Nanhua Futures Co., Ltd.

Articles of Association

南华期货
NANHUA FUTURES

CONTENTS

CHAPTER 1 GENERAL PROVISIONS 1
CHAPTER 2 BUSINESS OBJECTIVE AND SCOPE 2
CHAPTER 3 SHARES 3
Section 1 Issue of Shares 3
Section 2 Increase, Reduction and Repurchase of Shares 4
Section 3 Share Transfer 6
CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' MEETINGS 7
Section 1 General Provisions for Shareholders 7
Section 2 Controlling Shareholders and De Facto Controller 11
Section 3 General Provisions for the Shareholders' Meeting 13
Section 4 Convening of the Shareholders' Meeting 15
Section 5 Proposals and Notices of the Shareholders' Meeting 17
Section 6 Holding of the Shareholders' Meeting 19
Section 7 Voting and Resolutions of the Shareholders' Meeting 22
CHAPTER 5 DIRECTORS AND THE BOARD 27
Section 1 General Provisions in Relation to Directors 27
Section 2 Board 31
Section 3 Independent Directors 36
Section 4 Specialized Committees of the Board 39
CHAPTER 6 SENIOR MANAGEMENT 42
Section 1 General Provisions 42
Section 2 Chief Risk Officer 44
CHAPTER 7 FINANCIAL AND ACCOUNTING SYSTEMS, DISTRIBUTION OF PROFITS, AND AUDITS 46
Section 1 Financial and Accounting Systems 46
Section 2 Internal Audit 49
Section 3 Appointment of Accounting Firms 50
CHAPTER 8 NOTICE AND PUBLIC ANNOUNCEMENT 50
CHAPTER 9 MERGER, DIVISION, CAPITAL INCREASE AND REDUCTION, DISSOLUTION, AND LIQUIDATION 51
Section 1 Merger, Division, Capital Increase and Reduction 51
Section 2 Dissolution and Liquidation 53
CHAPTER 10 AMENDMENT TO THE ARTICLES OF ASSOCIATION 55
CHAPTER 11 SUPPLEMENTARY PROVISIONS 56
NANHUA FUTURES CO., LTD. RULES OF PROCEDURE FOR THE SHAREHOLDERS' MEETING 58
NANHUA FUTURES CO., LTD. PROCEDURAL RULES OF THE BOARD 69

CHAPTER 1 GENERAL PROVISIONS

Article 1 The Articles of Association are prepared to safeguard the legal rights and interests of Nanhua Futures Co., Ltd. (南華期貨股份有限公司) (the "Company"), its shareholders, employees, creditors and clients and regulate the organization and behavior of the Company, and are prepared in accordance with the Company Law of the People's Republic of China (中華人民共和國公司法) (the "Company Law"), the Securities Law of the People's Republic of China (中華人民共和國證券法) (the "Securities Law"), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules") and other relevant laws and regulations, as well as normative documents.

Article 2 The Company is a joint-stock limited company established by incorporation in accordance with the Company Law and applicable regulations, and has been filed with the China Securities Regulatory Commission (the "CSRC"). It was registered with the Administration for Market Regulation of Zhejiang Province and obtained its business license with unified social credit code of 91330000100023242A. In accordance with the relevant regulations of the State Securities and Futures Supervision and Administration, the Company may establish branches such as business offices and branch companies as required by its business operations. These branches do not possess independent legal personality.

Article 3 As approved by the CSRC on August 9, 2019, the Company initially issued 70,000,000 RMB-denominated ordinary shares (the "A Shares") to the public which were listed on the Shanghai Stock Exchange on August 30, 2019.

Upon the filing with the CSRC on September 19, 2025, the Company issued 107,659,000 overseas listed shares in Hong Kong (the "H Shares"), and H Shares were listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on December 22, 2025.

Article 4 The Company's registered name: 南華期貨股份有限公司
English name: NANHUA FUTURES CO., LTD.

Article 5 The Company's domicile: Room 301, Room 401, Room 501, Room 701, Room 901, Room 1001, Room 1101, Room 1201, Hengdian Building, Shangcheng District, Hangzhou, Zhejiang Province, 310000.

Article 6 The registered share capital of the Company was RMB1,038,144,540.

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

Article 8 The director who represents the Company in conducting its affairs shall be the legal representative of the Company and is elected by the Board of Directors.

If a director serving as the legal representative resigns, the position of legal representative shall be deemed resigned simultaneously.

Where the legal representative resigns, the Company shall determine a new legal representative within thirty days from the date of the resignation of the legal representative. Before the new legal representative is appointed, the original legal representative shall continue to perform his or her duties.

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

Any restrictions on the authority of the legal representative as stipulated in these Articles of Association or by the shareholders' meeting shall not be used against a bona fide counterparty.

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

Article 10 Shareholders are liable to the Company to the extent of their subscribed shares, and the Company is liable for its debts to the extent of all its assets.

Article 11 From the date on which the Articles of Association come into effect, it shall become a legally binding document regulating the Company's organization and behavior, and the rights and obligations between the Company and its Shareholders and among the Shareholders, and shall be legally binding on the Company, Shareholders, Directors, and senior management. Pursuant to the Articles of Association, Shareholders may institute legal proceedings against Shareholders, Directors, and senior management of the Company as well as against the Company; and the Company may institute legal proceedings against Shareholders, Directors, and senior management.

Article 12 Senior management under the Articles of Association shall refer to the general manager, the deputy general manager(s), the chief risk officer, the financial officer, the secretary to the Board and other personnel as stipulated in the Articles of Association.

CHAPTER 2 BUSINESS OBJECTIVE AND SCOPE

Article 13 The business objective of the Company is to meet diverse needs and improve client satisfaction; realize personal value and foster employee growth; drive innovation and development to enhance the Company value.

Article 14 Upon lawful registration, the business scope of the Company shall cover: commodity futures brokerage, financial futures brokerage, futures investment consulting, asset management, and securities investment fund distribution.

Any change to the Company's business scope shall be approved or filed by the national securities and futures regulatory authorities, and the Articles of Association shall be amended in accordance with legal procedures. Such changes shall also be registered with the Company's registration authority.

CHAPTER 3 SHARES

Section 1 Issue of Shares

Article 15 The shares of the Company shall be in form of registered share certificates.

Article 16 The shares of the Company shall be issued in a transparent, fair and equal manner and shares of the same class shall rank pari passu in all respects. Each of the shares of the same class shall be issued under the same conditions and at the same price in each issuance, and the same price shall be paid for each of the shares subscribed for by subscribers.

Article 17 The number of issued shares of the Company is 1,038,144,540 shares. The share capital structure of the Company is as follows: 1,038,144,540 ordinary shares, including 882,038,990 A shares and 156,105,550 H shares. All shares of the Company are ordinary shares without preference shares.

Article 18 The nominal value of the shares issued by the Company shall be denominated in RMB with a par value of RMB1 per share.

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

Article 20 The promoters of the Company are: Hengdian Group Holdings Co., Ltd., Nanhua Development Group Limited, Dongyang Feida Chemical Co., Ltd., Dongyang Zhenghong Chemical Co., Ltd., and Beijing Yiguang Investment Management Co., Ltd.

The promoters converted their share of the audited net assets in Nanhua Futures Ltd. as of June 30, 2012, into shares of the Company. The number of subscribed shares by the promoters and their respective shareholding ratios are as follows:

No.	Name of the Promoter	Number of Shares Subscribed for (0,000 shares)	Way of Capital Contribution	Shareholding Percentage (%)	Paid-up Date
1	Hengdian Group Holdings Co., Ltd.	26,170.00	Net assets	58.16	Before June 30, 2012
2	Nanhua Development Group Limited	13,050.00	Net assets	29.00	Before June 30, 2012
3	Dongyang Feida Chemical Co., Ltd.	2,233.51	Net assets	4.96	Before June 30, 2012
4	Dongyang Zhenghong Chemical Co., Ltd.	2,206.58	Net assets	4.90	Before June 30, 2012
5	Beijing Yiguang Investment Management Co., Ltd.	1,339.91	Net assets	2.98	Before June 30, 2012

The total number of shares issued at the establishment of the Company is 450,000,000 shares, with a par value of RMB1 per share.

Article 21 The Company or its subsidiaries (including affiliates of the Company) shall not provide any financial assistance in the form of gifts, advances, guarantees or loans for the acquisition of the Company's shares or shares of its parent company by any person, except where the Company implements an employee shareholding scheme.

In the interests of the Company, the Company may, by resolution of the shareholders' meeting, or by resolution of the Board of Directors in accordance with the Articles of Association or the authorisation of the shareholders' meeting, provide financial assistance to others for the acquisition of shares in the Company or its parent company, provided that the cumulative total amount of such financial assistance shall not exceed 10% of the total issued share capital. The resolutions of the Board of Directors shall be approved by no less than two-thirds of the total number of directors.

Section 2 Increase, Reduction and Repurchase of Shares

Article 22 Based on its operating and development needs, the Company may, pursuant to the laws and regulations and the provisions of the securities regulatory authorities of the place where the Company's shares are listed, and with the approval by resolution at a shareholders' meeting, increase its capital in the following ways:

(I) Offering of shares to unspecified investors;

(II) Offering of shares to specified investors;

(III) Allotting bonus shares to its existing Shareholders;

(IV) Transfer of reserve fund into share capital;

(V) Other methods as permitted by laws, administrative regulations, and the Securities Regulatory Authority in the places where the Company's shares are listed.

When the Company issues convertible corporate bonds, matters such as the issuance of such bonds, the procedures and arrangements for share conversion, and the resulting changes in the Company's share capital shall be handled in accordance with applicable laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the jurisdiction where the Company's shares are listed, and the terms set forth in the Company's prospectus for the convertible corporate bonds.

Article 23 The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the procedures stipulated in the Company Law, other relevant regulations, and the Articles of Association.

Article 24 The Company shall not acquire its own shares. except under any of the following circumstances:

(I) To reduce the registered capital of the Company;

(II) To merge with another company that holds the shares of the Company;

(III) To use the shares for the Employee Stock Ownership Plan or as an equity incentive;

(IV) To request the Company to acquire the shares from shareholders who vote against any resolution adopted at the shareholders' meeting on the merger or demerger of the Company;

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

(VI) As necessary for the Company to safeguard the Company's value and protect the interests of its shareholders.

Article 25 The Company may repurchase its shares through public and centralized trading or other methods as permitted by laws, regulations, and the Securities Regulatory Authority in the places where the Company's shares are listed.

Where the Company acquires its shares under the circumstances set out in Article 24, paragraph 1, items (III), (V) or (VI) of the Articles of Association, the acquisition shall be conducted through public centralized trading.

Article 26 The Company's acquisition of its own shares in the circumstances as set out in items (I) and (II) of the first paragraph of the Articles 24 shall be subject to the resolution of the shareholders' meeting. The Company's acquisition of its own shares in the circumstances as set out in items (III), (V), and (VI) of the first clause of the Articles 24 shall be subject to compliance with the securities regulatory rules of the place where the Company's shares are listed, and approval by way of resolution at the Board meeting attended by over two-thirds of the Directors.

After the Company acquires its own shares in accordance with the provisions of Article 24, if the shares fall under the circumstances stipulated in item (I), they shall be cancelled within ten days from the date of acquisition; the shares shall be assigned or cancelled within six months if the circumstances fall under either item (II) or item (IV). In the event of the circumstances set out in items (III), (V) and (VI), the total shares held by the Company shall not exceed 10% of the total shares issued by the Company, and shall be assigned or canceled within three years.

Section 3 Share Transfer

Article 27 The shares of the Company shall be transferred according to laws. All transfers of the H Shares shall adopt written instruments of transfer in the ordinary or general form or in any other form acceptable to the Board of Directors (including the standard form of transfer or transfer forms required by the Hong Kong Stock Exchange from time to time). Where the transferor or transferee of the Company's shares is a recognized clearing house as defined by relevant ordinances in force from time to time in accordance with Hong Kong laws or its nominee, the instruments of transfer may be signed by hand or in a machine-imprinted format. All transfer documents must be kept at the legal address of the Company or other places as the Board of Directors may designate from time to time.

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

Article 29 No shares issued by the Company prior to its A-Share IPO may be transferred prior to the expiration of one year following their listing on the stock exchange. In the event that the securities regulatory rules of the Company's listing jurisdiction prescribe supplementary restrictions on the transfer of the Company's shares, all relevant parties shall be bound to adhere to such provisions.

The Directors, and senior management of the Company shall declare to the Company their shareholdings in the Company and the changes therein, and shall transfer no more than 25% of the total number of shares of the same class held by them in the Company each year during their term of office specified at the time of taking office. Furthermore, their shares in the Company are subject to a one-year lock-up period commencing from the Company's listing date. The aforementioned individuals are prohibited from transferring their shares in the Company for a period of six months subsequent to the cessation of their service.

If there are any other provisions regarding the transfer of the Company's shares held by shareholders as stipulated by laws, administrative regulations, or the securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

Article 30 In the event that the Company's shareholders who hold 5% or more of the Company's shares, directors or senior management engage in the sale or repurchase of shares or other equity securities within six months of the respective purchase or sale date, any profits arising therefrom shall vest in the Company, and the Board shall be responsible for recovering such profits. Notwithstanding the foregoing, this restriction shall not apply to securities companies that hold 5% or more of the shares due to their underwriting of unsubscribed shares in an offering, nor shall it apply to any other circumstances as prescribed by the CSRC.

The shares or other equity securities held by the Directors, senior management, and natural person Shareholders mentioned in the preceding paragraph, including those held by their spouses, parents, children, or through third-party accounts.

In the event that the Company's Board fails to adhere to the provision of the first paragraph of this Article, any Shareholder shall be entitled to require the Board to take necessary action within a period of 30 days. In the event that the Company's Board fails to act within the specified period, the Shareholders shall be entitled to initiate legal proceedings directly with the people's court in their own names for the benefit of the Company.

In the event that the Company's Board fails to adhere to the provisions of the first paragraph of this Article, the responsible Directors shall bear joint and several liability in accordance with applicable laws.

CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Section 1 General Provisions for Shareholders

Article 31 The Company establishes the register of shareholders based on the vouchers provided by the securities registration and clearing institution and the register of shareholders serves as sufficient evidence to prove that shareholders hold shares in the Company. The original register of Shareholders of H shares is kept in Hong Kong and is available for inspection by Shareholders, but the Company may suspend the shareholder registration procedure in accordance with applicable laws and regulations and the securities regulatory rules of the place where the Company's shares are listed. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

In the event that any shareholder whose name is recorded in or any person who requests to have its name entered in the register of holders of H Shares loses his/her share certificate(s), he/she may apply to the Company for replacement of new share certificate(s) in respect thereof. H-share shareholders who apply for the issuance of new shares due to lost shares may do so in accordance with the laws of the place where the original H-share shareholder register is kept, the rules of the securities exchange, or other relevant regulations.

Article 32 If the Company convenes a shareholder's meeting, distributes dividends, liquidates or engages in other activities that require confirmation of the identity of shareholders, the Board or the convener of the shareholder's meeting must determine the equity registration date and shareholders registered after the market close on the equity registration date are shareholders who enjoy relevant rights and interests.

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

(I) To be entitled to dividends and other distributions in proportion to their respective shareholdings;

(II) To lawfully request to hold, convene, preside over, or attend shareholders' meetings, or to appoint proxies to represent them at such meetings, and to exercise their corresponding voting rights;

(III) To supervise, and to make recommendations or inquiries on the operation of the Company;

(IV) To transfer, grant or pledge the shares he or she holds in accordance with the laws, administrative regulations and the provisions hereof;

(V) To review and copy the Company's Articles of Association, register of shareholders, minutes of shareholders' meetings, resolutions of the Board, financial accounting reports, and to review the Company's accounting books and accounting documents (for shareholders who meet the requirements);

(VI) In the event of the termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company in proportion to the number of shares held;

(VII) To request the Company to purchase their shares for the shareholders who object to the Company's resolution on merger or division made by the shareholders' meetings;

(VIII) Other rights stipulated in laws, administrative regulations, departmental rules, securities regulatory rules of the jurisdiction where the Company's shares are listed, or the Articles of Association.

Article 34 If a shareholder requests to review and duplicate relevant materials, he or she shall follow relevant provisions of laws and administrative regulations, including the Company Law and the Securities Law, and provide the Company with written documents proving the type and number of shares he or she holds in the Company, and the Company will provide the same according to the shareholder's request after verifying the shareholder's identity.

Article 35 If any resolution made by the shareholders' meeting and the Board of Directors of the Company violates laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, the shareholders are entitled to apply to the People's Court to affirm it as invalid.

If the convening procedure or voting method of the shareholders' meeting or the meeting of the Board of Directors contravenes laws, administrative regulations or these Articles of Association, or if the content of the resolutions contravenes these Articles of Association, the shareholders have the right to request the People's Court to revoke the resolution within sixty days of the resolution, except where the procedures for convening a meeting of the shareholders' meeting or the Board of Directors or the voting method only have some minor defects, which produce no substantial effect on the resolution.

Where relevant parties such as the Board of Directors or the shareholders dispute the validity of a resolution passed at the shareholders' meeting, they should file a lawsuit with the People's Court in a timely manner. Before the People's Court hands down any judgement or ruling as rescinded the resolution, the relevant parties shall have to implement the resolution of the shareholders' meeting. The Company, the directors and senior management shall diligently perform their duties and ensure the normal operation of the Company.

Where the People's Court has handed down a judgement or ruling on the relevant matter, the Company shall fulfill the obligation of information disclosure in accordance with the laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, which shall include a full account of the impact, and shall actively implement in compliance with such judgement or ruling after the same comes into effect. Where rectification of previous executed matters is involved, such rectification shall be promptly processed and the obligation of information disclosure shall be fulfilled accordingly.

Article 36 In the event of one of the following circumstances, a resolution of the shareholders' meeting or the Board of Directors shall not be valid:

(I) The resolution has been made without the convening of the shareholders' meeting or the meeting of the Board of Directors;

(II) The resolution has been made without voting at the shareholders' meeting or the meeting of the Board of Directors;

(III) The number of persons attending or votes represented at the meeting does not reach the number prescribed in the Company Law or the Articles of Association;

(IV) The number of persons voting in favour of the matters to be resolved at the meeting or the number of voting rights represented does not reach the number prescribed in the Company Law or the Articles of Association.

Article 37 In the event of any loss caused to the Company as a result of violation of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association by any Director or senior management other than the Audit Committee members when performing company duties, any of the shareholder who individually or jointly holds 1% or more of the Company's shares for 180 consecutive days or more shall have the right to request the Audit Committee in writing to initiate litigation before the People's Court; in the event of any loss caused to the Company as a result of violation of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association by the Audit Committee members when performing company duties, any of the aforesaid shareholders may request the Board in writing to initiate litigation before the People's Court.

In the event that the Audit Committee or the Board refuses to institute litigation upon the receipt of the written request of any of the shareholders as specified in the preceding paragraph, or fails to institute litigation within 30 days from the date of receipt of such request, or where, in an urgent circumstance, failure to institute litigation immediately will cause irreparable damage to the interest of the Company, such shareholder(s) as mentioned in the preceding paragraph shall have the right, for the benefit of the Company, to initiate litigation before the People's Court in his/her (its) own name.

If any other person infringes upon the legitimate rights and interests of the Company and cause losses to the Company, the shareholders specified in the first paragraph of this Article may file a lawsuit with the People's Court in accordance with the provisions of the preceding two paragraphs.

Where any director, supervisor or senior management member of a wholly-owned subsidiary of the Company, in the course of performing his or her duties, violates any law, administrative regulation or the provisions of the Articles of Association and causes losses to the Company, or where any other person infringes upon the lawful rights and interests of the wholly-owned subsidiary and causes losses thereto, any shareholder individually or jointly holding 1% or more of the Company's shares consecutively for more than 180 days may, in accordance with the first three paragraphs of Article 189 of the Company Law, make a written request to the supervisory committee or the Board of Directors of the wholly-owned subsidiary to initiate legal proceedings with the People's Court, or directly file a lawsuit in its own name with the People's Court.

Where a wholly-owned subsidiary does not have a supervisory committee or supervisors but has established an Audit Committee, the provisions of the first and second paragraphs of this Article shall apply.

Article 38 If any Director or senior management member is in violation of laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed or these Articles, thus causing any losses to the shareholders, the shareholders may initiate legal proceedings against such Director or senior management member in the People's Court.

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

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

(II) To pay subscription monies in respect of the shares subscribed for and the method of subscription;

(III) Save as stipulated by laws or regulations, no share capital shall be withdrawn;

(IV) No shareholders may abuse their rights in a manner harmful to the Company or other shareholders, nor exploit the Company's independent legal person status or their limited liability to the prejudice of the Company's creditors;

(V) To fulfill other obligations stipulated by applicable laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Shareholders who abuse their rights, thereby causing losses to the Company or other shareholders, shall bear liability for compensation. Where any shareholder abuses the Company's independent legal person status and the principle of limited liability to evade debts, thereby materially prejudicing the interests of the Company's creditors, such shareholder shall bear joint and several liability for the Company's debts.

Article 40 Any shareholder holding more than 5% of the Company's shares or any de facto controller shall, upon the occurrence of any of the following events, provide the Company with prompt and accurate written notice within two trading days, disclosing all material details:

(I) Shares of the Company they hold have been frozen or under enforcement measures;

(II) Shares of the Company they hold are pledged or the pledged shares are released;

(III) They decide to transfer shares of the Company they hold;

(IV) Inability to exercise shareholder rights or perform shareholder obligations in a normal manner, which would materially compromise the Company's governance structure;

(V) Becoming subject to investigation by competent regulatory authorities or compulsory measures due to suspected material violations of applicable laws or regulations;

(VI) Imposition of administrative penalties or criminal sanctions for material violations of applicable laws or regulations;

(VII) Change of names;

(VIII) Undergoing merger, division, or material asset/debt restructuring;

(IX) Becoming subject to regulatory interventions such as business suspension orders, license revocation, receivership/trusteeship, or insolvency proceedings such as dissolution, bankruptcy, or liquidation;

(X) Material changes in equity ownership or material alterations to business scope or operations;

(XI) Changes in the Chairman, the General Manager, or any acting director or senior management member performing equivalent functions;

(XII) Any national laws, regulations, major policy changes, or force majeure events that could significantly adversely affect the Company's operations and management;

(XIII) Other circumstances that may affect share changes of the Company or operation of the Company as a going concern.

Any shareholder holding more than 5% of the Company's shares that meets the condition under item (II) shall submit a written report to the Company on the same day the event occurs. Where such shareholders fall under any prescribed circumstances, the Company shall report to the local CSRC office at its domicile within three business days of receiving notice. Where the Company's de facto controller falls under any circumstances listed in items (V) to (IX), the Company shall report to both the CSRC and its local office within three business days of receiving notice.

Section 2 Controlling Shareholders and De Facto Controller

Article 41 The controlling shareholder and the de facto controller of the Company shall exercise their rights and perform their obligations in accordance with laws, administrative regulations, the requirements of the securities regulatory rules of the place where the shares of the Company are listed, and shall safeguard the interests of the Company.

Article 42 The controlling shareholder or de facto controller of the Company shall comply with the following provisions:

(I) To exercise their rights as shareholders in accordance with the law and not abuse their control or use their affiliation to prejudice the legitimate interests of the Company or other shareholders;

(II) To strictly implement the public statements and undertakings made and shall not change or waive them without authorisation;

(III) To fulfil information disclosure obligations in strict accordance with the relevant regulations, to proactively cooperate with the Company in information disclosure and to inform the Company in a timely manner of material events that have occurred or are proposed to occur;

(IV) Not to appropriate the Company's funds in any way;

(V) Not to order, instruct or request the Company and relevant personnel to provide guarantees in violation of laws and regulations;

(VI) Not to make use of the Company's undisclosed material information to gain benefits, not to divulge in any way undisclosed material information relating to the Company, and not to engage in insider trading, short-swing trading, market manipulation and other illegal and unlawful acts;

(VII) Not to prejudice the legitimate rights and interests of the Company and other shareholders through unfair related transactions, profit distribution, asset restructuring, external investment or any other means;

(VIII) To ensure the integrity of the Company's assets, and the independence of personnel, finance, organisation and business, and not to affect the independence of the Company in any way;

(IX) Other provisions prescribed by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Where the controlling shareholder or de facto controller of the Company does not act as a director of the Company but actually carries out the affairs of the Company, the provisions of the Articles of Association relating to the duties of loyalty and diligence of directors shall apply.

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

Article 43 Where a controlling shareholder or de facto controller pledges the shares of the Company that he/she holds or actually controls, he/she shall maintain the stability of the Company's control and production operations.

Article 44 The transfer of the Company's shares held by controlling shareholders and de facto controllers shall comply with the restrictive provisions on share transfer stipulated in laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, as well as their commitments regarding restrictions on share transfer.

Section 3 General Provisions for the Shareholders' Meeting

Article 45 The shareholders' meeting of the Company consists of all shareholders. The shareholders' meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with laws:

(I) To elect and remove directors not being staff representatives and to determine matters relating to the remuneration of the directors;

(II) To consider and approve the reports of the Board of Directors;

(III) To consider and approve the Company's profit distribution plans and loss recovery plans;

(IV) To resolve on the increase or reduction of the Company's registered capital;

(V) To resolve on the issuance of corporate bonds;

(VI) To resolve on the merger, division, dissolution, liquidation or change of corporate form of the Company;

(VII) To amend the Articles of Association;

(VIII) To decide on the engagement and dismissal of the accounting firm that undertakes the Company's auditing matters;

(IX) To resolve on material transactions (including connected transactions) that should be considered and approved at the shareholders' meeting under the Articles of Association;

(X) To review the Company's acquisition or disposal of material assets exceeding 30% of its most recent audited total assets within any 12-month period;

(XI) To review and approve any modifications to the use of proceeds;

(XII) To review the equity incentive plan and the employee share ownership plan;

(XIII) To review other matters which shall be decided by the shareholders' meeting as stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The shareholders' meeting may delegate the Board to resolve on the issuance of corporate bonds.

The Company may, by resolution at the shareholders' meeting, or by resolution at the Board authorized by the Articles of Association or the shareholders' meeting, issue shares or corporate bonds convertible into shares, the specific implementation of which shall comply with the laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed. Unless otherwise stipulated in the laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, the aforesaid functions and powers of the shareholders' meeting shall not be exercised by the Board or by other organizations and individuals on behalf of shareholders through authorization.

Article 46 The Company shall not provide guarantees to external parties in violation of laws or regulations. Where the external guarantees provided by the Company and its subsidiaries violate the scope of authority or procedures prescribed by laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association, or the Company's relevant systems and cause losses to the Company or its subsidiaries, the relevant responsible persons shall bear corresponding liabilities in accordance with the Company's internal management systems.

Article 47 The shareholders meeting are divided into annual shareholders' meeting and extraordinary shareholders' meeting. Annual shareholders' meetings are held once a year and within six months from the end of the preceding financial year.

Article 48 The Company shall convene an extraordinary shareholders' meeting within two months upon the occurrence of any of the following events:

(I) Where the number of Directors is less than that provided for in the Company Law or less than two-thirds of the number prescribed in the Articles of Association;

(II) Where the uncovered loss of the Company reaches one-third of the total share capital;

(III) Where the shareholders with 10% or more shares of the Company (excluding the treasury shares) separately or jointly request;

(IV) Where the Board considers it necessary;

(V) Where the Audit Committee proposes the convening of the meeting;

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

Article 49 When convening a shareholders' meeting, the Company shall engage legal advisers to provide legal opinions on the following issues and make an announcement:

(I) Whether the procedures of convening and holding the meeting comply with the provisions of laws, administrative regulations and the Articles of Association;

(II) Whether the eligibility of the attendees and the convener of the meeting are lawful and valid;

(III) Whether the voting procedures and results of the meeting are lawful and valid;

(IV) Legal opinions on other relevant issues as requested by the Company.

Article 50 The Company shall convene shareholders' meetings either at its domicile or at any other place explicitly specified by the Company in the notice of the shareholders' meeting. The Company shall arrange for the venue so that a physical meeting can be held. Shareholders may participate in the shareholders' meeting through online means or other methods. The Company shall also provide online voting to facilitate shareholders.

In addition to being held at a physical venue in the form of a physical meeting, the shareholders' meeting may be held concurrently through electronic communication.

Section 4 Convening of the Shareholders' Meeting

Article 51 The Board of Directors shall convene the shareholders' meeting on time within the prescribed time limit.

As approved by more than half of all independent directors, independent Directors have the right to propose to the Board for the convening of an extraordinary shareholders' meeting. In response to the proposal from the independent Directors for the convening of an extraordinary shareholders' meeting, the Board shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, provide a written feedback within ten days after receiving the proposal with respect to whether it agrees or disagrees to convene an extraordinary shareholders' meeting. In the event that the Board agrees to convene an extraordinary shareholders' meeting, a notice of the shareholders' meeting shall be given within five days of such resolution by the Board; in the event that the Board disagrees with the convening of an extraordinary shareholders' meeting, the reasons for such shall be stated and announced.

Article 52 Where the Audit Committee proposes to the Board of Directors to convene an extraordinary shareholders' meeting, it shall put forward its proposal to the Board of Directors in writing. The board shall, pursuant to the laws, administrative regulations and the Articles of Association, furnish a written reply on whether or not to convene the extraordinary shareholders' meeting within ten days after receiving such proposal.

If the board agrees to convene the extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days after the resolution is passed by the Board of Directors. Any change to the original proposal in the notice shall be subject to the approval from the Audit Committee.

If the Board of Directors does not agree to convene the extraordinary shareholders' meeting or fails to furnish a written reply within ten days after receiving such proposal, it shall be deemed that the Board of Directors is unable or fails to perform the duty of convening the shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

Article 53 Shareholders who individually or together hold 10% or more of the shares of the Company (excluding the treasury shares) shall request the Board of Directors to convene an extraordinary shareholders' meeting and such request shall be made to the Board of Directors in writing. The Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an extraordinary shareholders' meeting within ten days upon receipt of the request in accordance with laws, administrative regulations and the Articles of Association.

Where the Board of Directors agrees to hold an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days after the resolution was made. Any change to the original request in the notice shall be subject to the approval from the relevant shareholders.

Where the Board of Directors does not agree to hold an extraordinary shareholders' meeting or fails to give a reply within ten days upon receipt of the request, shareholders who individually or together hold 10% or more of the shares of the Company (excluding the treasury shares) shall submit a proposal to the Audit Committee on holding an extraordinary shareholders' meeting, such request shall be made to the Audit Committee in writing.

Where the Audit Committee agrees to hold an extraordinary shareholders' meeting, it shall issue a notice of shareholders' meeting within five days after receiving the request. Any changes to the original request in the notice shall be subject to the approval from the relevant shareholders.

Where the Audit Committee fails to give the notice of the shareholders' meeting within the specified time limit, it shall be deemed that the Audit Committee does not convene or preside over the meeting, in which case, shareholders who individually or together hold 10% or more of the shares of the Company (excluding the treasury shares) for 90 or more consecutive days may convene and preside over the meeting on their own.

Article 54 Where the Audit Committee or shareholders decide to convene a shareholders' meeting on its/their own, it/they shall give a written notice to the Board of Directors and report the same to the Shanghai Stock Exchange for the record.

When issuing the notice of the shareholders' meeting and the announcement of the resolution(s) of the shareholders' meeting, the Audit Committee or shareholders who convene the shareholders' meeting shall submit relevant supporting materials to the stock exchange.

Prior to the announcement of the shareholders' meeting resolution, the shareholding of the convening shareholders shall not be less than 10% (excluding the treasury shares).

Article 55 For the shareholders' meetings convened by the Audit Committee or shareholders on their own initiatives, the Board of Directors and the Secretary of the Board shall cooperate with the Audit Committee or the shareholders. The Board of Directors shall provide the register of members as at the shareholding registration date.

Article 56 Any necessary expenses incurred in connection with the convening and holding of the shareholders' meeting by the Audit Committee or the shareholders on its or their own shall be borne by the Company.

Section 5 Proposals and Notices of the Shareholders' Meeting

Article 57 The content of proposals shall fall within the functions and powers of the shareholders' meeting, have clear subject for discussion and specific matters to be resolved and comply with relevant requirements of the laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

Article 58 When the Company convenes the shareholders' meeting, the Board of Directors, the Audit Committee and shareholder(s), individually or in aggregate, holding 1% or more of the shares of the Company (excluding the treasury shares) shall have the right to propose proposals.

Shareholder(s) individually or jointly holding 1% or more of the Company's shares (excluding the treasury shares) may submit an extraordinary proposal to the convener in writing ten days prior to date of the meeting. The convener shall dispatch a supplementary notice of the shareholders' meeting and announce the contents of such extraordinary proposal within two days upon receipt of the proposal, and submit the extraordinary proposal to the shareholders' meeting for consideration. Except for any extraordinary proposals that violate laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, or any extraordinary proposals that fall outside the purview of the shareholders' meeting.

Except as provided in the preceding paragraph, after the convener issues a public notice of the shareholders' meeting, conveners shall not amend the proposals or add any new proposals in the notice of the shareholders' meeting.

The shareholders' meeting shall not vote for or pass a resolution on any proposal not stated in the notice of the shareholders' meeting or not complying with the provisions of the Articles of Association.

Article 59 The convener will notify the shareholders by means of an announcement 21 days prior to the annual shareholders' meeting and the extraordinary shareholders' meeting will be notified by means of an announcement 15 calendar days prior to the date of the meeting.

The Company shall not include the day on which the meeting is held in calculating the starting period.

Article 60 The notice of the shareholders' meeting shall contain the following:

(I) The date, place and duration of the meeting;

(II) The matters and proposals to be reviewed at the meeting;

(III) A clear statement that all shareholders may attend the shareholders' meetings in person or appoint a proxy in writing to attend and vote on their behalf. The appointed proxy need not be a shareholder of the Company;

(IV) The record date for determining shareholders entitled to attend the shareholders' meeting;

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

(VI) Voting time and voting procedures on the Internet or in other ways.

The meeting notice and the supplemental notice shall fully disclose the complete details of all proposals.

The online or alternative voting period for the shareholders' meeting shall open between 3:00 p.m. on the business day prior to the on-site meeting and 9:30 a.m. on the meeting day, and close no earlier than 3:00 p.m. on the meeting day.

The interval between the record date and the meeting date shall not exceed seven business days. Once the equity registration date is established, it shall become irrevocable and not subject to modification.

Article 61 If the election of directors is proposed to be discussed at a shareholders' meeting, the notice of the shareholders' meeting shall fully disclose the detailed information on the director candidates, which shall at least include:

(I) personal particulars, including academic qualifications, working experience and concurrent positions;

(II) whether or not there is any connected relationship with the Company or its controlling shareholder(s) and de facto controller(s);

(III) The number of shares in the Company held;

(IV) whether or not the candidate has been subject to penalties by the CSRC or other relevant authorities as well as sanctions by any stock exchange;

(V) Other contents required to be disclosed by relevant laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company's shares are listed.

In addition to adopting the cumulative voting system to elect directors, a single proposal on each of the candidates for directors shall be submitted.

Article 62 After giving notice of a shareholders' meeting, the shareholders' meeting shall not be adjourned or cancelled without justifiable reasons, and the proposals set out in the notice shall not be cancelled. In the event of postponement or cancellation, the convenor shall make an announcement at least two business days prior to the scheduled date of the meeting and explain the reasons therefor.

If the securities regulatory rules of the place where the shares of the Company are listed stipulate otherwise in respect of the aforesaid matters, such provisions shall prevail on the premise of not violating domestic regulatory requirements.

Section 6 Holding of the Shareholders' Meeting

Article 63 The Board of Directors and other conveners of the Company will take necessary actions to ensure the proper order of the shareholders' meeting. Measures shall be taken to stop any disruption of the shareholders' meeting or troublemaking as well as infringement of the legitimate rights and interests of shareholders, and the matter shall be promptly reported to the relevant authorities for investigation and handling.

Article 64 All shareholders or their proxies registered in the share register as of the record date shall be entitled to attend the shareholders' meeting and exercise speaking and voting rights, subject to compliance with applicable laws, regulations, securities regulatory rules of the Company's listing jurisdiction, and the Articles of Association (unless any shareholder is required under such rules to abstain from voting on specific matters).

Shareholders may attend the shareholders' meeting in person, and also may appoint a proxy to attend, speak and vote on their behalf. The proxy need not be a shareholder of the Company.

Article 65 Individual shareholders attending the meeting in person shall present their identity cards or any other valid certificates or documents for identification; proxies attending the meeting shall present their personal identity cards and the power of attorney from the shareholder.

Shareholder who is a corporation shall attend and vote at a meeting by its legal representative or a proxy appointed by the legal representative. If the legal representative attends the meeting, he or she shall produce his or her own identity card and a valid proof of his or her legal representative status. If a proxy has been appointed to attend the meeting, such proxy shall present his or her own identity card and the power of attorney issued by the legal representative of the shareholder as a corporation (except for shareholders who are recognized clearing houses as defined by the relevant regulations in force from time to time under the Hong Kong laws or the securities regulatory rules of the places where the Company's shares are listed (the "Recognized Clearing House") and their agents).

Where a shareholder is a recognized clearing house or its agent, such shareholder may appoint one or more persons whom it considers appropriate to act as its representative or proxy at any shareholders' meeting or creditors' meeting. However, if more than one person is appointed, the letter of authorization shall specify the number and class of shares involved for each such person, and the letter of authorization shall be signed by an authorized officer of the Recognized Clearing House. The proxies so appointed may represent the Recognized Clearing House (or its agent) in exercising its rights (without being required to present share certificate, certified proxy forms and/or further evidence to prove due authorization), and shall be entitled to the legal rights equivalent to those of the other shareholders, including the right to speak and vote, as if that proxy is an individual shareholder of the Company.

Article 66 The power of attorney issued by a shareholder to appoint another person to attend a shareholders' meeting shall contain the following particulars:

(I) The name of the appointer, and the class and number of shares of the Company held;

(II) The name of the proxy;

(III) The specific instructions of the shareholder, including the instructions to vote in favour of, against or abstain from voting on each resolutions to be included in the agenda of the shareholders' meeting;

(IV) The signing date and the period of validity of the proxy form;

(V) Signature (or seal) of the appointer. If the appointer is a corporate shareholder, its corporate seal shall be affixed thereto or signed by a legally authorized person.

Article 67 The proxy form shall be lodged at the domicile of the Company or such other place as specified in the notice of the meeting at least 24 hours prior to the relevant meeting for which the proxy is appointed to vote or 24 hours prior to the scheduled voting time. Where such a power of attorney for voting is signed by a person authorized by the appointer, the power of attorney for authorized signature or other authorization documents shall be notarized. Such power of attorney or other authorization documents upon notarized shall, together with the power of attorney for voting, be placed at the domicile of the Company or such other location as specified in the notice of the meeting.

Article 68 The Company shall be responsible for preparing a register of attendees of the meeting. Such register shall record name (or company name), ID Card no., number of voting shares held or represented, name (or company name) of appointer and other matters of the attendees.

Article 69 The convenor and the attorney engaged by the Company will jointly verify the lawfulness of shareholders' qualifications against the register of shareholders provided by the securities registration and settlement institutions and register the shareholders' names and the number of voting shares that they hold. The registration of the meeting shall be closed until the chairman of the meeting announces the number of shareholders and proxies present at the meeting and the total number of shares with voting rights.

Article 70 If a shareholders' meeting requires the attendance of Directors or senior management, the Directors or senior management shall do so and answer shareholders' inquiries.

Article 71 The shareholders' meeting shall be presided over by the Chairman of the Board. In the event that the chairman of the Board of Directors is unable to or does not perform his duties, the meeting shall be presided over by a director jointly elected by a majority of the directors.

Where a shareholders' meeting is convened by the Audit Committee on its own, the meeting shall be presided over by the convener of the Audit Committee. In the event that the convener of the Audit Committee is unable to or does not perform his duties, the meeting shall be presided over by a member of the Audit Committee jointly elected by a majority of the members of the Audit Committee.

Where a meeting is convened by shareholders on their own, the meeting shall be presided over by the convening shareholders or a representative elected by them.

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

Article 72 The Company shall develop Rules of Procedure for the Shareholders' Meeting, outlining the convening, holding and voting procedures, including notice, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of the meeting and the signing thereof, and announcements as well as the principle of authorization from the shareholders' meeting to the Board. The content of authorization shall be clear and specific.

The rules of procedure for the shareholders' meeting shall be included in or annexed to the Articles of Association and shall be prepared by the Board and approved by the shareholders' meeting.

Article 73 In the annual shareholders' meeting, the Board of Directors shall report their work in the past year to the shareholders' meeting. Each independent director shall also present a work report.

Article 74 Directors and senior management shall explain and answer the enquiries and suggestions from shareholders at the shareholders' meeting.

Article 75 The chairperson of a shareholders' meeting shall, before the commencement of a vote, declare the number of the shareholders attending the meeting in person or by proxy and the total number of voting shares held by them, subject to the register of attendance of the meeting.

Article 76 Shareholders' meetings shall have minutes, which shall be maintained by the secretary to the Board of Directors.

The minutes of meeting shall record the following information:

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

(II) The names of the chairman of the meeting and the directors and senior management sitting in on the meeting;

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

(IV) The proceeding of examination of each proposal, summary of the points discussed and results of voting;

(V) Details of the inquiries or recommendations of the shareholders, and the corresponding response or explanations;

(VI) Names of lawyers and vote-counters and scrutineers;

(VII) Such other matters as shall be recorded in the minutes of meetings pursuant to the Articles of Association.

Article 77 The convener shall guarantee the authenticity, accuracy and integrity of the content of the meeting minutes. The directors, secretary of the Board of Directors, convener or their representatives who attended the meeting or attended the meeting as observers, and the chairperson of the meeting shall sign the meeting minutes. The meeting minutes shall be kept together with the register of names of the shareholders present, the power of attorney for attendance, and the valid documents for the online and other forms of voting for a period of not less than 10 years.

Article 78 The convener shall ensure that the shareholders' meeting is held continuously until final decisions are made. In the event that a shareholders' meeting is suspended or no resolutions can be made thereat due to special reasons such as force majeure, the convener shall take necessary measures to restore the shareholders' meeting as soon as possible or directly terminate the shareholders' meeting, and make an announcement promptly. Meanwhile, the convener shall report to the local representative office of the CSRC and the Shanghai Stock Exchange.

Section 7 Voting and Resolutions of the Shareholders' Meetings

Article 79 The resolutions of a shareholders' meeting are classified into ordinary resolutions and special resolutions.

Ordinary resolutions of a shareholders' meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting.

Special resolutions of a shareholders' meeting shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Article 80 The following matters shall be approved by the shareholders' meeting through ordinary resolutions:

(I) Work reports of the Board;

(II) Plans of earnings distribution and loss make-up schemes drafted by the Board;

(III) Appointment or dismissal of the members of the Board, and their remunerations and payment methods;

(IV) Matters other than those approved by special resolutions stipulated in applicable laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Article 81 The following matters shall be resolved by way of a special resolution of the shareholders' meeting:

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

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

(III) Amendment to the Articles of Association;

(IV) The purchase or disposal of material assets or provision of a guarantee to other parties by the Company within one year of a value exceeding 30% of the total audited assets in the most recent period of the Company;

(V) The equity incentive plan;

(VI) Other matters as required by applicable laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, or confirmed by an ordinary resolution at a shareholders' meeting that it may have a material impact on the Company and shall be passed by a special resolution.

Article 82 Shareholders (including proxies) shall exercise voting rights based on the number of shares with voting rights represented by them, with each share entitled to one vote. On a poll taken at a meeting, shareholders (including proxies) entitled to two or more votes need not cast all his votes in the same way of pros, cons or abstention.

When material issues affecting the interests of minority shareholders are considered at the shareholders' meeting, the votes of minority shareholders shall be counted separately. The results of such separate vote counting shall be disclosed promptly.

The shares held by the Company carry no voting rights and are excluded from the total count of voting shares present at the shareholders' meeting.

Pursuant to the applicable laws, administrative regulations, departmental rules, normative documents, and securities regulatory rules of the place where the Company's shares are listed, if any shareholder is required to abstain from voting on a specific resolution or is limited to casting a vote solely for or against such resolution, any votes cast by the shareholder (or the proxy) in contravention of these stipulations shall be excluded from the voting outcome.

If a shareholder acquires the Company's voting shares in breach of the stipulations outlined in paragraphs 1 and 2 of Article 63 of the Securities Law, the portion of shares exceeding the prescribed limit shall be deprived of voting rights for thirty-six months following the acquisition and excluded from the aggregate count of voting shares present at the shareholders' meeting.

The Board, independent Directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established under applicable laws, administrative regulations, or CSRC provisions, may publicly solicit voting rights from shareholders. The solicitation of shareholders' voting rights shall fully disclose the specific voting intention and other information to the solicited parties. It is prohibited to solicit shareholders' voting rights by means of payment or disguised payment. Except for statutory conditions, the Company shall not impose any conditions on solicitors.

Article 83 When connected transactions are considered at a shareholders' meeting, connected shareholders shall abstain from voting, and the shares represented by them shall not be included in the total valid votes. The announcement of a resolution of the shareholders' meeting shall fully disclose the votes of non-connected shareholders.

When connected transactions are considered at a shareholders' meeting, connected shareholders shall proactively disclose their connected relationship to the shareholders' meeting and voluntarily abstain from voting. In the event a shareholder fails to proactively disclose the connected relationship and abstain from voting, other shareholders may demand such disclosure and recusal. Where conclusive evidence demonstrates that a connected shareholder should abstain from voting, the shares held by such shareholder shall be excluded from the total number of shares with valid voting rights in the consideration of connected transactions.

Article 84 Unless the Company is in a crisis or under other special circumstances, the Company shall not, without the approval of the shareholders' meeting by way of a special resolution, make and enter into contracts with persons other than Directors or senior management granting such persons the responsibility for managing all or part of the Company's material business.

Article 85 The roster of Director nominees shall be incorporated into the proposal presented to the shareholders' meeting for examination and approval.

When voting on the election of Directors at a shareholders' meeting, a cumulative voting system may be implemented in accordance with the provisions of the Articles of Association or a resolution of the shareholders' meeting. Where the proportion of shares in which a single shareholder and his/her party(ies) acting in concert are interested is more than 30% or two or more independent Directors are elected, the cumulative voting system shall be adopted.

The cumulative voting system mentioned in the preceding paragraph refers to the system where each share shall be entitled to vote equivalent to the number of Directors to be elected at the shareholders' meeting, and the voting rights owned by the shareholders may be cumulatively used. The Board shall announce to shareholders the biographical details and general information on the candidates for Directors.

Under the cumulative voting system, a shareholder's right to vote equals the product of the number of shares they hold and the number of Directors to be elected. Each shareholder is entitled to the voting rights commensurate with their respective right to vote. Shareholders may either concentrate all their voting rights to elect a single candidate Director or distribute their votes to elect multiple candidate Directors. The election results shall be determined by the candidate receiving the highest number of votes, provided that such candidate receives more than half of the votes cast by Shareholders present at the shareholders' meeting who hold voting rights. Separate voting shall be conducted for independent Directors and non-independent Directors to ensure the proportion of independent Directors on the Company's Board.

When the cumulative voting system is implemented, if the total number of a shareholder's voting rights exercised on the votes exceed that of his legitimate voting rights, such votes are invalid.

Article 86 The nomination methods and procedures relating to candidate Directors (other than employee Directors) shall be as below:

(I) Candidates for non-independent Directors shall be nominated by the Board or by Shareholders of the Company holding individually or collectively more than one percent of the Shares of the Company (excluding the treasury shares). Following consideration and approval by the Board to form a proposal, such candidates shall be elected at the shareholders' meeting;

(II) Independent Director candidates shall be nominated by the Board of the Company, and shareholders who, individually or aggregately, hold over 1% of the shares of the Company (excluding the treasury shares), and be elected at the shareholders' meeting. Investors protection institutions established in accordance with the law may publicly request shareholders to entrust them with the exercise of nominating independent Directors on their behalf. Nominators of independent Directors shall obtain the consent of the nominee prior to any nomination. Nominators shall have a thorough understanding of the nominees' professional background, educational qualifications, professional titles, detailed work experience, all part-time positions, and any adverse records such as material breaches of trust. They shall also express their opinion on whether the nominees meet the independence and other criteria for serving as an independent Director. Nominees shall make public statements confirming their compliance with the independence and other criteria for serving as an independent Director.

Article 87 Except for the cumulative voting system, the shareholders' meeting shall vote on all proposals one by one, and if there are different proposals on the same matter, they will be voted on in the chronological order in which they are put forward. Other than special reasons such as force majeure, which results in the interruption and termination of the shareholders' meeting or makes it impossible to adopt resolutions, the shareholders' meeting shall not set aside the proposals and shall vote on them.

Article 88 When a proposal is being considered at the shareholders' meeting, no change shall be made to the proposal, or the relevant change shall otherwise be deemed as a new proposal which may not be voted at such shareholders' meeting.

Article 89 Only one method of voting can be chosen among on-site voting, online voting or other voting methods for the same right to vote. The first voting result shall prevail in the event of repeated voting on the same right to vote.

Article 90 The shareholders' meetings shall adopt a registered voting system.

Article 91 Before voting on a proposal at the shareholders' meeting, two shareholder representatives shall be elected to participate in counting votes and supervising the vote count. Shareholders who are connected with/related to the matter under consideration and their proxies shall not count the votes and scrutinize the poll.

When a proposal is being voted at the shareholder's meeting, the attorney and shareholders' representatives shall be jointly responsible for counting the votes and scrutinizing the vote count, and shall announce the voting results on the spot. The voting results of resolutions shall be recorded in the minutes.

Shareholders or their proxies who cast their votes online or by other means shall have the right to check the results of their votes through the respective voting system.

Article 92 The on-site conclusion time of the shareholders' meeting shall not be earlier than the conclusion time for online or other voting methods. The meeting chairperson shall announce the voting status and results of each proposal and declare whether the proposals are passed based on the voting results.

Until the formal announcement of the voting results, relevant parties, such as the companies, vote counters, scrutineers, major shareholders and Internet service provider, involved in the voting in person, via the Internet or in other ways at the shareholders' meeting shall bear an obligation of confidentiality in respect of the voting.

Article 93 Shareholders attending the shareholders' meeting shall express one of the following opinions on the proposals put to the vote: for, against or abstain, except for the declaration by securities registration and clearing institution as the nominal holder of stock connect mechanism between the PRC and Hong Kong stock markets, or a recognized clearing house or its agent as the nominal holder as defined in the relevant ordinances from time to time in force under the laws of Hong Kong based on the actual holders' intentions.

Unfilled, incorrectly filled, illegible or uncast votes will be regarded as the voters having given up their voting rights and the voting results of the shares held by them shall be counted as "abstention".

Article 94 If the chairperson of the meeting has any doubt as to the voting results of a resolution, he/she may conduct a count of the votes cast. If the chairperson of the meeting fails to conduct a count of votes, any shareholder, whether present in person or by proxy, who objects to the results declared by the chairperson of the meeting may immediately after the declaration of results demand a count of votes, and the chairperson of the meeting shall conduct a count of votes immediately.

Article 95 If the proposal is not passed, or if the current shareholders' meeting changes the resolution of the previous shareholders' meeting, a special reminder shall be included in the announcement of resolutions of the shareholders' meeting.

Article 96 Resolutions of the shareholders' meeting shall be announced in a timely manner. The announcement shall specify the number of shareholders and shareholder proxies attending the meeting, the total number of shares with voting rights they hold and their proportion to the total number of voting shares in the Company, the method of voting, the voting result for each proposal and details of each resolution passed.

Article 97 If the proposal in relation to the payment of cash dividends, the issue of bonus shares or capitalization of capital reserves is passed at the shareholders' meeting, the Company will implement the specific plan within two months after the conclusion of the shareholders' meeting. If the specific plan cannot be implemented within two months due to the requirements of the laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, the implementation date of the specific plan may be adjusted accordingly in accordance with such regulations and the actual situation.

Article 98 Where a proposal regarding the election of a Director at the shareholders' meeting, the newly elected Directors shall assume office immediately following the conclusion of such shareholders' meeting.

CHAPTER 5 DIRECTORS AND THE BOARD

Section 1 General Provisions in Relation to Directors

Article 99 Directors of the Company shall be natural persons who meet the relevant qualification requirements as stipulated by laws, regulations, and the securities regulatory rules of the place where the Company's shares are listed, and possess the necessary qualifications to perform their Directors' duties. The Company shall report the appointment of Directors to the corresponding CSRC office.

A person may not serve as a Director of the Company under any of the following circumstances:

(I) A person who is unable or has limited ability to undertake any civil liabilities;

(II) A person who has been sentenced to any criminal penalty due to an offense of corruption, bribery, encroachment of property, misappropriation of property, or disrupting the order of the socialist market economy, or has been deprived of political rights due to a crime, where a five-year period has not elapsed since the date of completion of the sentence; if he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension period;

(III) A person who was the chairperson or manager of a company or enterprise which has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;

(IV) A person who is a former legal representative of a company or enterprise which had its business license revoked or had been ordered to close down due to violation of the laws and has incurred personal liability, where less than three years have lapsed since the date of the revocation of such business license and close down of such company or enterprise;

(V) A person who is liable for a relatively large amount of debts that are overdue and being listed as a dishonest person subject to enforcement by the People's Court.

(VI) Persons who are penalized by CSRC to be prohibited from participating in the securities markets with a period yet to be expired;

(VII) A person who has been publicly identified by the stock exchange as being unsuitable to serve as Directors or senior management members of listed companies for a period which has not yet expired;

(VIII) Circumstances where one is prohibited from serving as a Director of a futures company as specified by the laws, administrative regulations or departmental rules;

(IX) Other requirements as stipulated by applicable laws, administrative regulations, or securities regulatory rules of the place where the Company's shares are listed.

If the election, appointment or engagement of a Director violates the provisions of this article, such election, appointment or engagement shall be invalid. If a Director falls under any of the circumstances described in this article during his/her term of office, the Company shall terminate his/her role and suspend his/her duties.

Article 100 Directors not being staff representatives shall be elected or replaced by the shareholders' meeting, and may be released of his/her duties by the shareholders' meeting before the expiration of the term of office. The term of office of a Director is three years and upon maturity of the term of office, a Director shall be eligible for re-election and reappointment, provided that an independent Director shall not serve more than six consecutive years.

A Director's term of office shall commence upon assumption of duties and extend through the conclusion of the current Board's tenure. If a Director's term of office expires without timely re-election, until the re-elected Director takes office, the incumbent Director shall continue to fulfill his/her duties in accordance with applicable laws, administrative regulations, departmental rules and the Articles of Association.

Any person appointed by the Board as a Director to fill a casual vacancy or as an addition to the Board shall hold office only until the first annual shareholders' meeting of the Company after his/her appointment, and shall then be eligible for re-election.

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

The Board shall have employee representatives of the Company. Employee representatives on the Board shall be elected by the Company's employees through the employee representative congress, employee assembly or other democratic forms, and shall assume their positions from the date of their election without the need to submit to the shareholders' meeting for consideration.

Article 101 Directors shall comply with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, shall bear the duty of loyalty to the Company, shall take measures to avoid any conflict between their own interests and the interests of the Company, and shall not use their powers to gain improper advantage.

Each Director has the following obligations of loyalty to the Company:

(I) Shall not expropriate the Company's property and misappropriate the Company's funds;

(II) Shall not open any account in his own name or in others' name for the deposit of the Company's funds;

(III) Shall not accept bribes or other illegal income by advantage of his/her duties;

(IV) Shall not directly or indirectly sign any contract or deal with the Company before reporting to the Board or the shareholders' meeting and passing the resolution at the Board meeting or the shareholders' meeting in accordance with the requirements of the Articles of Association;

(V) Shall not, by taking advantage of their functions, obtain, whether for themselves or for others, such business opportunities that should have been procured by the Company, unless reported to the Board or the shareholders' meeting and approved by a resolution of the shareholders' meeting, or the Company is not able to take advantage of the business opportunity in accordance with the laws, administrative regulations or the requirements of the Articles of Association;

(VI) Shall not to operate a business similar to that of the Company for his/her own account or on behalf of others without reporting to the Board or the shareholders' meeting and approval by a resolution of the shareholders' meeting;

(VII) Shall not personally accept commissions derived from others for transactions with the Company;

(VIII) Shall not disclose confidential information of the Company without authorization;

(IX) Shall not damage the interests of the Company by taking advantage of his/her connections;

(X) Other faithful obligations as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Income gained by Directors in violation of this article shall belong to the Company; if any losses are caused to the Company thereby, the involved Director(s) shall bear the appropriate liabilities for damages.

The provisions in item (IV) of the second paragraph of this article shall apply to contracts or transactions entered into by close relatives of Directors or the senior management, enterprises directly or indirectly controlled by Directors or the senior management or their close relatives, and associates with whom Directors or the senior management have other related relationships.

If a Director takes advantage of his/her position to seize for himself/herself or any other person a business opportunity that belongs to the Company, or operates personally or for another person any business of the same nature as that conducted by the Company, such Director shall report to the Board or the shareholders' meeting, fully explain the reasons therefor, measures adopted to prevent conflicts between his/her own interests and the interests of the Company, the impact on the Company and other relevant matters, and make disclosure thereof.

Article 102 Directors shall comply with applicable laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, while fulfilling their duty of diligence towards the Company and shall perform their duties with the reasonable care normally expected of a manager in the best interests of the Company.

Directors shall perform the following duty of diligence to the Company:

(I) To exercise the Company-conferred rights with prudence, diligence, and care, ensuring that its commercial activities comply with State laws, administrative regulations, and economic policy requirements, and remain within the business scope stipulated in the business license;

(II) To treat all shareholders fairly;

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

(IV) To sign a written confirmation of the Company's securities offering documents and periodic reports. To ensure the information disclosed by the Company is true, accurate, and complete; in cases where they cannot guarantee the authenticity, precision, and completeness of the securities offering documents and periodic reports, or if they hold any objections, they are required to express their opinions and provide a rationale in the written confirmation;

(V) To truthfully provide relevant status and information to the audit committee, and not obstruct the audit committee from performing their duties;

(VI) Other obligations of diligence stipulated in applicable laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 103 Where a Director neither attends two consecutive Board meetings nor entrusts another Director to attend the Board meetings, he/she shall be deemed unable to perform his/her duties, and the Board shall propose to the shareholders' meeting to replace the Director.

Article 104 Directors may resign prior to the expiration of their term of office. The resigning Director shall submit a written resignation report to the Company, unless the Director's resignation report specifies a later effective time for the resignation, in which case the resignation shall take effect on the day when the Company receives the resignation report, and the Company shall disclose the circumstances within two trading days. Unless otherwise stipulated, the resigning Director shall continue to perform his/her duties in accordance with relevant laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association before the newly elected Directors take office in the event of any of the following stipulated circumstances: (i) Where the term of office of the Director has expired but a new Director has not been duly elected in a timely manner, or where the resignation of the Director during his/her term results in the number of Board members falling below the statutory number; (ii) Where the resignation of a member of the audit committee results in the audit committee being less than the minimum number of members required by law, or there is a shortage of accounting professionals; (iii) Where the resignation of an independent Director results in the proportion of independent Directors on the Board of the Company or specialized committees not being in compliance with laws and regulations or the Articles of Association, or there is a lack of accounting professionals among the independent Directors.

Article 105 The Company shall establish a management system for Directors' resignation, clearly specifying the accountability and compensation measures for unfulfilled public commitments and other outstanding matters. Where the resignation of a Director takes effect or his/her term of office expires, he/she shall complete all transfer procedures with the Board. The Director remains not free from the duty of loyalty to the Company and shareholders, which will not be certainly lifted upon the expiration of the term and remains effective during the reasonable period specified in the Articles of Association. The liability that a Director bears during the term of office due to the performance of his/her duties shall not be waived or terminated upon leaving office. Any commitments of a Director that remain unfulfilled upon such Director's departure from office shall continue to be performed.

The period during which a Director shall remain liable after the effective date of his/her resignation or the expiration of his/her term of office shall be two years after the effective date of his/her resignation or the expiration of his/her term of office, provided that the obligation of confidentiality in respect of the Company's secrets (including, but not limited to, technological and commercial secrets) shall be continued after his/her departure from the office until the disclosure of the relevant information.

Article 106 The shareholders' meeting may resolve to remove a Director, with the removal taking effect on the date of the resolution.

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

Article 107 Except as required by the Articles of Association or except as lawfully authorized by the Board, no Director shall act on behalf of the Company or the Board in his/her own name. If a Director acts in his/her own name but a third party may reasonably think that the said Director is acting on behalf of the Company or the Board, the said Director shall make a prior statement of his/her standpoint and capacity.

Article 108 Where a Director causes damage to others during the performance of his/her duties, the Company shall be liable for compensation; where a Director acts with willful or material default, he/she shall also be liable for compensation.

In the event of any loss caused to the Company as a result of violation of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association by the Directors when performing duties of the Company, they shall be liable for compensation.

Section 2 Board

Article 109 The Company has established a Board that comprises nine Directors, including one chairperson, three independent Directors and one employee representative Director. The chairperson shall be elected by the Board with approval of more than half of all the Directors.

Article 110 The Board shall exercise the following functions and powers:

(I) To convene the shareholders' meeting and present reports on its work to the shareholders' meeting;

(II) To implement the resolutions of the shareholders' meeting;

(III) To determine the Company's business operation plans and investment plans;

(IV) To develop the Company's proposals for profit distribution and loss recovery plans;

(V) To formulate plans for increasing or decreasing the Company's registered capital, issuing bonds or other securities, and pursuing the Company's listing;

(VI) To develop plans for major acquisitions, share buy-backs, mergers, divisions, dissolution, or changes to the form of the Company;

(VII) To determine outbound investments, acquisitions, asset disposals, asset mortgages, external guarantees, entrusted wealth management, connected transactions, and external donations of the Company, within the authority granted by the shareholders' meeting;

(VIII) To establish the Company's internal management structure;

(IX) To decide on the appointment or dismissal of the General Manager, the Board Secretary, and other senior management personnel of the Company, and to determine their remuneration, incentives, and penalties; to decide on the appointment or dismissal of senior management members, such as the Deputy General Manager or Financial Officer, based on nominations by the General Manager, and to determine their remuneration, incentives, and penalties;

(X) To formulate the Company's basic management systems;

(XI) To develop amendment proposals for the Articles of Association;

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

(XIII) To propose to the shareholders' meeting the engagement or replacement of the accounting firm responsible for auditing the Company;

(XIV) To review the General Manager's performance reports and conduct evaluations of their executive duties;

(XV) Other functions and powers granted by applicable laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's shares are listed, the Articles of Association or the shareholders' meeting.

Matters that fall outside the scope of authorization granted by the shareholders' meeting shall be submitted to the shareholders' meeting for examination and approval.

Article 111 The Board shall establish the functions and powers for, amongst others, outbound investments, acquisitions and disposals of assets, asset mortgages, external guarantees, entrusted wealth management, connected transactions and external donations, while implementing rigorous inspection and decision-making procedures. For significant investment projects, the Board shall convene relevant experts and professionals to conduct reviews and submit reports to the shareholders' meeting for approval.

Subject to the securities regulatory rules of the place where the Company's shares are listed, trades conducted by the Company that meet the Board's criteria shall be reviewed and approved by the Board. Matters meeting the criteria for consideration at a shareholders' meeting shall be submitted to the shareholders' meeting for review upon approval by the Board, with details as follows:

(I) Transactions: Any transaction proposed by the Company that meets the disclosure criteria specified in Rule 6.1.2 of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (hereinafter referred to as the "Listing Rules") shall be reviewed by the Board; where the Company intends to enter into a discloseable transaction meeting the criteria specified in Rule 6.1.3 of the Listing Rules, such transaction shall also be submitted to the shareholders' meeting for consideration.

(II) Related-party Transactions: Where the Company intends to enter into a related-party transaction meeting the criteria specified in Rule 6.3.6 of the Listing Rules, such transaction shall be submitted to the Board for consideration only after obtaining the approval of a majority of all independent Directors. Where the Company intends to enter into a related-party transaction meeting the criteria specified in Rule 6.3.7 of the Listing Rules, such transaction shall also be submitted to the shareholders' meeting for consideration.

Where laws and administrative regulations, departmental rules, normative documents, regulatory rules of the place where the Company's shares are listed or the Articles of Association contain separate requirements regarding the identification, criteria, decision-making procedures, or information disclosure for the aforementioned trades and related-party transactions, such requirements shall prevail.

Article 112 The Board of the Company shall make a statement to the shareholders' meeting regarding the non-standard audit opinion issued by the certified public accountant on the Company's financial report.

Article 113 The Board shall establish rules of procedure for Board meetings to ensure the implementation of resolutions of the shareholders' meeting, enhance operational efficiency, and warrant sound decision-making.

Article 114 The chairperson shall exercise the following powers and functions:

(I) To preside over the shareholders' meeting and convene and preside over the Board meetings;

(II) To supervise and inspect the implementation of resolutions of the Board;

(III) To sign on corporate bonds and other valuable securities;

(IV) To nominate the appointment and dismissal of the general manager, and to submit such nomination to the Board for approval.

(V) To sign important documents of the Board and other documents required to be signed by the chairperson of the Board of the Company;

(VI) In case of emergency circumstances of force majeure events such as extraordinary natural disasters, to exercise special disposal powers in compliance with legal requirements and in the interests of the Company with regard to affairs of the Company, and to provide post event reports to the Board and the shareholders' meeting;

(VII) The chairperson of the Board has the right to approve or decide on other transactions that are not subject to consideration by the Board and shareholders' meeting required by the laws, administrative regulations, departmental rules, normative documents, regulatory rules of the place where the Company's Shares are listed and the Articles of Association;

(VIII) Other powers conferred by applicable laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Article 115 Where the chairperson is incapable of performing, or is not performing his/her duties, a Director jointly elected by more than one-half of all the Directors shall perform his/her duties.

In the event that the chairperson is unable to perform his/her responsibilities due to special circumstances such as disappearance, death or incapacitation, the Company may, in accordance with the provisions of the Articles of Association, temporarily designate a person who meets the qualification requirements to act in his/her stead. Such designation shall be reported to the CSRC office within three business days of the date of such decision. The Company shall appoint a person who meets the qualifications to serve as chairperson within thirty days.

Article 116 The Board and the chairperson of the Board shall exercise their functions and powers within the scope prescribed by laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, and shall not exceed their authority to interfere with the operational management activities of the management team.

Article 117 Board meetings are categorized into regular and extraordinary ones. The Board shall hold at least one meeting per quarter, which shall be organized by the chairperson of the Board. All Directors shall be notified in writing fourteen days prior to the scheduled regular Board meeting.

Article 118 An extraordinary Board meeting can be convened when proposed by shareholders representing more than one tenth of the voting rights, more than one-third of the Directors or audit committee. The chairperson shall convene and preside over the Board meeting within ten days after receiving the proposal.

Article 119 Notice of extraordinary Board meetings shall be delivered in person, by mail, e-mail, facsimile, etc. The notice period shall be three days before the meeting. In urgent circumstances, if an extraordinary Board meeting needs to be convened as soon as practical, a meeting notice may be given at any time by telephone or other oral method, without being subject to the aforementioned time limit.

Article 120 The notice of Board meetings shall include the following particulars:

(I) Date and venue of the meeting;

(II) Duration of the meeting;

(III) Reasons and issues for discussion;

(IV) The date on which the notice is despatched.

Article 121 Meetings of the Board shall be attended by more than one-half of the Directors before they can be held. Each Director shall have one vote for resolutions to be approved by the Board. A resolution of the Board is valid only with the approval of more than one-half of all the Directors.

Article 122 If a Director has a connected relationship with an enterprise or individual involved in a matter on which a resolution is to be made at a Board meeting, such Director shall promptly report in writing to the Board. A Director who has a connected relationship may not exercise his/her right to vote regarding such resolution, nor may he/she exercise the voting right of another Director as such Director's proxy thereon. Such Board meeting may be held only if more than one half of the Directors without a connected relationship are present, and the resolutions made at such a Board meeting shall be passed by more than one half of the Directors without a connected relationship. If the number of non-related Directors attending a Board meeting is less than three, the matter shall be submitted to a shareholders' meeting for consideration.

Article 123 Board meetings may be conducted in person or via electronic communication. Voting may be conducted by written ballot (including but not limited to electronic communication methods such as video, telephone, fax or email) or by a show of hands.

As long as the Directors can fully express their opinions, an extraordinary Board meeting may be held by way of electronic communication, during which resolutions may be passed and signed by participating Directors.

Article 124 Directors shall attend Board meetings in person; Should a Director be unable to attend a meeting for any reason, he/she may, through a written power of attorney, designate another Director to act as a proxy. The power of attorney shall explicitly delineate the proxy's name, the specific matters to be addressed, the extent and duration of the authority conferred, and shall bear the signature or seal of the appointing Director. The proxy shall exercise the rights of a Director within the scope of the authorization. If a Director fails to attend a Board meeting or appoint a proxy, he/she shall be deemed to have waived his/her right to vote at that meeting.

An independent Director is prohibited from delegating a non-independent Director to attend a meeting on his/her behalf. Similarly, a non-independent Director is not permitted to accept such a delegation from an independent Director.

Article 125 The Board shall ensure a record of minutes is made for decisions on matters deliberated, and Directors attending such meeting, the Board secretary and the minute-taker shall sign the minutes.

Minutes of the Board meeting are kept as corporate records for a period of not less than ten years.

Article 126 The minutes of a Board meeting shall specify:

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

(II) Names of Directors present at the meeting and Directors (proxies) present at such meeting on behalf of other Directors;

(III) Agenda of the meeting;

(IV) Key points of Directors' speeches;

(V) The voting method and result of each resolution (the voting result shall specify the number of votes for, against or abstention).

Section 3 Independent Directors

Article 127 The independent Directors shall conscientiously perform their duties in accordance with the requirements of laws, administrative regulations, the requirements of the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, and serve the roles of participation in decision-making, supervising and balancing, and professional consulting in the Board, so as to safeguard the interests of the Company as a whole and to protect the legal rights and interests of minority shareholders.

Article 128 Independent Directors shall maintain their independence. The following persons shall not serve as independent Directors:

(I) Persons working for the Company or its subsidiaries, their spouses, parents, children, and major social relations;

(II) Persons who directly or indirectly hold more than 1% of the issued shares of the Company, or the natural person shareholders in the top ten shareholders of the Company, and such shareholders' spouses, parents, and children;

(III) Any employee of any corporate shareholder that directly or indirectly holds more than 5% of the Company's issued shares, or any employee of any of the five largest corporate shareholders of the Company, and his/her spouses, and parents, children;

(IV) Persons who hold positions in the subsidiaries of the controlling shareholder and the de facto controller of the Company and their spouses, parents and children;

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

(VI) Personnel providing finance, laws, advisory, sponsorship or other services to the Company, its Controlling Shareholders, de facto controllers or their respective affiliates, including but not limited to all members of the project team at intermediaries providing such services, all levels of reviewers, signatories on reports, partners, Directors, senior management and principal responsible officers;

(VII) Those who in the most recent twelve months have fallen into any of (1) to (6) circumstances mentioned above;

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

The subsidiaries of the controlling shareholders and the de facto controllers of the Company mentioned in subparagraphs 4 to 6 of the preceding paragraph exclude the enterprises which are controlled by the same state-owned assets management institution together with the Company and are not related with the Company according to the 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 with the annual report.

Article 129 An independent Director of the Company shall meet the following conditions:

(I) Having the qualifications to hold office as a Director of a listed company according to the relevant requirements of laws, administrative regulations and other relevant provisions;

(II) Meeting the independence requirements set forth in the Articles of Association;

(III) Having basic knowledge of the operation of listed companies and being familiar with the relevant laws, regulations and rules;

(IV) Possessing over five years of work experience in law, accounting or economics required for his/her service as an independent Director;

(V) Excelling in virtue, having no bad records such as major breach of trust;

(VI) Other conditions as stipulated by applicable laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Article 130 As members of the Board, independent Directors assume loyalty and diligence obligations to the Company and all shareholders, and prudently fulfill the following duties:

(I) To participate in Board decision-making and express clear opinions on matters under discussion;

(II) To supervise potential material conflicts of interest between the Company and its controlling shareholders, de facto controllers, Directors, and senior management to protect the legitimate rights and interest of minority shareholders;

(III) To provide professional and objective advice on the operation and development of the Company and promote the improvement of the decision-making level of the Board;

(IV) Other responsibilities as stipulated by applicable laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Article 131 The independent Directors shall exercise the following special functions and powers:

(I) To independently engage intermediaries to conduct audit, advise or verification on specific matters of the Company.

(II) To propose to the Board the calling of an extraordinary Shareholders' Meeting;

(III) To propose the calling of Board meetings;

(IV) To publicly solicit shareholder rights from shareholders in accordance with the law;

(V) To express independent opinions on matters that may prejudice the rights and interests of the Company or the small and medium shareholders;

(VI) Other functions and powers as stipulated by applicable laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

When an independent Director exercises the functions and powers listed in items (I) to (III) of the preceding paragraph, he/she shall obtain the consent of majority of all independent Directors.

Where independent Directors exercise the functions and powers set out in the first paragraph, the Company shall promptly disclose such exercise. Should the aforementioned functions and powers be unable to be exercised normally, the Company shall disclose the specific circumstances and reasons.

Article 132 The following matters shall be submitted to the Board for consideration after approval by more than half of all independent Directors of the Company:

(I) Related-party transactions that should be disclosed;

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

(III) Decisions made and measures taken by the Board in respect of the acquisition of the Company when the Company is acquired;

(IV) Other matters as stipulated by applicable laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Article 133 The Company establishes a mechanism for special meeting attended solely by independent Directors. Related-party transactions should be pre-approved by the special meeting of independent Directors before being submitted to the Board for consideration.

The Company shall convene special meetings of independent Directors on a regular or irregular basis. Matters listed in items (I) to (III) of the first paragraph of Article 131, and Article 132 of the Articles of Association shall be considered by a special meeting of independent Directors.

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

The special meeting of independent Directors shall make minutes according to the rules, and the opinions of independent Directors shall be stated in the minutes. Independent Directors shall sign to confirm the minutes of the meetings.

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

Section 4 Specialized Committees of the Board

Article 134 The Board of the Company shall establish an audit committee to exercise the powers of the Supervisory Committee as stipulated in the Company Law.

Article 135 The audit committee shall comprise three members, all of whom shall be Directors not serving as senior management of the Company. Among them, two shall be independent Directors, and the convener of the committee shall be an accounting professional selected from the independent Directors. Employee representatives serving on the Board may be members of the audit committee. The members and the convener of the audit committee shall be elected by the Board.

Article 136 The audit committee shall be responsible for reviewing the company's financial information and disclosures, overseeing and evaluating internal and external audits and internal controls. The following matters shall be submitted to the Board for consideration only after obtaining approval by a majority of all audit committee members:

(I) Disclosure of financial information and internal control evaluation reports in financial and accounting reports and periodic reports;

(II) Appointment or dismissal of an accounting firm responsible for the Company's auditing business;

(III) Appointment or dismissal of the financial officer of the Company;

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

(V) Other matters as stipulated by applicable laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Article 137 The audit committee shall hold at least one meeting each quarter. The Company shall give notice to all members three days before convening the meeting and shall provide relevant materials and information. In urgent circumstances where the convening of a meeting is required as soon as possible, notice may be given at any time by telephone or other verbal means. Interim meetings may be held upon request by two or more members or when the convener deems necessary. Audit committee meetings require attendance by at least two-thirds of members to constitute a quorum.

The convener of the audit committee is responsible for presiding over audit committee meetings. If the convener is unable to perform his/her duties, a member of the audit committee jointly elected by a majority of the members of the audit committee shall preside over the meeting.

The resolutions of the audit committee shall be passed by a majority of the members of the audit committee.

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

Minutes of audit committee resolutions shall be duly prepared in accordance with applicable requirements, and shall be signed by all audit committee members present at the meeting.

The working procedures of the audit committee shall be formulated by the Board.

Article 138 The Board has established specialized committees including the strategy committee, the nomination committee, the risk management committee and the remuneration and appraisal committee, which shall perform their duties in accordance with the Articles of Association and the authorization of the Board. Proposals of the specialized committees shall be submitted to the Board for consideration and approval. The working procedures of the specialized committees shall be formulated by the Board.

The specialized committees of the Board of the Company, including the strategy committee, the nomination committee, the risk management committee and the remuneration and appraisal committee, are each comprised of three Directors. Independent directors shall constitute a majority of the nomination committee and the remuneration and appraisal committee, with an independent Director acting as the convenor. The members and convenors of the committees are elected by the Board. However, where relevant competent departments of the State Council provide otherwise with respect to the convener of the specialized committees, such provisions shall prevail.

Article 139 The strategic committee is responsible for researching and making recommendations on the Company's long-term development strategies and major investment decisions.

Article 140 The nomination committee is responsible for formulating the criteria and procedures for the selection of Directors and senior management, selecting and reviewing the candidates for Directors and senior management and their qualifications for office, and making recommendations to the Board on the following matters:

(I) Nomination, appointment or removal of a Director;

(II) Appointment or dismissal of a senior management member;

(III) Other matters as stipulated by applicable laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

If the Board fails to adopt or fully adopt the recommendations of the nomination committee, the Board shall record in its resolution the opinions of the nomination committee and the specific reasons for not adopting such opinions, and make corresponding disclosure.

Article 141 The risk management committee is responsible for the control, management, evaluation and supervision of risks of the Company.

Article 142 The remuneration and appraisal committee is responsible for formulating the assessment standards for Directors and senior management, conducting assessments, formulating and reviewing the remuneration decision mechanisms, decision-making processes, payment and cessation of payment recovery arrangements, and other remuneration policies and plans for Directors and senior management. The committee shall make recommendations to the Board on the following matters:

(I) Remuneration of Directors and senior management;

(II) Formulation or amendments to equity incentive plans, employee stock ownership plans, the granting of rights to incentive recipients and the achievement of conditions for exercise of such rights by incentive recipients;

(III) Arrangement of stock ownership plans for subsidiaries to be spun off by the Directors and senior management;

(IV) Other matters as stipulated by applicable laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

If the Board does not adopt or fully adopt the recommendations of the remuneration and appraisal committee, the Board shall record the opinions of the remuneration and appraisal committee and the specific reasons for not adopting in a resolution of the Board, and make corresponding disclosure.

CHAPTER 6 SENIOR MANAGEMENT

Section 1 General Provisions

Article 143 The Company shall have one General Manager who shall be appointed or dismissed by the Board.

The Company shall have one to six Deputy General Managers who shall be appointed or dismissed by the Board.

Article 144 The provisions of the Articles of Association regarding the circumstances under which a person is not eligible to serve as a Director and the management system for departure also apply to senior management.

The provisions of the Articles of Association on the faithful obligations and diligence obligations of Directors shall equally apply to senior management.

Article 145 A person who holds an administrative post other than a Director, supervisor in an entity owned by the controlling shareholder of the Company shall not act as the senior management of the Company.

The senior management of the Company shall only receive remuneration from the Company, not from the controlling shareholders on behalf of the Company.

Article 146 The senior management of the company shall be appointed for a term of three years, which is renewable upon re-election.

Article 147 The General Manager shall be liable to the Board and exercise the following functions and powers:

(I) To oversee the operation and management of the Company, organize the implementation of the Board's resolutions, and report on his/her work to the Board;

(II) To organize the implementation of the Company's annual business plan and investment plan;

(III) To prepare and propose the setup of the Company's internal management structure;

(IV) To formulate the fundamental management systems of the Company;

(V) To develop specific rules and regulations of the Company;

(VI) To propose to the Board the appointment or dismissal of the Deputy General Manager and the Financial Officer of the Company;

(VII) To appoint or dismiss management personnel, excluding those whose appointments or dismissals fall under the Board's authority;

(VIII) To review, sign, or authorize the review and signing of the following external documents of the Company:

(1) Important documents, except for those that shall be signed by the chairperson, which the General Manager is authorized to sign;

(2) All legal documents that the Board and the chairperson are authorized to sign;

(3) For regular project documents, based on the division of responsibilities within the Company, to be signed by the senior management member or a specific operator designated by the General Manager;

(4) Other documents that require the General Manager's signature.

(IX) Other functions and powers as conferred by the Articles of Association or the Board.

The general manager shall attend Board meetings.

Article 148 The general manager shall formulate working rules of the general manager, and shall be implemented after being approved by the Board.

Article 149 The working rules of the general manager shall include the following:

(I) Conditions and procedures for the convention and participants of general manager meetings;

(II) The specific responsibilities of each of the general manager and other senior management personnel and the allocation of their job duties;

(III) The authority to utilize the Company's funds and assets and to enter into material contracts, and the reporting system to the Board;

(IV) Other matters that the Board considers necessary.

Article 150 Senior management may resign before expiration of the term of office. The procedures and rules for resignation of the senior management shall be specified in the labor contracts between the senior management and the Company.

Article 151 The deputy general manager is directly responsible to and reports to the general manager and performs relevant duties based on the setup of the internal management organization of the Company.

Article 152 The Company shall appoint a secretary of the Board, whose responsibilities include the preparation for shareholders' meetings and Board meetings, document safekeeping, shareholder information management and information disclosure handling.

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

Article 153 Where a senior management member causes damage to others while enforcing his/her duties for the Company, the Company shall be liable for compensation. Where a senior management member acts with intentional misconduct or gross negligence, he/she shall also be liable for compensation.

In the event of any loss caused to the Company as a result of violation of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association by a senior management member when performing duties of the Company, he/she shall be liable for compensation.

Article 154 Senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders.

If any senior management officer of the Company fails to faithfully perform his/her duties or violates his/her duty of good faith, causing harm to the interests of the Company and public shareholders, he shall be liable for compensation in accordance with laws.

Section 2 Chief Risk Officer

Article 155 The Company has a chief risk officer, who is responsible for supervising and inspecting the legal compliance of the futures company's operational and management activities, as well as the status of risk management. The chief risk officer reports directly to the Board of the Company.

Article 156 The chief risk officer shall meet the qualification requirements as stipulated by the CSRC, and shall be nominated by the Board, the chairperson or the general manager and appointed only upon approval by the Board and the unanimous consent of all independent Directors.

The chief risk officer is elected for a term of three years, and may be re-appointed for consecutive terms.

Article 157 The chief risk officer shall comply with laws, administrative regulations, the requirements of the CSRC and the requirements of the Articles of Association, and shall remain faithful to their duties, uphold integrity, and perform their responsibilities diligently.

Article 158 The chief risk officer shall perform responsibilities with full independence, exercise independent, prudent and timely judgment, and proactively recuse themselves from matters involving conflicts of interest.

Article 159 The chief risk officer is prohibited to:

(I) Commit unauthorized absence, fail to perform his/her duties without cause or authorize others to perform duties on his/her behalf;

(II) Hold any other positions in the Company other than the head of the compliance department, or engage in activities that may affect the independent performance of his/her duties;

(III) Withhold the information about, delay to report or make false report on, any illegal behavior and irregularity or significant potential risk in the Company's operation and management;

(IV) Take advantage of his/her position for personal gain;

(V) Abuse his/her power to intervene the Company's normal operation;

(VI) Do harm to the legitimate interests of the Company or customers by leaking the Company's secrets or customer information to third parties unrelated to the performance of his/her duties;

(VII) Prejudice the legitimate interests of customers or the Company in any other ways.

Article 160 Before the expiry of his/her term of office, the chief risk officer may not be removed from office by the Board without any justified reason.

Article 161 If the chief risk officer is unable to perform his/her duties, or if any of the circumstances specified in Article 159 of the Articles of Association or other illegal and unlawful acts occur, the Board of the Company may remove the chief risk officer from office.

Article 162 If the chief risk officer tenders his resignation, he/she shall apply 30 days in advance to the Board and report the same to the counterparts of CSRC at the Company's domicile.

Article 163 The chief risk officer has the following functions and power necessary for the performance of his/her duties:

(I) To attend or sit in on meetings directly related to the execution of his/her responsibilities;

(II) To inspect relevant documents, files and information of the Company;

(III) To engage in discussions with relevant personnel of the Company, as well as with representatives of organizations providing audit, legal and other intermediary services;

(IV) To understand the execution of the Company's business activities;

(V) Other functions and powers as stipulated in applicable laws, administrative regulations, departmental rules, or the Articles of Association.

Article 164 Directors, senior management and each department shall support and cooperate with the work of the chief risk officer, and shall not, by reason of commercial secrets concerns or otherwise, limit or obstruct the performance of duties by the chief risk officer.

Article 165 Shareholders and Directors shall not violate the procedures provided by the Company to give instructions directly to the chief risk officer by bypassing the Board or interfere with the work of the chief risk officer.

CHAPTER 7 FINANCIAL AND ACCOUNTING SYSTEMS, DISTRIBUTION OF PROFITS, AND AUDITS

Section 1 Financial and Accounting Systems

Article 166 The Company shall formulate its financial and accounting systems pursuant to the provisions of applicable laws, administrative regulations and the relevant State authorities.

Article 167 The Company shall submit and disclose its annual report to the dispatched agencies of the CSRC and the stock exchange where the Company's shares are listed within four months following the end of each financial year, and submit and disclose its interim report to the dispatched agencies of the CSRC and the stock exchange within two months after the conclusion of the first half of each financial year.

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

Article 168 The Company shall not maintain books of accounts other than those provided for by law. The funds of the Company shall not be deposited into an account established in the name of any individual.

Article 169 When a company distributes its after-tax profits of the current year, it shall set aside 10% of the profits as funds of the statutory reserve fund. The company may discontinue setting aside funds of the statutory provident fund if the cumulative amount of the statutory provident fund is 50% or more of the registered capital of the company.

If the Company's statutory reserve fund is insufficient to cover the losses of the previous year, the current year's profits shall first be used to offset such losses before allocating funds to the statutory reserve fund as outlined above.

After the company appropriates the statutory provident fund from its after-tax profits, it may, upon a resolution passed by the shareholders' meeting, also appropriate a discretionary provident fund from its after-tax profits.

Following the offset of any losses and the appropriation to reserve funds, the remaining balance of the after-tax profits shall be distributed to shareholders in proportion to their shareholdings, unless otherwise specified in the Articles of Association. The portion of the Company's profit designated for cash distribution to shareholders shall comply with the applicable laws and regulations. Additionally, the implementation of the profit distribution plan shall ensure that the Company's risk control indicators, including net capital, remain above the early warning thresholds established by the CSRC.

If the shareholders' meeting, in violation of the Company Law, distributes profits to shareholders, the shareholders shall return the unlawfully distributed profits to the Company; if there is any loss so caused to the Company, the shareholders, responsible Directors and senior management shall be liable for indemnification.

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

The Company shall appoint one or more receiving agents for H shareholders in Hong Kong. The receiving agents shall, on behalf of the relevant H shareholders, collect and hold the dividends and other amounts payable by the Company in respect of the H shares, pending their disbursement to such H shareholders. The receiving agents designated by the Company shall adhere to the applicable laws, regulations, and securities regulatory rules of the place where the Company's shares are listed.

Article 170 Provident fund of the Company shall be used to make up for its losses, expand its production and operation, or increase its registered capital.

The discretionary common reserve and statutory common reserve should be used first to make up the Company's losses; if it cannot be covered, the capital common reserve shall be used in accordance with the provisions.

When the statutory reserve fund is converted into the increased registered capital, the remaining reserve shall not be less than 25% of the registered capital of the Company prior to such conversion.

Article 171 After the profit distribution plan has been resolved at a shareholders' meeting or after the Board of the Company has formulated a specific plan according to the conditions and caps of interim dividends for the next year considered and approved at the annual general meeting, dividend (or share) distribution shall be completed within two months. If the distribution cannot be completed within two months due to the requirements of laws and regulations and the securities regulatory rules of the place where the shares of the Company are listed, the specific distribution date can be adjusted according to such requirements and the actual situation.

Article 172 The Company shall attach importance to the implementation of a lasting and stable profit distribution policy towards a reasonable return of investment for investors. The Company distributes dividends through cash, stock, or a combination of both. Provided that the Company is profitable, meets regulatory requirements such as net capital adequacy, and ensures normal operations and long-term development, it shall prioritize cash dividends.

Article 173 The Company's Board shall formulate an annual dividend distribution proposal based on the results of the annual audit and submit it to the shareholders' meeting for deliberation and approval. The Company may distribute profits during the interim period of the fiscal year. The specific distribution plan shall be formulated by the Company's Board based on the Company's actual operating and financial conditions within its functions and powers and approved by the shareholders' meeting of the Company, or the Company's Board may formulate a specific interim dividend plan in accordance with the criteria for appropriation of profits based on the resolution of the annual shareholders' general meeting.

When formulating profit distribution plans, particularly cash dividend plans, the Board shall thoroughly research and deliberate on matters including the timing, criteria, and minimum ratio of cash dividends, adjustment criteria, and decision-making procedures. If independent directors believe that a specific cash dividend plan may harm the interests of the Company or minority shareholders, they shall have the right to express independent opinions. If the opinions of the independent Directors are not adopted or not fully adopted by the Board of Directors, the opinions of independent Directors and the specific reasons for non adoption shall be recorded and disclosed in the resolutions of the Board of Directors.

Before considering the profit distribution plan, especially the cash dividend plan, submitted by the Board of Directors at the shareholders' meeting, the Company shall communicate and exchange views with shareholders, especially minority shareholders, through public channels, sufficiently listen to the comments and requests from minority shareholders, and promptly answer the questions which concern minority shareholders. In addition to setting up on-site voting at the shareholders' meeting, the Company shall also provide shareholders with support for an online voting system.

The Company's profit distribution policy shall not be altered arbitrarily. Should significant changes in the external business environment or the Company's own operational condition necessitate revisions to the profit distribution policy, the Company's Board shall formulate a proposed amendment to the profit distribution policy within its functions and powers. The adjustment of the Company's profit distribution policy requires approval by more than two-thirds of the voting rights held by the shareholders present at the shareholders' meeting.

Article 174 The Audit Committee shall supervise the implementation of cash dividend policy and shareholders' return plan by the Board, and whether to perform the corresponding decision-making procedures and information disclosure. If the Audit Committee finds that the Board fails to strictly implement the cash dividend policy and shareholders' return plan, fails to strictly perform the corresponding decision-making procedures or fails to truthfully, accurately and completely disclose the corresponding information, it shall issue clear opinions and urge the Board to make corrections in a timely manner.

Article 175 The objective of the Company's cash dividend policy shall be as follows: The Company has adopted a consistent and stable dividend distribution policy, which prioritizes providing investors with reasonable returns on investment while ensuring the Company's sustainable development. The Company shall develop its annual profit distribution plan for the year, taking into account its profitability, operational and production development requirements, as well as the need to provide shareholders with reasonable investment returns, while ensuring the continuity and stability of its profit distribution policy.

If the Company chooses to distribute dividends in the form of cash, stock, or a combination thereof, it shall prioritize cash dividends. Furthermore, the amount of profit distributed in cash each year shall not be less than 10% of the distributable profit realized in that year.

The Board of the Company shall, taking into account the characteristics of the industry in which it operates, its stage of development, its own mode of operation, profitability, debt repayment ability, whether it has any significant capital expenditure arrangements and investor returns, distinguish between the following circumstances and propose a differentiated cash dividend policy in accordance with the procedures set out in the Articles of Association:

1) Where the Company is in the mature stage of development and has no significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution for the period shall reach at least 80%;

2) Where the Company is in the mature stage of development and has significant capital expenditure arrangements, the proportion of cash dividends in the profit distribution for the period shall reach at least 40%;

3) Where the Company is developing at a growing stage and there are material capital expenditure arrangements, the minimum proportion of cash dividends to such profit distribution shall reach 20% in making profit distribution;

Where the Company's development stage is difficult to define but there is any significant capital expenditure arrangement, the aforesaid provisions of item 3) shall be followed. The "proportion of cash dividends in the profit distribution for the period" refers to cash dividends divided by the sum of cash dividends and stock dividends.

The Company shall determine the specific proportion of the profit distributed in cash in the current year to the distributable profit realized in the current year and whether to distribute dividend in the form of shares based on the Company's annual profitability and future capital utilization plan. Relevant proposals shall be submitted to the Company's shareholders' meeting for approval after being reviewed by the Board of the Company. The Board may propose interim cash dividend distributions based on the Company's profitability and capital requirements.

The Company shall ensure that the distribution of stock dividends is synchronized with capital expansion and performance growth. When facing net capital constraints or insufficient cash flow, the Company may consider adopting stock dividends as a method of profit distribution. Profit distribution through stock dividends shall be based on genuine and reasonable factors such as the Company's growth potential and the dilution of net assets per share.

If profit is recorded for the year and the Board does not put forth any cash dividends distribution proposal, reasons therefor and the use of such funds to be retained by the Company which may otherwise be used as dividends shall be explained in details in its announcement of resolutions passed at the Board meeting and its periodic report.

Section 2 Internal Audit

Article 176 The Company shall implement an internal audit system, which defines the leadership structure, duties and powers, personnel allocation, funding assurance, application of audit results and accountability for internal audit work.

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

Article 177 The internal audit institution of the Company conducts supervision and inspection of the business activities, risk management, internal control, financial information and other matters of the Company.

The internal audit institution shall maintain independence, employ dedicated audit personnel, and shall not be placed under the leadership of the finance department or share office space with the finance department.

Article 178 The internal audit institution reports to the Board.

During the supervision and inspection of the Company's business activities, risk management, internal control, and financial information, the internal audit institution shall be subject to the oversight and guidance of the Audit Committee. If the internal audit institution discovers any significant issues or leads, it shall immediately report directly to the Audit Committee.

Article 179 The internal audit institution is responsible for the specific organization and implementation of the Company's internal control evaluation. Based on the evaluation report issued by the internal audit institution and reviewed by the Audit Committee, as well as relevant materials, the Company shall issue its annual internal control evaluation report.

Article 180 When the Audit Committee communicates with external audit entities such as accounting firms and state audit institutions, the internal audit institution shall provide active cooperation and furnish necessary support and collaboration.

Article 181 The Audit Committee participates in the evaluation of the head of internal auditing.

Section 3 Appointment of Accounting Firms

Article 182 The Company shall engage an accounting firm that complies with the provisions of the Securities Law and the securities regulatory rules of the Company's listing jurisdiction to audit its financial statements, verify net assets, and provide other relevant consulting services. The term of employment of the accounting firm shall be one year, which is renewable.

Article 183 The appointment and dismissal of accounting firms shall be decided by the shareholders' meeting, and the Board shall not appoint any accounting firm prior to a decision made by the shareholders' meeting.

Article 184 The Company guarantees to provide the engaged accounting firm with accurate and complete accounting vouchers, ledgers, financial statements, and other relevant accounting materials. The Company shall not refuse, conceal, or falsify any such information.

Article 185 The audit fee of the accounting firm shall be decided by the shareholders' meeting.

When the Company dismisses or decides not to renew the engagement of the accounting firm, it shall provide a 30-day prior notice to the accounting firm. Additionally, the accounting firm shall have the right to present its opinions at the shareholders' meeting where the voting process regarding its dismissal is conducted.

Where the accounting firm resigns, it shall make clear to the shareholders' meeting whether there is any impropriety on the part of the Company.

CHAPTER 8 NOTICE AND PUBLIC ANNOUNCEMENT

Article 186 A notice of the Company shall be made in the following forms:

(I) delivery by hand;

(II) by mail;

(III) by public announcement;

(IV) other ways recognized by the regulatory authorities of the place where the shares of the Company are listed or required by the Articles of Association.

Article 187 Notice issued by the Company by way of announcement shall, upon announcement, be deemed to have been received by all persons concerned.

Article 188 The Company shall publish announcements and other information that needs to be disclosed in a manner that complies with the securities regulatory rules of the place where the Company's shares are listed.

Article 189 The notices of general meetings convened by the Company shall be issued by way of announcement.

Article 190 Notices of the Company's Board meeting shall be sent by fax, email, personal delivery, or postal mail.

Article 191 If the Company's notice is sent by fax or email, the time when the relevant equipment at the Company's sending location shows successful transmission shall be the time of service; if the Company's notice is delivered by a special person, the recipient shall sign (or affix a seal on) the delivery receipt, and the date of signing by the recipient shall be the date of service; for any notice delivered by mail, the date of service shall be the fifth working day upon the delivery to the post office; for any notices issued by the Company by way of announcement, the date of first publication shall be the date of service.

Article 192 The failure to send a notice to a person entitled to receive it, or the non-receipt of such notice by that person, due to an accidental omission, shall not invalidate the meeting or the resolutions adopted at the meeting.

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

Section 1 Merger, Division, Capital Increase and Reduction

Article 193 A merger of a company may take the form of an absorption merger or a consolidation merger.

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

Article 194 Where the consideration for the merger payable by the Company does not exceed 10% of the net assets of the Company, the merger is not subject to the approval of general meeting, unless otherwise provided for in the Articles of Association.

Mergers conducted in accordance with the preceding paragraph without a resolution of the shareholders' meeting must be approved by a resolution of the Board of Directors.

Article 195 A company merger requires the parties involved to sign a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten (10) days from the date of adopting the merger resolution and shall publish a merger announcement in the newspaper or the National Enterprise Credit Information Publicity System within thirty (30) days.

A creditor may, within thirty (30) days from the date of receipt of the notification, or within forty-five (45) days from the date of the announcement if he has not received such notification, request the Company to settle any outstanding debts or provide corresponding guarantees.

Article 196 In the case of a merger, the credits and debts of the companies involved shall be succeeded by the company that survives the merger or by the newly established company.

Article 197 In the event of a division of the Company, its properties shall be divided up accordingly.

When the Company divides, it shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten (10) days from the date of adopting the division resolution and shall publish an announcement in a newspaper or the National Enterprise Credit Information Publicity System within thirty (30) days.

Article 198 The post-division companies shall bear joint liabilities for the debts of the former company before it is divided, unless it is otherwise prescribed in a written agreement reached by the Company and the creditors before the division regarding the pay-off of debts.

Article 199 In the event of a reduction in the Company's registered capital, the Company shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within ten (10) days from the date of adopting the resolution to reduce its registered capital and shall publish an announcement of such reduction in a newspaper or the National Enterprise Credit Information Publicity System within thirty (30) days. The creditors may demand that the Company repay its debts or provide corresponding guarantees within thirty (30) days of receiving the notice or, if no notice was received, within forty-five (45) days of the announcement's publication.

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

Article 200 After the Company has covered its losses in accordance with the provisions of paragraph 2 of Article 170 of the Articles of Association, if there are still losses, it may reduce its registered capital to cover the losses. The Company shall not distribute to shareholders or exempt shareholders from the obligation to contribute capital or pay shares when reducing registered capital to cover losses.

If the Company reduces its registered capital according to the preceding paragraph, it is exempted from paragraph 2 of Article 199 in this Articles of Association. However, the Company shall make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within thirty (30) days after the shareholders' meeting adopts the resolution to reduce the registered capital.

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

Article 201 Where registered capital is reduced in violation of the PRC Company Law or other relevant regulations, the Shareholders shall return the funds they have received, and any reduction in capital contributions shall be restored to its original state; where losses are incurred by the Company, the Shareholders and Directors or senior management personnel who bear responsibility shall be liable to compensate.

Article 202 When the Company issues new shares to increase its registered capital, Shareholders shall not enjoy preemptive subscription rights, unless otherwise provided in this Articles of Association or determined by a shareholders' meeting resolution.

Article 203 In case of merger or division of the Company, and the registered matters have changed, the registration of the changes shall be made with the company registration authority in accordance with the law; if the Company is dissolved, the registration of cancellation of the Company shall be made in accordance with the law; if a new company is established, the registration of establishment of a company shall be made in accordance with the law.

Any increase or reduction of the Company's registered capital shall be duly registered with the competent company registry in accordance with applicable laws.

Section 2 Dissolution and Liquidation

Article 204 The Company shall be dissolved under any of the following circumstances:

(I) When the term of business specified in the Articles of Association expires or any other cause for dissolution as stipulated in the Articles of Association arises;

(II) Dissolution by resolution of the shareholders' meeting;

(III) Dissolution is necessary due to a merger or division of the Company;

(IV) The business license is revoked, or the entity is ordered to close down or is revoked in accordance with the law;

(V) Shareholders holding 10% or more of the voting rights may petition the People's Court for dissolution of the company due to insurmountable operational difficulties that cannot be otherwise resolved and where continued operation would cause significant shareholder losses.

In the event of the occurrence of any cause leading to the dissolution of the Company as stipulated in the preceding paragraph, such dissolution cause shall be published on the National Enterprise Credit Information Publicity System within ten (10) days of its occurrence.

Article 205 In the event of item (I) or (II) of Article 204 of these Articles and in case that no assets have been distributed to shareholders, the Company may carry on its existence by amending these Articles or by a resolution adopted at a shareholders' meeting.

The amendment to the Articles of Association according to the preceding paragraph or pursuant to the resolution of the shareholders' meeting, shall be passed by more than two-thirds of the voting rights held by shareholders present at the shareholders' meeting.

Article 206 In the event of dissolution pursuant to item (I), (II), (IV) or (V) of Article 204 of these Articles, the Company shall be liquidated. The directors shall be the Company's liquidators and a liquidation committee shall be set up within fifteen (15) days from the date upon which the cause of dissolution arises.

The liquidation committee shall consist of the directors, unless the shareholders' meeting resolves to elect another person.

The liquidation obligors shall bear the liability for losses suffered by the Company or creditors due to their failure to perform the obligations of liquidation in a timely manner.

Article 207 The liquidation committee shall exercise the following functions and powers during liquidation:

(I) To notify creditors through written notice or public announcement;

(II) To thoroughly examine the assets of the Company, and prepare a balance sheet and a schedule of assets respectively;

(III) To deal with the Company's outstanding business related to liquidation;

(IV) To pay any tax overdue as well as tax amounts arising from the process of liquidation;

(V) To settle claims and debts;

(VI) To distribute the remaining assets after the Company's debts have been discharged;

(VII) To represent the Company in civil litigation activities.

Article 208 The liquidation committee shall notify the creditors within ten (10) days of its establishment and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within sixty (60) days. Creditors shall file their claims with the liquidation committee within thirty (30) days of receiving notice or, if no notice was received, within forty-five (45) days of the announcement's publication.

Creditors submitting claims shall specify the relevant details of the claims and provide supporting documentation. The liquidation committee shall register the claims.

During the claim submission period, the liquidation committee shall not make payments to creditors.

Article 209 After liquidating the Company's assets and preparing the balance sheet and inventory of assets, the liquidation committee shall formulate a liquidation plan and submit it to the shareholders' meeting or the People's Court for confirmation.

The remaining assets of the Company, after the payment of liquidation expenses, employees' wages, social insurance contributions, statutory compensation and outstanding taxes and the settlement of the Company's debts, shall be distributed among the shareholders pro rata to their respective shareholdings.

During liquidation, the Company continues to exist, but may not conduct any operation irrelevant to liquidation.

The Company's assets shall not be distributed to shareholders until all outstanding liabilities have been fully settled in compliance with the aforementioned provisions.

Article 210 If, after liquidating the Company's assets and preparing the balance sheet and inventory of assets, the liquidation committee finds that the Company's assets are insufficient to discharge its debts, it shall apply to the People's Court for bankruptcy liquidation in accordance with the law.

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

Article 211 Upon completion of the Company's liquidation, the liquidation committee shall prepare a liquidation report and submit it to the shareholders' meeting or the People's Court for confirmation, and file it with the Company registration authority, applying for the cancellation of the company's registration.

Article 212 Members of the liquidation committee shall fulfill their duties with fidelity and diligence.

Members of the liquidation committee who neglect their liquidation duties and cause losses to the Company shall bear liability for compensation; if losses are caused to creditors due to intentional misconduct or gross negligence, they shall also bear liability for compensation.

Article 213 If the Company is declared bankrupt according to the law, bankruptcy liquidation shall be implemented in accordance with the relevant laws on enterprise bankruptcy.

CHAPTER 10 AMENDMENT TO THE ARTICLES OF ASSOCIATION

Article 214 The Company shall amend its Articles of Association under any of the following circumstances:

(I) After the revision of the Company Law or relevant laws, administrative regulations or the security regulatory rules of the place where the shares of the Company are listed, the items stipulated in the Articles of Association conflict with the revised laws, administrative regulations or security regulatory rules of the place where the shares of the Company are listed;

(II) The Company has undergone modifications, resulting in inconsistencies with the provisions documented in the Articles of Association;

(III) The shareholders' meeting decides to amend the Articles of Association.

Article 215 The amendments to the Articles of Association adopted by a resolution of the shareholders' meeting shall be submitted to competent authorities for approval if so required; for any change in business registration, application shall be made for such change according to law.

Article 216 The Board shall amend the Articles of Association in accordance with the resolutions of the shareholders' meeting and the approval opinions of relevant competent authorities.

Article 217 Where amendments to the Articles of Association constitute information required to be disclosed under applicable laws, regulations and securities regulatory rules of the Company's listing jurisdiction, they shall be announced in compliance with the relevant provisions.

CHAPTER 11 SUPPLEMENTARY PROVISIONS

Article 218 Definitions

(I) Controlling shareholder refers to a shareholder who holds more than 50% of the Company's share capital; or a shareholder who holds less than 50% of the shares but whose voting rights on the basis of their shareholdings are sufficient to exercise a significant influence on the resolutions of the shareholders' meetings, or a controlling shareholder as defined by the securities regulatory rules of the place where the Company's shares are listed.

(II) The actual controller refers to a natural person, legal entity, or other organizations that, through investment relationships, agreements, or other arrangements, has the ability to exercise actual control over the Company's actions.

(III) Related party relationships refer to the relationships between the Company's controlling shareholders, actual controller, Directors, and senior management personnel and the enterprises they directly or indirectly control, as well as other relationships that may result in the transfer of the Company's interests. However, the enterprises controlled by the state do not incur a related relationship simply because their shares are controlled by the state.

(IV) Treasury shares refer to shares that have been previously issued but have been purchased, redeemed, surrendered or otherwise acquired and not cancelled, and are still held by the Company. Unless otherwise provided by the listing rules of the stock exchanges where the Company's shares are listed, the Company Law or relevant laws and regulations, treasury shares shall not be voted, directly or indirectly, at any meeting of the Company.

Article 219 The Board may formulate detailed by-laws in accordance with the requirements of the Articles of Association. Such by-laws shall not be in conflict with the Articles of Association.

Article 220 These Articles of Association are written in Chinese. In the event of any inconsistency between these Articles of Association and any other language version or different version of the Articles of Association, the Chinese version of the Articles of Association as last approved and registered by the Zhejiang Province Administration for Market Regulation shall prevail.

Article 221 In these Articles of Association, the terms "at least" and "within" are inclusive terms, while the terms "over", "other than", "lower than" and "more than" are exclusive terms.

Article 222 These Articles of Association shall take effect following approval at the shareholders' meeting. The Board shall be responsible for the interpretation of these Articles of Association. Matters not covered in these Articles of Association shall be dealt with pursuant to the laws, administrative regulations and securities regulatory rules of the place where the shares of the Company are listed and in line with the actual circumstances of the Company.

Article 223 The appendices to these Articles of Association include the rules of procedure for shareholders' meetings and the rules of procedure for Board meetings.

NANHUA FUTURES CO., LTD.
RULES OF PROCEDURE FOR THE SHAREHOLDERS' MEETING

CHAPTER I GENERAL PROVISIONS

Article 1 In order to regulate the conduct of Nanhua Futures Co., Ltd. (hereinafter referred to as the "Company"), and to ensure that the shareholders' meetings exercise the functions and powers thereof according to laws, these Rules had been formulated in accordance with the provisions of the Company Law of the People's Republic of China (《中華人民共和國公司法》) (hereinafter referred to as the "Company Law"), the Rules for Shareholders' General Meeting of Listed Companies, the Securities Law of the People's Republic of China (《中華人民共和國證券法》) (hereinafter referred to as the "Securities Law"), the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (《上海證券交易所股票上市規則》, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant laws, regulations, normative documents and the relevant provisions of the Articles of Association of Nanhua Futures Co., Ltd. (hereinafter referred to as "the Articles of Association"), and in combination with the actual situation of the Company.

Article 2 These rules shall apply to the convening, proposal, notice, and holding of shareholders' meetings of the Company.

Article 3 The Company shall convene shareholders' meetings in strict accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, the relevant provisions of the Articles of Association and these Rules, to ensure that shareholders can exercise their rights in accordance with the law.

The Board of the Company shall diligently perform its duties and organize shareholders' meetings in a serious and timely manner. All directors of the Company shall act with due diligence and care to ensure that shareholders' meetings are held properly and can exercise their powers and functions in accordance with the law.

Article 4 The shareholders' meeting shall exercise its powers and functions within the scope prescribed by the Company Law and the Articles of Association.

Article 5 The shareholders meeting are divided into annual shareholders' meeting and extraordinary shareholders' meeting. Annual shareholders' meetings are held once a year and within six months from the end of the preceding accounting year. Extraordinary shareholders' meetings shall be convened from time to time, and in the event that an extraordinary shareholders' meeting shall be convened as stipulated in Article 113 of the Company Law, the extraordinary shareholders' meeting shall be convened within two months.

If the Company is unable to hold a shareholders' meeting within the above-mentioned period, it shall report to the dispatched office of the China Securities Regulatory Commission (hereinafter referred to as "CSRC") where the Company is located and the Shanghai Stock Exchange, explain the reasons and make an announcement.

Article 6 The Company shall engage a lawyer to issue a legal opinion on the following issues and make an announcement when the shareholders' meeting is convened:

(I) whether the convening and holding procedures of the meeting are in compliance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association and these Rules;

(II) whether the qualifications of the persons attending the meeting and the qualifications of the convenor are legal and valid;

(III) whether the voting procedures and results of the meeting are legal and valid;

(IV) legal opinions on other related issues at the request of the Company.

CHAPTER II CONVENING OF SHAREHOLDERS'MEETING

Article 7 The Board of Directors shall convene a shareholders' meeting in a timely manner within the period prescribed in Article 5 of these Rules.

Article 8 As approved by more than half of all independent directors, independent Directors have the right to propose to the Board for the convening of an extraordinary shareholders' meeting. In response to the proposal from the independent Directors for the convening of an extraordinary shareholders' meeting, the Board shall, in accordance with the provisions of the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, provide a written feedback within ten days after receiving the proposal with respect to whether it agrees or disagrees to convene an extraordinary shareholders' meeting.

In the event that the Board agrees to convene an extraordinary shareholders' meeting, a notice of the shareholders' meeting shall be given within five days of such resolution by the Board; in the event that the Board disagrees with the convening of an extraordinary shareholders' meeting, the reasons for such shall be stated and announced.

Article 9 Where the Audit Committee proposes to the Board of Directors to convene an extraordinary shareholders' meeting, it shall put forward its proposal to the Board of Directors in writing. The Board shall, pursuant to the provisions of the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, furnish a written reply on whether or not to convene the extraordinary shareholders' meeting within ten days after receiving such proposal.

If the Board agrees to convene the extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days after the resolution is passed by the Board of Directors. Any change to the original proposal in the notice shall be subject to the approval from the Audit Committee.

If the Board of Directors does not agree to convene the extraordinary shareholders' meeting or fails to furnish a written reply within ten days after receiving such proposal, it shall be deemed that the Board of Directors is unable or fails to perform the duty of convening the shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

Article 10 Shareholders who individually or together hold 10% or more of the shares of the Company (excluding treasury shares) shall request the Board of Directors to convene an extraordinary shareholders' meeting and such request shall be made to the Board of Directors in writing.

The Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an extraordinary shareholders' meeting within ten days upon receipt of the request in accordance with the provisions of the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Where the Board of Directors agrees to hold an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days after the resolution was made. Any change to the original request in the notice shall be subject to the approval from the relevant shareholders. Where the Board of Directors does not agree to hold an extraordinary shareholders' meeting or fails to give a reply within ten days upon receipt of the request, shareholders who individually or together hold 10% or more of the shares of the Company (excluding treasury shares) shall submit a proposal to the Audit Committee on holding an extraordinary shareholders' meeting, such request shall be made to the Audit Committee in writing.

Where the Audit Committee agrees to hold an extraordinary shareholders' meeting, it shall issue a notice of shareholders' meeting within five days after receiving the request. Any changes to the original request in the notice shall be subject to the approval from the relevant shareholders.

Where the Audit Committee fails to give the notice of the shareholders' meeting within the specified time limit, it shall be deemed that the Audit Committee does not convene and preside over the meeting, in which case, shareholders who individually or together hold 10% or more of the shares of the Company (excluding treasury shares) for 90 or more consecutive days may convene and preside over the meeting on their own.

Article 11 Where the Audit Committee or shareholders decide to convene an extraordinary shareholders' meeting on its/their own, it/they shall give a written notice to the Board of Directors and report the same to the Shanghai Stock Exchange for the record.

When issuing the notice of the shareholders' meeting and the announcement of the resolution(s) of the shareholders' meeting, the Audit Committee or shareholders who convene the shareholders' meeting shall submit relevant supporting materials to the Shanghai Stock Exchange.

Prior to the announcement of the shareholders' meeting resolution, the shareholding of the convening shareholders (excluding treasury shares) shall not be less than 10%.

Article 12 For the shareholders' meetings convened by the Audit Committee or shareholders on their own initiatives, the Board of Directors and the Secretary of the Board shall cooperate with the Audit Committee or the shareholders.

The Board of Directors shall provide the register of members as at the shareholding registration date. If the Board of Directors fails to provide the register of members, the convener may apply to the securities registration and clearing authority to obtain it upon presentation of the announcement relating to the notice of the shareholders' meeting. Register of members obtained by the convener shall not be used for any purpose other than the convening of the shareholders' meeting.

Article 13 Any necessary expenses incurred in connection with the convening of the shareholders' meeting by the Audit Committee or the shareholders on its or their own shall be borne by the Company.

CHAPTER III PROPOSALS AND NOTICES OF SHAREHOLDERS' MEETING

Article 14 The content of proposals shall fall within the functions and powers of the shareholders' meeting, have clear subject for discussion and specific matters to be resolved and comply with relevant requirements of the laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

Article 15 Shareholder(s) individually or jointly holding 1% or more of the Company's shares (excluding treasury shares) may submit an extraordinary proposal to the convener in writing ten days prior to date of the meeting. The convener shall dispatch a supplementary notice of the shareholders' meeting and announce the contents of such provisional proposal within two days upon receipt of the proposal, and submit the extraordinary proposal to the shareholders' meeting for consideration. Except for any proposal that violates laws, administrative regulations or the Articles of Association, or any proposal that falls outside the purview of the shareholders' meeting. The Company shall not raise the shareholding ratio for Shareholders proposing extraordinary proposals.

Except as provided in the preceding paragraph, after the convener issues a public notice of the shareholders' meeting, conveners shall not amend the proposals or add any new proposals in the notice of the shareholders' meeting.

The shareholders' meeting shall not vote for and pass a resolution on any proposal not stated in the notice of the shareholders' meeting or not complying with the provisions of the Articles of Association.

Article 16 The convener will notify the shareholders by means of an announcement 21 days prior to the annual shareholders' meeting and the extraordinary shareholders' meeting will be notified by means of an announcement 15 days prior to the date of the meeting.

The Company shall not include the day on which the meeting is held in calculating the starting period.

Article 17 The meeting notice and the supplemental notice shall fully disclose the complete details of all proposals, as well as all information or explanations necessary for shareholders to make a reasonable judgment on the matters to be discussed.

Article 18 If the election of directors is proposed to be discussed at a shareholders' meeting, the notice of the shareholders' meeting shall fully disclose the detailed information on the director candidates, which shall at least include:

(I) personal particulars, including academic qualifications, working experience and concurrent positions;

(II) whether or not there is any connected relationship with the Company or its controlling shareholder(s) and de facto controller(s);

(III) the number of shares in the Company held;

(IV) whether or not the candidate has been subject to penalties by the CSRC or other relevant authorities as well as sanctions by any stock exchange;

(V) other contents required to be disclosed by relevant laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company's shares are listed.

In addition to adopting the cumulative voting system to elect directors, a single proposal on each of the candidates for directors shall be submitted.

Article 19 The notice of a shareholders' meeting shall state the time and place of the meeting and the record date therefor. The interval between the record date and the day of meeting shall be no more than seven working days. Once the record date is determined, it shall not be changed.

Article 20 After giving notice of a shareholders' meeting, the shareholders' meeting shall not be adjourned or cancelled without justifiable reasons, and the proposals set out in the notice shall not be cancelled. In the event of postponement or cancellation, the convenor shall make an announcement at least two business days prior to the scheduled date of the meeting and explain the reasons therefor. If the securities regulatory rules of the place where the shares of the Company are listed stipulate otherwise in respect of the aforesaid matters, such provisions shall prevail on the premise of not violating domestic regulatory requirements.

CHAPTER IV HOLDING OF THE SHAREHOLDERS' MEETING

Article 21 The Company shall hold the shareholders' meeting at the place where the Company is domiciled or at the place selected by the convener in the notice of the shareholders' meeting as necessary. A venue shall be set up for the shareholders' meeting and it shall be held in the form of an on-site meeting, and the shareholders may attend the shareholders' meetings through the Internet or other means. The Company shall, in accordance with the provisions of the laws, administrative regulations, the CSRC, or the Articles of Association, use secure, cost-effective and convenient online and other means to facilitate the shareholders.

Shareholders may attend the shareholders' meetings in person and exercise the right to speak and vote, or they may entrust others to attend on their behalf and exercise the right to speak and vote within the authorised scope (unless individual shareholders are required to abstain from voting in respect of individual matters as required by the securities regulatory rules of the place where the Company's shares are listed).

Article 22 The Company shall clearly specify the voting time and procedures for online or other form of voting in the notice of the shareholders' meeting.

Voting online or by any other means shall commence not earlier than 3:00 p.m. on the day before the physical shareholders' meeting is held and not later than 9:30 a.m. on the day when the physical shareholders' meeting is held, and shall be concluded not earlier than 3:00 p.m. on the day when the physical shareholders' meeting ends.

Article 23 The Board of Directors and other conveners shall take necessary actions to ensure the proper order of the shareholders' meeting. Measures shall be taken to stop any disruption of the shareholders' meeting or troublemaking as well as infringement of the legitimate rights and interests of shareholders, and the matter shall be promptly reported to the relevant authorities for investigation and handling.

Article 24 All shareholders or their proxies registered in the share register as of the record date shall be entitled to attend the shareholders' meeting, and the Company and the convener(s) shall not refuse them for whatever reasons. Shareholders present at a shareholders' meeting have one vote for each share they hold. However, shares held by the Company itself are not entitled to any voting rights.

Article 25 Shareholders shall attend the shareholders' meeting with their identity cards or other valid documents or certificates capable of demonstrating their identity. The proxy shall also submit the power of attorney of the shareholders and valid personal identity documents.

Article 26 The convenor and the attorney shall jointly verify the lawfulness of shareholders' qualifications against the register of shareholders provided by the securities registration and settlement institutions and register the shareholders' names and the number of voting shares that they hold. The registration of the meeting shall be closed until the chairman of the meeting announces the number of shareholders and proxies present at the meeting and the total number of shares with voting rights.

Article 27 If a shareholders' meeting requires the attendance of Directors and senior management, the Directors and senior management shall do so and answer shareholders' inquiries.

Article 28 The shareholders' meeting shall be presided over by the Chairman of the Board. In the event that the chairman of the Board of Directors is unable to or does not perform his duties, the meeting shall be presided over by a director jointly elected by a majority of the directors.

Where a shareholders' meeting is convened by the Audit Committee on its own, the meeting shall be presided over by the convener of the Audit Committee. In the event that the convener of the Audit Committee is unable to or does not perform his duties, the meeting shall be presided over by a member of the Audit Committee jointly elected by a majority of the members of the Audit Committee.

Where a meeting is convened by shareholders on their own, the meeting shall be presided over by the convener or a representative elected by him/her.

When a shareholders' meeting is held and the chairman of the meeting violates these rules of procedure in a way that makes it difficult for the shareholders' meeting to continue, a person may be elected at the shareholders' meeting to act as the chairman so as to carry on with the meeting, subject to the approval of more than half of the attending shareholders holding voting rights.

Article 29 In the annual shareholders' meeting, the Board of Directors shall report their work in the past year to the shareholders' meeting. Each independent director shall also present a work report.

Article 30 Directors and senior management shall explain and answer the enquiries from shareholders at the shareholders' meeting.

Article 31 The chairperson of a shareholders' meeting shall, before the commencement of a vote, declare the number of the shareholders attending the meeting in person and by proxy and the total number of voting shares held by them, subject to the register of attendance of the meeting.

Article 32 When a shareholder is related to matters to be considered at a shareholders' meeting, he/she shall abstain from voting. The voting shares held by him/her shall not be counted towards the total number of voting shares represented at the shareholders' meeting.

When material issues affecting the interests of small and medium-sized investors are considered at the shareholders' meeting, the votes of small and medium-sized investors shall be counted separately. The results of such separate vote counting shall be disclosed promptly.

The shares held by the Company carry no voting rights and are excluded from the total count of voting shares present at the shareholders' meeting.

Pursuant to the applicable laws, administrative regulations, departmental rules, normative documents, and securities regulatory rules of the place where the Company's shares are listed, if any shareholder is required to abstain from voting on a specific resolution or is limited to casting a vote solely for or against such resolution, any votes cast by the shareholder (or the proxy) in contravention of these stipulations or limitations shall be excluded from the voting outcome. If a shareholder acquires the Company's voting shares in breach of the stipulations outlined in paragraphs 1 and 2 of Article 63 of the Securities Law, the portion of shares exceeding the prescribed limit shall be deprived of voting rights for thirty-six months following the acquisition and excluded from the aggregate count of voting shares present at the shareholders' meeting.

The Board of the Company, independent Directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established under the laws, administrative regulations, or CSRC provisions, may publicly solicit voting rights from shareholders. The solicitation of shareholders' voting rights shall fully disclose the specific voting intention and other information to the solicited parties. It is prohibited to solicit shareholders' voting rights by means of payment or disguised payment. Except for the statutory conditions, the Company shall not set conditions on the solicitors.

Article 33 When voting on the election of Directors at a shareholders' meeting, a cumulative voting system may be implemented in accordance with the provisions of the Articles of Association or a resolution of the shareholders' meeting. Where a single shareholder of the Company and its parties acting in concert have an interest in more than 30% of the shares, or where two or more independent directors are elected, the cumulative voting system shall be adopted.

Article 34 Except for the cumulative voting system, the shareholders' meeting shall vote on all proposals one by one, and if there are different proposals on the same matter, they shall be voted on in the chronological order in which they are put forward. Other than special reasons such as force majeure, which results in the interruption and termination of the shareholders' meeting or makes it impossible to adopt resolutions, the shareholders' meeting shall not set aside the proposals and shall vote on them.

Article 35 When a proposal is being considered at the shareholders' meeting, no change shall be made to the proposal, or the relevant change shall otherwise be deemed as a new proposal which may not be voted at such shareholders' meeting.

Article 36 Only one method of voting can be chosen among on-site voting, online voting or other voting methods for the same right to vote. The first voting result shall prevail in the event of repeated voting on the same right to vote.

Article 37 Shareholders attending the shareholders' meeting shall express one of the following opinions on the proposals put to the vote: for, against or abstain, except for the declaration by securities registration and clearing institution as the nominal holder of stock connect mechanism between the PRC and Hong Kong stock markets based on the actual holders' intentions.

Unfilled, incorrectly filled, illegible or uncast votes will be regarded as the voters having given up their voting rights and the voting results of the shares held by them shall be counted as "abstention".

Article 38 Before voting on a proposal at the shareholders' meeting, two shareholder representatives shall be elected to participate in counting votes and supervising the vote count. Shareholders who are connected with/related to the matter under consideration and their proxies shall not count the votes and scrutinize the poll.

When a proposal is being voted at the shareholder's meeting, the attorney and shareholders' representatives shall be jointly responsible for counting the votes and scrutinizing the vote count, and shall announce the voting results on the spot.

Shareholders or their proxies who cast their votes online or by other means shall have the right to check the results of their votes through the respective voting system.

Article 39 The on-site conclusion time of the shareholders' meeting shall not be earlier than the conclusion time for online or other voting methods. The meeting chairperson shall announce the voting status and results of each proposal and declare whether the proposals are passed based on the voting results.

Until the formal announcement of the voting results, relevant parties, such as the companies, vote counters, scrutineers, shareholders and Internet service provider, involved in the voting in person, via the Internet or in other ways at the shareholders' meeting shall bear an obligation of confidentiality in respect of the voting.

Article 40 Resolutions of the shareholders' meeting shall be announced in a timely manner. The announcement shall specify the number of shareholders and shareholder proxies attending the meeting, the total number of shares with voting rights they hold and their proportion to the total number of voting shares in the Company, the method of voting, the voting result for each proposal and details of each resolution passed.

Article 41 If the proposal is not passed, or if the current shareholders' meeting changes the resolution of the previous shareholders' meeting, a special reminder shall be included in the announcement of resolutions of the shareholders' meeting.

Article 42 The minutes of the shareholders' meeting shall be maintained by the secretary to the Board. The minutes of meeting shall record the following contents:

(I) the time, venue and agenda of the meeting and name of the convener;

(II) the names of the chairman of the meeting and the Directors and senior management sitting in on the meeting;

(III) the number of shareholders and proxies attending the meeting, the total number of voting shares held by them, and its proportion in the total number of shares of the Company;

(IV) the proceeding of examination of each proposal, summary of the points discussed and results of voting;

(V) details of the inquiries or recommendations of the shareholders, and the corresponding response or explanations;

(VI) names of lawyers and vote-counters and scrutineers;

(VII) such other contents as shall be recorded in the minutes of meetings pursuant to the Articles of Association.

The Directors, secretary of the Board, convener or their representatives who attended the meeting or attended the meeting as observers, and the chairperson of the meeting shall sign the meeting minutes and guarantee the authenticity, accuracy and integrity of the content of the meeting minutes. The meeting minutes shall be kept together with the register of names of the shareholders present, the power of attorney for attendance, and the valid documents for the online and other forms of voting for a period of not less than 10 years.

Article 43 The convener shall ensure that the shareholders' meeting is held continuously until final resolutions are made. In the event that a shareholders' meeting is suspended or no resolutions can be made thereat due to special reasons such as force majeure, the convener shall take necessary measures to restore the shareholders' meeting as soon as possible or directly terminate the shareholders' meeting, and make an announcement promptly. Meanwhile, the convener shall report to the local representative office of the CSRC and the Shanghai Stock Exchange.

Article 44 Where a proposal regarding the election of a Director is passed at the shareholders' meeting, the newly elected Directors shall assume office in accordance with the provisions of the Articles of Association.

Article 45 If the proposal in relation to the payment of cash dividends, the issue of bonus shares or capitalization of capital reserves is passed at the shareholders' meeting, the Company shall implement the specific plan within two months after the conclusion of the shareholders' meeting. If the specific plan cannot be implemented within two months due to the requirements of the laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, the implementation date of the specific plan may be adjusted accordingly in accordance with such regulations and the actual situation.

Article 46 If the Company repurchases ordinary shares for the purpose of reducing its registered capital by issuing preference shares to unspecified parties, or repurchases ordinary shares from specific shareholders of the Company by using the issuance of preference shares to specified parties as the payment method, the resolution of the shareholders' meeting on the repurchase of ordinary shares shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting.

The Company shall announce such resolution on the day following the date on which the shareholders' meeting adopts the resolution on the repurchase of ordinary shares.

Article 47 The content of the resolution made by the shareholders' meeting that violates laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed shall be invalid.

The controlling shareholder and the de facto controller of the Company shall not restrict or obstruct the exercise of voting rights by small and medium-sized investors in accordance with the law, nor shall they harm the legitimate rights and interests of the Company and small and medium-sized investors.

If the convening procedure and voting method of the shareholders' meeting contravenes laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, or if the content of the resolutions contravenes the Articles of Association, the shareholders have the right to request the People's Court to revoke the resolution within sixty days of the resolution, except where the procedures for convening a meeting of the shareholders' meeting or the voting method only have some minor defects, which produce no substantial effect on the resolution.

If there is any dispute among the Board, shareholders or other relevant parties concerning the qualifications of the convener, the convening procedures, the legality of the content of proposals, and the validity of resolutions of the shareholders' meeting, such dispute shall be filed with the People's Court in a timely manner. Before the People's Court hands down any judgement or ruling as rescinded the resolution, the relevant parties shall have to implement the resolution of the shareholders' meeting. The Company, the Directors and senior management shall diligently perform their duties, promptly implement the resolutions of the shareholders' meeting, and ensure the normal operation of the Company.

Where the People's Court has handed down a judgement or ruling on the relevant matter, the Company shall fulfill the obligation of information disclosure in accordance with the laws, administrative regulations, the provisions of CSRC and the Shanghai Stock Exchange, which shall include a full account of the impact, and shall actively implement in compliance with such judgement or ruling after the same comes into effect. Where rectification of previous executed matters is involved, such rectification shall be promptly processed and the obligation of information disclosure shall be fulfilled accordingly.

CHAPTER V SUPERVISION AND MANAGEMENT

Article 48 If the Company fails to convene a shareholders' meeting within the time limit prescribed in these Rules without justifiable reasons, the Shanghai Stock Exchange may, in accordance with its business rules, suspend trading of the Company's listed shares and derivatives, and request the Board to make an explanation and publish an announcement.

Article 49 If the convening and holding of a shareholders' meeting and the relevant information disclosure do not comply with the requirements of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association and these Rules, the CSRC shall, in accordance with the law, order the Company or the relevant responsible persons to make rectification within a prescribed period, and the Shanghai Stock Exchange may, in accordance with its business rules, take relevant self-regulatory measures or impose disciplinary sanctions.

Article 50 If Directors or the secretary to the Board are in violation of the laws, administrative regulations, the securities regulatory rules of the place where the Company' shares are listed, the Articles of Association and these Rules, and not earnestly perform their duties, the CSRC shall order them to make corrections in accordance with laws, and the Shanghai Stock Exchange may take relevant self-regulatory measures or impose disciplinary sanctions in accordance with the business rules; in serious cases, the CSRC may impose a market ban on the relevant personnel.

CHAPTER VI SUPPLEMENTARY PROVISIONS

Article 51 Unless otherwise specified, terms used in these Rules shall have the same meanings as those terms have in the Articles of Association.

Article 52 The term "announcement", "notice" or "supplemental notice of the shareholders' meeting" as used in these Rules refers to the publication of the relevant information disclosure content on media that meet the conditions prescribed by the CSRC and on the website of the stock exchange.

Article 53 Matters not covered in these Rules shall be handled in accordance with the relevant national laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, and the provisions of the Articles of Association.

If these Rules conflict with any laws, administrative regulations, departmental rules promulgated thereafter by the State, or the amended Articles of Association, the provisions of such laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, as the case may be, shall prevail.

Article 54 In these Rules, the terms "at least" and "within" are inclusive terms, while the terms "over", "lower than" and "more than" are exclusive terms.

Article 55 The right to interpret these Rules shall be vested in the Board of the Company.

Article 56 These Rules shall be an appendix to the Articles of Association and shall take effect from the date of approval by the shareholders' meeting.

NANHUA FUTURES CO., LTD.
PROCEDURAL RULES OF THE BOARD

CHAPTER I GENERAL PROVISIONS

Article 1 In order to ensure that the Board of Directors exercises its powers, performs its duties and assumes its obligations in accordance with the law, to further clarify the scope of functions and powers of the Board, to standardise the operating procedures of the Board, to improve the deliberation and scientific decision-making process of the Board, and to give full play to the role of the Board as the centre of operational decision-making of the Company, these rules are formulated in accordance with the relevant provisions of the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (the "Listing Rules"), the Self-Regulatory Guidelines for Listed Companies No. 1 — Standardised Operation of the Shanghai Stock Exchange, and other laws, administrative regulations, departmental rules and normative documents, as well as the Articles of Association of Nanhua Futures Co., Ltd. (the "Articles of Association"), and in light of the actual situation of the Company.

Article 2 The Board of the Company shall exercise its functions and powers in accordance with the relevant national laws, regulations and the Articles of Association.

Article 3 These Rules shall be binding upon all Directors of the Company and other relevant personnel.

Article 4 The Board of the Company has established the Office of the Board under the leadership of the Secretary to the Board, which is responsible for handling the organisation and coordination work of the Board, including arranging the meeting agenda, preparing meeting documents, organising the convening of meetings, keeping the minutes of meetings, and drafting the meeting resolutions and minutes, as well as other daily affairs of the Board.

CHAPTER II SUMMONING AND NOTICE OF THE BOARD MEETINGS

Article 5 The Board shall hold at least two meetings each year, which shall be convened by the Chairman of the Board. Written notice shall be given to all Directors ten days prior to the holding of the meeting.

Article 6 In the event that the chairman of the Board is unable to or does not perform his/her duties, a Director elected jointly by more than half of all Directors may perform his/her duties.

Article 7 Shareholders representing one-tenth or more of the voting rights or one-third or more of the Directors or the Audit Committee may propose to convene an extraordinary Board meeting. The chairman shall convene and preside over a Board meeting within 10 days from the receipt of the proposal.

Article 8 The notice for an extraordinary Board meeting shall be given by means of personal delivery, mailing, email, facsimile or other methods; the notice period shall be three days prior to the holding of the meeting. Where an extraordinary Board meeting is necessary to be convened as soon as possible in case of an emergency, the notice of the meeting may be delivered at any time by telephone or by other verbal means, and the notice of the meeting may be served without the time limitation of the preceding paragraph.

Article 9 The notice of the Board meeting shall at least include the following contents:

(I) date and venue of the meeting;

(II) the duration of the meeting;

(III) subject matter and topic;

(IV) date of issuance of notice.

Article 10 If there is any change in the time, venue or method of convening the meeting, the Secretary to the Board shall give a notice in the manner prescribed in these Rules within two days.

CHAPTER III CONVENING OF THE BOARD MEETINGS

Article 11 Board meetings shall be held only if more than half of the Directors are present.

Article 12 As a general principle, Board meetings shall be held in person. When necessary, on the premise that all participating Directors are able to fully communicate and express their opinions, meetings may be convened by means of electronic communication such as video conference, telephone conference or other methods in accordance with the prescribed procedures.

Article 13 Directors shall attend Board meetings in person; Should a Director be unable to attend a meeting for any reason, he/she may, through a written power of attorney, designate another Director to act as a proxy The power of attorney shall explicitly delineate the proxy's name, the specific matters to be addressed, the extent and duration of the authority conferred, and shall bear the signature or seal of the appointing Director. The proxy shall exercise the rights of a Director within the scope of the authorization. If a Director fails to attend a Board meeting and appoint a proxy, he/she shall be deemed to have waived his/her right to vote at that meeting

Article 14 The appointment of proxies and attendance at Board meetings by proxy shall comply with the following principles:

(I) Where a Director has a related relationship with the matter to be considered at the meeting, a non-related Director shall not appoint a related Director to attend the meeting on his/her behalf, nor shall a related Director accept an appointment from a non-related Director to attend the meeting on his/her behalf;

(II) An independent Director shall not appoint a non-independent Director to attend the meeting on his/her behalf, nor shall a non-independent Director accept an appointment from an independent Director to attend the meeting on his/her behalf;

(III) A Director shall specify in the power of attorney the instructions on how to vote on each proposal. A Director shall not give an unrestricted power of attorney to another Director to attend the meeting on his/her behalf, nor shall a Director accept an unrestricted power of attorney or a power of attorney with unclear authorisation;

(IV) A Director shall not accept appointments from more than two Directors to attend a meeting on their behalf.

CHAPTER IV TOPICS OF BOARD MEETINGS

Article 15 Directors, independent Directors, specialised committees and other relevant persons of the Company may all submit proposals. In principle, all proposals submitted shall be included in the meeting agenda. For any proposal not included in the agenda, the chairman shall explain the reasons in writing to the proposer.

Unless the unanimous consent of all attending Directors is obtained, the Board meeting shall not vote on any proposal not included in the meeting notice. A Director who accepts an appointment from another Director to attend a Board meeting on his/her behalf shall not vote on any proposal not included in the meeting notice on behalf of that other Director.

Article 16 A proposal shall include the name of the proposer, the reasons for the proposal, the proposed time or time limit for convening the meeting, the specific content of the proposal, and the contact of the proposer.

Article 17 Proposals to the Board must be submitted in writing and meet the following conditions:

(I) the content shall not conflict with laws, regulations and the Articles of Association, and shall fall within the scope of the Company's business activities and the functions and powers of the Board;

(II) proposals must be in the interests of the Company and its shareholders;

(III) there shall be a clear topic and specific matters.

Article 18 The matters to be discussed at the Board meeting shall fall within the scope of functions and powers of the Board as stipulated in the Articles of Association.

Article 19 The Board shall establish strict review and decision-making procedures; for major investment projects, relevant experts and professionals shall be organised to conduct a review, and the projects shall be submitted to the general meeting for approval.

CHAPTER V VOTING PROCEDURES OF THE BOARD

Article 20 A resolution of the Board is valid only with the approval of more than one-half of all the Directors.

Article 21 Each Director shall have one vote for resolutions to be approved by the Board

Article 22 When a Board meeting is convened, the chairman of the Board or the meeting host shall announce the topics of the meeting and preside over the deliberations based on the topics. The chairman of the Board or the meeting host shall preside over the meeting with due diligence, fully consider the opinions of the Directors present, control the meeting process, and enhance the efficiency of deliberations and the scientific nature of decision-making.

Article 23 The Board may, based on the meeting agenda, convene other persons related to the topics of the meeting to attend the meeting to present relevant information or provide their opinions. Non-Director members attending the meeting as observers shall not intervene in the deliberations of the Directors, nor shall they affect the progress of the meeting, the voting, or the resolutions.

Article 24 In principle, the Board meeting shall not deliberate on any topics or matters not specified in the meeting notice. When it is necessary to add new topics or matters under special circumstances, such additional topics or matters may only be deliberated and resolved upon by the consent of more than two-thirds of the Directors present at the meeting. When necessary, the chairman of the Board or the meeting host may initiate a voting procedure to determine whether to add new topics or matters.

Article 25 Directors attending a Board meeting shall, when deliberating and voting on relevant matters or proposals, act with a responsible attitude towards the Company, fully express their personal suggestions and opinions on the matters under consideration, and accept responsibility for their own votes.

Article 26 If a Director has a connected relationship with an enterprise or individual involved in a matter on which a resolution is to be made at a Board meeting, such Director shall promptly report in writing to the Board. A Director who has a connected relationship may not exercise his/her right to vote regarding such resolution, nor may he/she exercise the voting right of another Director as such Director's proxy thereon. Such Board meeting may be held only if more than one half of the Directors without a connected relationship are present, and the resolutions made at such a Board meeting shall be passed by more than one half of the Directors without a connected relationship. If the number of non-related Directors attending a Board meeting is less than three, the matter shall be submitted to a shareholders' meeting for consideration.

Article 27 Board meetings may be conducted in person or via electronic communication. Voting may be conducted by written ballot (including but not limited to electronic communication methods such as video, telephone, fax or email) or by a show of hands.

As long as the Directors can fully express their opinions, an extraordinary Board meeting may be held by way of electronic communication, during which resolutions may be passed and signed by participating Directors.

Article 28 Regardless of the method used to convene the Board meeting, the Directors attending the meeting shall express a clear voting opinion of approval, opposition or abstention with respect to each proposal discussed at the meeting, and shall sign the meeting resolutions and the minutes of the Board meeting and bear responsibility therefor.

If a resolution of the Board violates any law, regulation or the Articles of Association, thereby causing losses to the Company, the Directors who participated in such resolution shall be liable for compensation to the Company. However, if it is proved that a Director expressed his/her dissent at the time of voting and such dissent was recorded in the minutes of the meeting, such Director may be exempted from liability.

Article 29 The senior management members attending a Board meeting as observers may fully express their suggestions and opinions on the matters discussed by the Board for the reference of the Board in its decision-making, but shall have no voting rights.

CHAPTER VI RECORDS OF THE BOARD MEETING

Article 30 The Board shall ensure a record of minutes is made for decisions on matters deliberated, and Directors attending such meeting, the Board secretary and the minute-taker shall sign the minutes.

Any Director attending the meeting who neither signs to confirm the minutes nor makes a written statement of his/her dissenting opinion shall be deemed to have fully agreed to the content of the minutes.

Article 31 Minutes of the Board meeting are kept as corporate records for a period of not less than ten years.

Article 32 The minutes of a Board meeting shall specify:

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

(II) Names of Directors present at the meeting and Directors (proxies) present at such meeting on behalf of other Directors;

(III) Agenda of the meeting;

(IV) Key points of Directors' speeches;

(V) The voting method and result of each resolution (the voting result shall specify the number of votes for, against or abstention).

CHAPTER VII ANNOUNCEMENT AND IMPLEMENTATION OF BOARD RESOLUTIONS

Article 33 The announcement of resolutions of the Board shall be handled by the Secretary to the Board in accordance with the relevant provisions of the Listing Rules. Prior to the disclosure of the announcement of the resolution, the Directors attending the meeting, the attendees, record-keepers and service personnel, among others, shall be obliged to keep the content of the resolution confidential.

Article 34 The chairman of the Board shall urge the relevant personnel to implement the resolutions of the Board, examine the implementation of the resolutions, and report the implementation status of the adopted resolutions at subsequent Board meetings.

CHAPTER VIII SUPPLEMENTARY PROVISIONS

Article 35 Unless otherwise specified, terms used in these Rules shall have the same meanings as those terms have in the Articles of Association.

Article 36 Matters not covered in these Rules shall be handled in accordance with the relevant national laws, administrative regulations, departmental rules and the provisions of the Articles of Association.

If these Rules conflict with any laws, administrative regulations or departmental rules promulgated by the State thereafter, or with any amended version of the Articles of Association, the provisions of such laws, administrative regulations, departmental rules or the Articles of Association, as the case may be, shall prevail.

Article 37 In these Rules, the terms "at least" and "within" are inclusive terms, while the terms "more than" are exclusive terms.

Article 38 These Rules shall be an appendix to the Articles of Association and shall take effect from the date of approval by the shareholders' meeting.

Article 39 The right to interpret these Rules shall be vested in the Board of the Company.