 1 Notice

Article 209

Corporate communications may be sent by any of the following means:

(1) by hand;

(2) by post;

(3) by public announcements;

(4) by any other means provided in the Articles of Association.

Subject to the compliance with laws, regulations and listing rules of the place where the shares of the Company are listed and the Articles of Association, the Company can send, post, mail, issue, publish or provide any the Company's communication by electronic and other means provided by the Articles of Association, including without limitation email and CD, or through the Company's website and the stock exchange's website.

Article 210

Any notice of the Company given by public announcement shall be deemed received by all relevant persons once it is published.

Article 211

Notice of a shareholders' general meeting shall be given by public announcement.

Article 212

Notices of convening Board meetings will be given by letters or/and telegrams, telexes and fax; where the given means are unavailable, such notices will be given by public announcements.

Article 213

Where a notice of the Company is served by hand, the addressee shall be required to sign his name (or affix his chop) on the receipt, and the signing date of the receipt shall be the date of service; where a notice is sent by post, such notice is deemed served ten (10) working days after it is deposited at the post office. For any notices issued by the Company by public announcement or electronic means, the date of first publication shall be the date of service. Notices given by fax will be deemed received on the issuance date of the fax.

Article 214

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 meeting and the resolutions passed at the meeting.

Section 2 Announcement

Article 215

Announcements and other information of the Company to be disclosed shall be published on the media for information disclosure in compliance with the requirements of the securities regulatory authority of the State Council.

Article 216

Unless otherwise stated in this Articles of Association, the notices, information or written statements issued by the Company to the shareholders of the overseas listed foreign shares listed in Hong Kong shall be dispatched to such shareholders by hand or by mail, or by other means provided by the Articles of Association (if necessary) to the addresses of such shareholders as shown in the register of the overseas listed foreign shareholders. Notices given to the shareholders of the overseas listed foreign shares listed in Hong Kong shall, to the practicable extent, be sent in Hong Kong.

As to the notices to be issued by the Company to the holder of domestic shares (including holders of domestic shares (A share) and holders of domestic listed foreign shares (B share)), the Company shall publish an announcement on one or more newspaper designated by the securities regulatory authorities of the PRC; once the announcement is published, the holders of domestic shares shall be deemed to have received the relevant notice.

CHAPTER 13 SUPPLEMENTARY PROVISIONS

Article 217

Unless the context otherwise requires, the expressions and terms of the Articles of Association shall have meanings as follows or given in the respective chapters:

(1) Accountants' firm is equal to "auditor".

(2) "Controlling shareholder" in the Articles of Association refers to the person that meets one of the following conditions:

1. such person acting individually or collectively with others can elect over 50% of the Directors;

2. such person acting individually or collectively with others can exercise over 30% (inclusive) of the voting right of the Company or control the exercise of over 30% (inclusive) of the voting right of the Company;

3. such person acting individually or collectively with others hold over 30% (inclusive) of the issued shares with voting rights of the Company;

4. such person acting individually or collectively with others in actual control of the Company by other means.

(3) Beneficial controller refers to natural person, legal person, or other organization that is able to dominate the acts of the company by means of its investment relations, agreement or other arrangements.

(4) Affiliated relation means the relation between the controlling shareholder of the Company, beneficial controller, Directors, senior management and the enterprise that they control directly or indirectly, and other relation that may cause the transfer of interest of the Company. However, the relation between fellow state – controlled enterprises shall not be deemed as affiliated relation merely because they are both controlled by the State.

(5) External Director means a Director that does not take office in the Company;

(6) Independent Director means a Director who is independent of the shareholders of the Company and does not take office in the Company;

(7) Shares with voting rights mean ordinary shares;

(8) All "over", "within", "under" and "before" in the Articles of Association include themselves; "less than", "except" and "more than" do not include themselves;

(9) "Company's communication" means any documents, which are referred or used to take actions by any holders of securities of the Company, are sent or will be sent by the Company. Such documents represent, including but not limited to: (a) the report of the board of Directors, the annual accounts of the Company, together with the auditors' report and (if applicable) the summary of the financial report; (b) the interim report and (if applicable) the summary of the interim report; (c) notice of the meeting; (d) listing documents; (e) circulars; and (f) proxy forms.

Article 218

The Board of Directors may formulate detailed rules of the Articles of Association in accordance with the provisions herein. Such detailed rules shall not contravene the provisions in the Articles of Association.

Supplementary resolutions regarding to the Articles of Association and detailed rules approved by the shareholders' general meeting of the Company constitute a part of the Articles of Association.

Article 219

The Board of Directors of the Company shall be responsible for interpreting the Articles of Association.

Article 220

Matters uncovered in the Articles of Association shall be governed by applicable national laws, regulations, rules and documents.

If any provisions of the Articles of Association conflict with the Hong Kong Listing Rules or other governing laws, regulations and codes, the Hong Kong Listing Rules or other governing laws, regulations and codes shall prevail.

Article 221

The Articles of Association is written in Chinese. In case of any discrepancy between versions in other languages or different versions and the Articles of Association, the latest Chinese version approved for registration with the Shandong Municipal Administration for Industry & Commerce shall prevail.

Article 222

Appendices to the Articles of Association include procedural rules of the general meeting and procedural rules of the board of directors meeting.