

Beijing Yunji Technology Co., Ltd.

ARTICLES OF ASSOCIATION (DRAFT)

(As considered and approved at the first extraordinary shareholders' meeting for 2025)

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ARTICLES OF ASSOCIATION OF BEIJING YUNJI TECHNOLOGY CO., LTD. (DRAFT)

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to safeguard the legitimate rights and interests of Beijing Yunji Technology Co., Ltd. (the “Company”), its shareholders and creditors, to regulate the organization and acts of the Company, the articles of association (the “Articles of Association”) is formulated in accordance with the Company Law of the People’s Republic of China (2023 Revision) (the “Company Law”), the Securities Law of the People’s Republic of China (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 provisions, and taking into account the actual situation of the Company.

Article 2 The Company is a joint stock limited company incorporated in accordance with the Company Law and other relevant regulations. The Company was established through a complete restructuring of Beijing Yunji Technology Co., Ltd. The Company is registered with the Beijing Haidian District Market Supervision and Administration Bureau, where it has obtained its business license, and holds the unified social credit code: 911101080918690509.

Article 3 The Company made an initial offering of [•] overseas listed foreign shares to the public upon completion of the filing procedures with the China Securities Regulatory Commission (the “CSRC”) on [•] and upon approval by The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) for listing on the Main Board of the Hong Kong Stock Exchange on [•].

Article 4 Registered Name of the Company: 北京雲迹科技股份有限公司. English name: Beijing Yunji Technology Co., Ltd.

Article 5 Domicile of the Company: 7/F, District B, Jinqiu International Building, No. 6, Zhichun Road, Haidian District, Beijing.

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

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

Article 8 The chairman or general manager shall be the legal representative of the Company, who shall be elected or replaced with the approval of more than half of all the directors. If the chairman or general manager who serves as the legal representative resigns, it shall be deemed as resigning from the legal representative at the same time. If the legal representative resigns, the Company shall appoint a new legal representative within 30 days from the date of resignation.

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

If the legal representative causes damage to others while performing his or her duties, the Company shall bear civil liability. After assuming civil liability, the Company may recover compensation from the legal representative who is at fault in accordance with the law or the Articles of Association.

Article 9 The assets of the Company are divided into shares with equal par value. The liability of each shareholder to the Company is limited to the shares held by such shareholder. The Company shall be liable for its debts to the extent of its assets.

Article 10 From the effective date hereof, the Articles of Association shall become a legally binding document governing the organization and activities of the Company, and the relationship of rights and obligations between the Company and the shareholders and among the shareholders and shall be legally binding on the Company, its shareholders, directors, supervisors and other senior management members. A shareholder may bring an action against another shareholder or any director, supervisor, general manager and any other senior management member of the Company, or the Company, and the Company may bring an action against any of its shareholder(s), director(s), supervisor(s), general manager or other senior management members, in each case, in accordance with the Articles of Association.

Article 11 For the purpose of the Articles of Association, other senior management members include general managers, deputy general managers, secretary to the board of directors, chief financial officer and other senior management members appointed by the board of directors.

Article 12 The Company shall, in accordance with the provisions of the Constitution of the Communist Party of China, establish the party organizations and carry out party-related activities. The Company shall provide the necessary conditions for the activities of the party organizations.

CHAPTER 2 OPERATIONAL OBJECTIVES AND SCOPE OF BUSINESS

Article 13 The Company's operational objectives are: to become a leading global robotic-based service platform by upholding the spirit of customer orientation, going ahead against all odds, exploring the unmet needs by innovation, dedication and pragmatism, responsibility and cooperation, and honesty and trustworthiness (以客戶為中心、艱苦奮鬥、開拓創新、敬業務實、擔當合作、誠實守信，成為全球領先的機器人服務平台). Reimagining robotics, enriching humanity one billion smiles at a time (機器人，讓人類更幸福).

Article 14 The Company's scope of business in accordance with the registration under the laws includes: general items: technical service, technology development, technology consultation, technology exchange, technology transfer, technology promotion; information technology consulting services; computer system services; research and development of Internet of Things technology; integrated circuit design; professional design services; software development; basic software development for artificial intelligence; development of application software of artificial intelligence; software sales; research and development of intelligent robots; manufacturing of hospitality and consumption robots; wholesale of computer software, hardware and auxiliary equipment; retail of computer software, hardware and auxiliary equipment; sales of communication equipment; manufacturing of security equipment; sales of security equipment; sales of mechanical equipment; mechanical equipment leasing; import and export of goods; technology import and export; import and export agency; hotel management; ticketing agency services; organization of cultural and artistic exchange activities. (Businesses other than those subject to approval shall be legitimately carried out under the business license as the entity sees fit) (No operating activities which are prohibited or restricted by the state or local municipal industrial policies shall be engaged in.)

The business scope of the Company shall be subject to the regulations and registration made by the company registration authority in accordance with the preceding paragraph.

CHAPTER 3 SHARES

Section 1 Issuance of Shares

Article 15 The shares of the Company shall take the form of share certificates.

Article 16 The shares of the Company shall be issued in accordance with the principles of openness, fairness and justice. Each share of the same class shall carry the same rights.

Shares of the same class and in the same issue shall be issued on the same conditions and at the same price. Any entity or individual shall pay the same price for each of the shares it/he/she subscribes for.

Share certificates of the Company shall be in registered form.

Where the share capital of the Company includes non-voting shares, the name of such shares shall contain the term “without voting right”. Where the share capital includes shares with different voting rights, the name of each class of shares (other than shares with the most privileged voting rights) shall contain the term “restricted voting right” or “limited voting right”.

Article 17 The shares issued by the Company, all of which are ordinary shares, are denominated in RMB with a par value of RMB1.00 per share.

Article 18 Of the shares issued by the Company, domestic shares shall be centrally registered and deposited with domestic securities registration and settlement institutions, and matters such as the registration and settlement arrangements for overseas listed shares shall be governed by the regulations of the place where the Company’s shares are listed.

Article 19 At the time of establishment of the Company, the names of the promoters, the number of shares subscribed by them, their shareholding percentage, capital contribution methods and time of contribution are set out in the following table:

No.	Name of promoter	Number of shares held (shares)	Shareholding percentage	Contribution method	Time of contribution
1.	Zhi Tao (支濤)	6,016,193	11.3448	Net assets	December 6, 2021
2.	Anhui Artificial Intelligence Industry Investment Development Co., Ltd. (安徽省人工智能產業投資發展有限公司)	5,917,218	11.1582	Net assets	December 6, 2021
3.	Linzhi Tencent Technology Co., Ltd. (林芝騰訊科技有限公司)	5,621,036	10.5997	Net assets	December 6, 2021
4.	Hu Quan (胡泉)	4,512,147	8.5086	Net assets	December 6, 2021

No.	Name of promoter	Number of shares held (shares)	Shareholding percentage	Contribution method	Time of contribution
5.	Beijing Yunji Angel Investment and Management Partnership (Limited Partnership) (北京雲迹天使投資管理合夥企業(有限合夥))	4,376,375	8.2526	Net assets	December 6, 2021
6.	Hubei Lenovo Yangtze River Technology Industrial Fund Partnership (Limited Partnership) (湖北省聯想長江科技產業基金合夥企業(有限合夥))	2,611,393	4.9243	Net assets	December 6, 2021
7.	Wu Minghui (吳明輝)	2,464,882	4.6481	Net assets	December 6, 2021
8.	Shanghai Yushu Feidian Investment Partnership (Limited Partnership) (上海雨樹沸點投資合夥企業(有限合夥))	2,214,965	4.1768	Net assets	December 6, 2021
9.	Ningbo Lanting Shiling Investment Partnership (Limited Partnership) (寧波瀾亭視聆投資合夥企業(有限合夥))	1,980,775	3.7352	Net assets	December 6, 2021
10.	QM165 LIMITED	1,930,090	3.6396	Net assets	December 6, 2021
11.	AlphaX Partners Fund I L.P.	1,779,329	3.3553	Net assets	December 6, 2021
12.	Jiaxing Maoji No. 2 Equity Investment Partnership (Limited Partnership) (嘉興茂迹貳號股權投資合夥企業(有限合夥))	1,752,308	3.3044	Net assets	December 6, 2021
13.	Shanghai Kehui Venture Capital Investment Co., Ltd. (上海科慧創業投資有限公司)	1,660,077	3.1304	Net assets	December 6, 2021
14.	Li Quanyin (李全印)	1,378,796	2.6000	Net assets	December 6, 2021
15.	Zhu Zigang (朱子剛)	1,279,659	2.4131	Net assets	December 6, 2021
16.	Zhuhai Guangkong Zhongying Industrial Investment Fund Partnership (Limited Partnership) (珠海光控眾盈產業投資基金合夥企業(有限合夥))	1,245,058	2.3478	Net assets	December 6, 2021
17.	CHINA MOBILITY (HK) LIMITED	1,131,367	2.1334	Net assets	December 6, 2021

No.	Name of promoter	Number of shares held (shares)	Shareholding percentage	Contribution method	Time of contribution
18.	Gongqingcheng Feidian Yunji No. 2 Investment Partnership (Limited Partnership) (共青城沸點雲迹二號投資合夥企業(有限合夥))	892,142	1.6823	Net assets	December 6, 2021
19.	Wenzhou Haiyin Qianshao Equity Investment Partnership (Limited Partnership) (溫州海銀前哨股權投資合夥企業(有限合夥))	830,039	1.5652	Net assets	December 6, 2021
20.	CITIC Securities Investment Limited (中信証券投資有限公司)	772,036	1.4558	Net assets	December 6, 2021
21.	Jiaxing Maoji No. 1 Equity Investment Partnership (Limited Partnership) (嘉興茂迹壹號股權投資合夥企業(有限合夥))	759,979	1.4331	Net assets	December 6, 2021
22.	Zhang Huguang (張和光)	694,916	1.3104	Net assets	December 6, 2021
23.	Beijing Qiming Rongxin Equity Investment Partnership (Limited Partnership) (北京啟明融新股權投資合夥企業(有限合夥))	643,363	1.2132	Net assets	December 6, 2021
24.	Gongqingcheng Feidian Yunji Investment Partnership (Limited Partnership) (共青城沸點雲迹投資合夥企業(有限合夥))	514,691	0.9706	Net assets	December 6, 2021
25.	Ningbo Lanting Qiyue Investment Management Partnership (Limited Partnership) (寧波瀾亭啟悅投資管理合夥企業(有限合夥))	51,469	0.0971	Net assets	December 6, 2021
Total		53,030,303	100.0000	–	–

Article 20 The total number of shares of the Company is [•] shares, and the share structure of the Company is as follows: the total number of issued ordinary shares is [•] shares, of which [•] ordinary shares are overseas listed shares, accounting for [•]% of the Company's total ordinary shares in issue, and [•] ordinary shares are domestic shares, accounting for [•]% of the Company's total ordinary shares in issue.

Article 21 Shares issued to domestic investors by the Company for subscription in Renminbi are known as domestic shares. Shares issued to overseas investors by the Company for subscription in foreign currency, and shares held by foreign investors, or shares that are being transferred from domestic shareholders of the Company, are known as foreign shares. Of these foreign shares, those that are listed overseas are known as overseas listed foreign shares, and those that are not listed overseas are known as non-listed foreign shares. Those shares filed with the regulatory authorities authorized by the State Council and approved by the overseas securities regulatory authorities and listed and traded on the overseas stock exchanges are known as overseas listed shares. Unless otherwise required in the Articles of Association, shareholders of domestic shares and foreign shares are holders of ordinary shares sharing the same obligations and rights. After being filed with the CSRC and approved by the Hong Kong Stock Exchange, all or part of the Company's domestic shares may be converted into overseas listed shares, and the overseas listed shares so converted may be listed and traded on an overseas stock exchange. The listing and trading of such converted shares on the overseas stock exchange shall also be subject to the regulatory procedures, regulations and requirements of the overseas stock market. The conversion of domestic shares into overseas listed shares and their listing and trading on an overseas stock exchange does not require a shareholders' meeting to be convened and voted upon.

Section 2 Increase, Reduction and Repurchase of Shares

Article 22 In light of the Company's operational and developmental needs, the Company may increase its capital in accordance with the laws and regulations and subject to a resolution of the shareholders' meeting, by any of the following methods:

- (I) a public offering of shares;
- (II) a private offering of shares;
- (III) allotment of bonus shares to existing shareholders;
- (IV) conversion of reserve funds to share capital;
- (V) other methods permitted by laws, administrative regulations, regulatory rules of the place where the Company's shares are listed, and provisions of the CSRC and other relevant national competent authorities.

Unless otherwise required by regulatory rules of the place where the Company's shares are listed, the shareholders' meeting may authorize the board of directors to decide to issue no more than 50% of the issued shares within three years. However, if non-monetary assets are used as capital contributions, a resolution passed at the shareholders' meeting is required.

If the board of directors decides to issue shares in accordance with the preceding paragraph, resulting in changes to the registered capital and issued shares of the Company, the amendments to such matters recorded in the Articles of Association do not need to be further voted on by the shareholders' meeting.

If the shareholders' meeting authorizes the board of directors to decide on the issuance of new shares, the relevant resolution of the board of directors shall be adopted by two-thirds or more of all the directors.

Article 23 The Company may reduce its registered capital. Any reduction of the Company's registered capital shall be subject to the procedures prescribed in the Company Law and other relevant regulations, as well as the Articles of Association.

Article 24 The Company shall not acquire its shares. However, the Company may, in any of the following circumstances:

- (I) reduce the registered capital of the Company;
- (II) merge with other companies that hold shares in the Company;
- (III) use the shares for employee shareholding schemes or as share incentives;
- (IV) acquire the shares of shareholders (upon their request) who vote against any resolution adopted at any shareholders' meetings on the merger or division of the Company;
- (V) use the shares to satisfy the conversion of those corporate bonds convertible into shares issued by the Company;
- (VI) safeguard corporate value and shareholders' equity as the Company deems necessary.
- (VII) other circumstances required by laws, administrative regulations, regulatory rules of the place where the Company's shares are listed, and provisions of the CSRC and other relevant national competent authorities.

Article 25 The Company may purchase its own shares in the following ways:

- (I) the centralized trading on the stock exchange;
- (II) tender offer;
- (III) other methods permitted by laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and provisions of the CSRC.

Article 26 In the event that the Company acquires shares of the Company for the reasons set forth in (I) and (II) of Article 24 of the Articles of Association, such acquisition shall be resolved at a shareholders' meeting; in the event that the Company acquires shares of the Company for the reasons set forth in (III), (V) and (VI) of Article 24 of the Articles of Association, such acquisition shall be resolved at a board meeting with two-thirds or more of directors present.

After the Company acquires its own shares, under the circumstances in (I) of Article 24 of the Articles of Association, the shares so acquired shall be cancelled within 10 days from the acquisition. In the case of (II) or (IV) of Article 24 of the Articles of Association, the shares so acquired shall be transferred or cancelled within six months. In the case of (III), (V) or (VI) of Article 24 of the Articles of Association, the total number of the Company's shares held by the Company shall not exceed 10% of the total issued shares of the Company, and the shares so acquired shall be transferred or cancelled within three years.

In the event that the Company acquires its own shares, it shall fulfill the information disclosure obligations in compliance with the Securities Law. If the Company acquires its shares under the circumstances as stipulated in (III), (V) and (VI) of Article 24 of the Articles of Association, it shall be conducted by way of an open centralized transaction.

Section 3 Share Transfer

Article 27 The shares of the Company may be transferred in accordance with law.

Article 28 All transfers of H shares shall be effected by instruments of transfer in writing in an usual or ordinary form or in any other form acceptable to the board of directors (including the standard transfer format or form of transfer specified by Hong Kong Stock Exchange from time to time); the instruments of transfer may be signed by hand only or affixed with the company chop (where the transferor or transferee is a corporation). Where the transferor or transferee is a recognized clearing house as defined by relevant regulations in Hong Kong laws from time to time, or its nominee, the instruments of transfer may be signed by hand or in a machine-imprinted format. All instruments of transfer shall be deposited at the legal address of the Company or at such address as may be designated by the board of directors from time to time.

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

Article 30 The shares of the Company issued before the public offering shall not be transferred within one year from the date of listing and trading of the Company's shares on the stock exchange.

The directors, supervisors and senior management members of the Company shall declare to the Company, information on their holdings of the shares of the Company and the changes thereto. The shares transferable by them during each year of their term of office, as determined at the appointment, shall not exceed 25% of the total number of shares of the Company that they hold. The shares that they hold in the Company shall not be transferred within one year from the date of listing and trading of the Company's shares. The aforesaid persons shall not transfer their shares of the Company within half a year from the date of their resignation.

If the shares are pledged within the period of restriction on transfer stipulated by relevant laws and regulations, the pledgee shall not exercise the pledge right within the period of restriction on transfer.

CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' MEETING

Section 1 Shareholders

Article 31 The Company shall establish a register of shareholders based on the certificates provided by the securities registration authorities. The register of shareholders shall be sufficient evidence of the shareholders' shareholding in the Company. Transfer of shares shall be recorded in the register of shareholders. A shareholder is entitled to rights and assumes obligations pursuant to the classification of his/her shares. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations.

In the register of shareholders of overseas listed foreign shares, the original part of the register of shareholders of holders of shares listed on the Hong Kong Stock Exchange shall be kept in Hong Kong. The register of shareholders for overseas listed foreign shares maintained in Hong Kong shall be available for inspection by shareholders.

The Company shall enter into a custodial agreement with the share registrars, make regular inquiries about the details of the substantial shareholders and the changes in their shareholding (including the pledge of their equity interests) and keep abreast of the shareholding structure of the Company.

Article 32 For holders of H shares, where two or more persons are registered as joint holders of any shares, they shall be deemed to be the co-owners of such shares and shall be subject to the following terms:

- (I) no more than four persons shall be registered as joint shareholders of any shares of the Company;
- (II) all joint shareholders of any shares shall be individually and jointly liable for all unpaid amounts which are payable in respect of such shares;
- (III) in the event of the death of one of the joint shareholders, only the other surviving members of the joint shareholders are regarded by the Company as owners of the relevant shares, but the board of directors has the right to request the surviving members of the joint shareholders to provide such death certificate as it deems appropriate for the purpose of revising the register of members;
- (IV) as far as joint shareholders of any shares are concerned, only the joint shareholder whose name appears first in the register of shareholders has the right to receive the share certificates of the relevant shares from the Company or to receive notices of the Company, and any notice served on such a shareholder shall be deemed as having been served on all the other joint shareholders of those shares; any joint shareholder may sign the proxy form, provided that if more than one joint shareholder attend the meeting in person or by proxy, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, shall be accepted as the only vote cast on behalf of the remaining joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of shareholders of the Company in respect of the joint shareholding.

Any receipts issued to the Company by one of the joint shareholders for any dividend, bonus issue or return on capital payable to such joint shareholders shall be treated as a valid receipt that has been issued by all the joint shareholders to the Company.

Article 33 For any person who is a registered shareholder or who claims to be entitled to have his/her/its name entered in the register of shareholders in respect of shares in the Company may, if his/her/its share certificate (the “original certificate”) relating to the shares is lost, apply to the Company for a replacement share certificate in respect of such shares (the “Relevant Shares”). Application by a holder of domestic shares, who has lost his/her/its share certificate, for a replacement share certificate shall be dealt with in accordance with the relevant requirements of the Company Law. The application for the issue of replacement certificates by holders of H shares who lost their share certificates shall be made in accordance with the laws, stock exchange rules or other relevant regulations of the place where the original of the register of members of such H shares is kept.

For shareholders of H shares listed in Hong Kong applying for the replacement of lost share certificates, the following requirements shall be fulfilled:

- (I) the applicant shall submit an application in a standard form designated by the Company, with a notarial certificate or statutory declaration attached. The notarial certificate or statutory declaration shall state the reasons for the application, the circumstances and evidence of the loss of the share certificates, and a declaration that no other person is entitled to be registered as the shareholder of the Relevant Shares;
- (II) the Company has not received any declaration from any person other than the applicant requesting to be registered as the shareholder of the said shares prior to its decision to issue replacement share certificates;
- (III) where the Company decides to issue replacement share certificates to the applicant, it shall publish an announcement regarding its intent to issue replacement share certificates in newspapers designated by the board of directors that meet relevant regulatory requirements; the announcement period shall be 90 days, with republication at least once every 30 days;
- (IV) before publishing the announcement regarding its intent to issue replacement share certificates, the Company shall submit a copy of the proposed announcement to the stock exchange where it is listed; upon receiving confirmation from the stock exchange that the announcement has been displayed at the stock exchange, the Company may proceed with publication. The announcement shall be displayed at the stock exchange for a period of 90 days. If the application for the replacement share certificates has been made without the consent of the registered shareholder of the relevant shares, the Company shall mail a copy of the proposed announcement to that shareholder;
- (V) if the Company has not received any objection from any person in respect of the issue of replacement share certificates upon the expiration of the 90-day period for the posting of the announcement as required in paragraphs (III) and (IV) of this Article, the Company may issue replacement share certificates according to the application of the applicant;
- (VI) the Company is required to cancel the original share certificates immediately once the replacement share certificates are issued, and enter the cancellation and the issue into the register of shareholders as required by this Article;
- (VII) the applicant shall bear all the costs incurred by the Company relating to and in connection with the cancellation of the original share certificates and the issue of replacement share certificates. The Company has the right to refuse to take any action until reasonable guarantees are provided by the applicant.

Article 34 When the Company convenes a shareholders' meeting, distributes dividends, liquidates, or engages in other activities that require confirmation of shareholder identity, the board of directors or the convener of the shareholders' meeting shall determine the share registration date. After the share registration date is closed, the registered shareholders shall be the shareholders who enjoy the relevant rights and interests. Where laws, regulations and the Hong Kong Listing Rules stipulate the period of closure of the register of shareholders prior to a shareholders' meeting or the record date set by the Company for the purpose of distribution of dividends, such regulations shall prevail. The period of closure of the register of shareholders shall not, in aggregate, exceed 30 days in one year, and can be extended for a further 30 days upon consideration and approval at the shareholders' meeting. If the Company receives an application for inspection of the register of shareholders during the aforesaid period of closure of the register of shareholders, upon request of the applicant, it shall provide the applicant with a document of proof signed by the company secretary of the Company stating the approving authority for the closure of the register of shareholders and the period of such closure.

Article 35 Shareholders of the Company shall enjoy the following rights:

- (I) the right to dividends and other distributions in proportion to the number of shares held;
- (II) the right to apply for, convene, preside, attend or appoint proxies to attend shareholders' meetings and to exercise the corresponding right to vote;
- (III) the right to supervise, present proposals or raise enquiries in respect of the Company's business operations;
- (IV) the right to transfer, give as a gift or pledge the shares it holds in accordance with laws, administrative regulations and the Articles of Association;
- (V) the right to inspect and copy the Articles of Association, register of shareholders, minutes of shareholders' meeting, resolutions of the board of directors and resolutions of the board of supervisors and accounting reports of the Company and subsidiaries, eligible shareholders shall enjoy the right to inspect the accounting books and documents of the Company and its wholly-owned subsidiaries;
- (VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining property of the Company in proportion to the number of shares held;
- (VII) shareholders who object to resolutions of merger or division made by the shareholders' meeting may request the Company to purchase the shares they hold;
- (VIII) other rights provided for by laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Article 36 Where any shareholder demands to read the relevant information or obtain any of the aforesaid materials, he/she shall submit to the Company written documents proving the class(es) and number of Shares he/she holds. The Company shall provide the relevant information or materials in accordance with the shareholder's demand after verifying the shareholder's identity.

Article 37 Where the content of a resolution of the shareholders' meeting or the board meeting of the Company violates laws or administrative regulations, the shareholders shall be entitled to request the people's court to hold it invalid.

If the convening procedure or voting method of a shareholders' meeting or board meeting violates laws, administrative regulations or the Articles of Association, or if the content of a resolution violates the Articles of Association, the shareholders shall be entitled to request the people's court to revoke the resolution within 60 days from the date it was made, except for those with only minor defects in the convening procedure or voting method of a shareholders' meeting or board meeting and without material impact on resolutions.

Resolutions of a shareholders' meeting and the meeting of the board of directors of the Company shall not be established in any of the following circumstances:

- (I) a shareholders' meeting and the meeting of the board of directors were not convened to make the resolution;
- (II) the resolution was not voted on at a shareholders' meeting or the meeting of the board of directors;
- (III) the number of attenders of the meeting or their voting rights do not meet the quorum or the number of voting rights as required by laws, administrative regulations and the Articles of Association;
- (IV) the number of attenders in favour of the resolution or their voting rights do not meet the quorum or the number of voting rights as required by laws, administrative regulations and the Articles of Association.

Article 38 In the event of any loss caused to the Company as a result of violation of any laws, administrative regulations or the Articles of Association by the directors or senior management members when performing their duties in the Company, the shareholders holding 1% or more shares of the Company separately or jointly for more than 180 consecutive days may submit a written request to the board of supervisors to file an action with the people's court. Where the board of supervisors violates laws, administrative regulations or the Articles of Association in its duty performance and causes loss to the Company, the above shareholders may submit a written request to the board of directors to file an action with the people's court.

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

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

If the directors, supervisors or senior management members of a wholly-owned subsidiary of the Company are involved in any of the circumstances set forth in the first paragraph under this Article, or if any other person infringes upon the legitimate rights and interests of a wholly-owned subsidiary of the Company and causes losses, shareholders who have held, individually or in aggregate, 1% or more of the shares of the Company for more than 180 consecutive days may, in accordance with the provisions of the preceding three paragraphs, request, in writing, that the board of supervisors or the board of directors of the wholly-owned subsidiary brings an action in the people's court, or directly brings an action in their own names in the people's court.

Article 39 Where any director or senior management member violates the provisions of laws, administrative regulations or the Articles of Association, damaging the interests of shareholders, the shareholders may file a lawsuit with the people's court.

Article 40 Shareholders of the Company shall have the following obligations:

- (I) to abide by laws, administrative regulations and the Articles of Association;
- (II) to pay the share subscription price based on the shares subscribed for by them and the method of acquiring such shares;
- (III) not to return shares unless prescribed otherwise in laws and regulations;
- (IV) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of shareholders to harm the interests of the Company's creditors;
- (V) to assume other obligations required by laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Any shareholder who abuses shareholders' rights and causes the Company or other shareholders to suffer a loss shall be liable for making compensation in accordance with the law.

Any shareholder who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and severely harm the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

If shareholders conduct any action stipulated in the preceding paragraph by using two or more companies controlled by him/her, each of the companies shall assume joint and several liability for any one of the company's debts.

Article 41 Where a shareholder holding 5% or more voting shares of the Company pledges any shares in his or her possession, he/she shall make a written report to the Company on the day on which he/she pledges his or her shares.

Article 42 The controlling shareholders and actual controllers of the Company shall not use their connections to harm the interests of the Company. Any person who violates this provision and causes losses to the Company shall be liable for compensation.

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

The controlling shareholders and actual controllers of the Company shall have fiduciary duties towards the Company and other shareholders of the Company. The controlling shareholders shall exercise their rights as contributors in strict compliance with the laws. The controlling shareholders shall not infringe the legitimate rights of the Company and other shareholders of the Company through profit distribution, asset restructuring, foreign investment, capital appropriation and loan guarantee, and shall not make use of their controlling status to jeopardize the interests of the Company and other shareholders of the Company.

Article 43 The Company shall actively take measures to prevent shareholders and their related parties from occupying or transferring the Company's funds, assets and other resources.

The Company shall not provide funds, goods, services or other assets to shareholders or actual controllers gratuitously; shall not provide funds, goods, services or other assets to shareholders or actual controllers on obviously unfair terms; shall not provide funds, goods, services or other assets to shareholders or actual controllers that are obviously insolvent; shall not provide guarantees for shareholders or actual controllers that are obviously insolvent, or provide guarantees for shareholders or actual controllers without legitimate cause; shall not give up its claims on its shareholders or actual controllers or assume the debts of shareholders or actual controllers without legitimate cause.

Transactions between the Company and its controlling shareholders, actual controllers and related parties shall be considered in strict accordance with the consideration procedures for the management system of related party transactions of the Company, and the related directors and related shareholders shall abstain from voting.

The finance department of the Company shall regularly review the non-operational fund transactions between the Company and its related parties. At the board meeting to review the Company's annual report, the chief financial officer shall report to the board of directors on the asset occupation by related parties for the period.

The directors, supervisors and senior management members of the Company shall have obligations to safeguard the assets of the Company from being occupied by controlling shareholders and their affiliates. In the event that the directors and senior management members of the Company assist and connive at the Company's assets being misappropriated by the controlling shareholders and their affiliates, the controlling shareholders and their affiliates in the board of directors shall issue a notification and warning to the directly responsible person, depending on the severity. A shareholders' meeting shall be convened to propose dismissing the directors who assume serious responsibilities.

Section 2 General Rules of Shareholders' Meeting

Article 44 The shareholders' meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the laws:

- (I) to elect and remove directors and supervisors, and to decide on matters relating to the remuneration of directors and supervisors;
- (II) to consider and approve reports of the board of directors;
- (III) to consider and approve reports of the board of supervisors;
- (IV) to consider and approve the Company's profit distribution plans and loss recovery plans;

- (V) to decide on any increase or reduction of the Company's registered capital;
- (VI) to decide on the issue of corporate bonds;
- (VII) to decide on issues such as merger, division, dissolution, liquidation and change of form of the Company;
- (VIII) to amend the Articles of Association;
- (IX) to decide on the engagement or dismissal of the accounting firm of the Company and to decide on its remuneration;
- (X) to consider and approve the guarantees as provided for in Article 46 of the Articles of Association;
- (XI) to consider the purchase, disposal and provision of a guarantee of substantial assets of the Company with an amount exceeding 30% of the latest audited total assets of the Company within one year;
- (XII) to consider and approve matters relating to changes in the use of proceeds;
- (XIII) to consider equity incentive plans and employee stock ownership plans;
- (XIV) to consider other matters which are required to be determined at the shareholders' meeting as required by laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The shareholders' meeting may authorize the board of directors to make resolutions on the issuance of corporate bonds.

Article 45 Unless otherwise stipulated in the laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and provisions of the CSRC, the functions and powers of the shareholders' meeting mentioned above shall not be delegated to the board of directors or any other body or individual. However, the board of directors or a director may be authorized to act on or give effect to the relevant resolutions when the relevant resolutions are voted upon at a shareholders' meeting.

Article 46 Where the Company provides a guarantee for the shareholders or actual controllers of the Company, the resolution shall be made by the shareholders' meeting.

Any shareholder referred to in the preceding paragraph or any shareholder controlled by the actual controller referred to in the preceding paragraph shall not vote on such matters. Any such matters shall be decided by more than half of the voting rights held by other shareholders attending the meeting. Where the Company provides a guarantee for others, a resolution shall be passed at the board meeting; if there is any provision specifying that resolution shall be passed at the shareholders' meeting under the laws, administrative regulations, departmental rules, or regulatory rules of the place where the Company's shares are listed, such provision shall prevail.

Article 47 The shareholders' meetings are divided into annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be convened once a year and held within six months of the end of the previous fiscal year.

Article 48 The Company shall convene an extraordinary shareholders' meeting within two months from the date of the fact:

- (I) the number of directors is less than two-thirds of the number specified in the Company Law or the Articles of Association;
- (II) where the Company's unfunded losses reach one-third of the total share capital;
- (III) where the shareholder(s) who individually or jointly hold 10% or more of the Company's shares (excluding treasury shares) request(s);
- (IV) when deemed necessary by the board of directors;
- (V) when the board of supervisors proposes to convene;
- (VI) other circumstances stipulated by laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Article 49 The shareholders' meeting is generally convened at the domicile of the Company, details of which will be specified in the notice or announcement of the shareholders' meeting. The shareholders' meeting will have a venue for a physical meeting, alongside video conferences, telephone conferences and/or other forms permitted by laws, regulations and regulatory rules of the place where the Company's shares are listed. The Company will also provide internet voting or other means recognized or required by laws, administrative regulations and regulatory rules of the place where the shares of the Company are listed to facilitate shareholders' participation in the shareholders' meeting. A shareholder who participates in a shareholders' meeting in the aforesaid manner shall be deemed to have been present at the meeting.

Article 50 After the notice of a shareholders' meeting has been issued, the venue for holding the physical shareholders' meeting shall not be changed without a proper reason. If a change is necessary, the convener shall issue an announcement at least two working days prior to the date when the physical meeting is to be held and explain the reasons.

Section 3 Convening of Shareholders' Meeting

Article 51 The board of supervisors has the right to propose to the board of directors the convening of an extraordinary shareholders' meeting and shall submit it in writing to the board of directors. The board of directors shall, in accordance with laws, administrative regulations and the Articles of Association, provide written feedback on whether to agree or disagree with the convening of an extraordinary shareholders' meeting within ten days after receiving the proposal.

If the board of directors agrees to convene an extraordinary shareholders' meeting, a notice of convening the shareholders' meeting shall be issued within five days after the board of directors' resolution is made. Any changes to the original proposal in the notice shall require the consent of the board of supervisors.

If the board of directors does not agree to convene an extraordinary shareholders' meeting or fails to provide feedback within ten days after receiving the proposal, it shall be deemed that the board of directors is unable or fails to fulfill its duty to convene a shareholders' meeting, and the board of supervisors may convene and preside over it on its own.

Article 52 Shareholders who individually or collectively hold 10% or more of the Company's shares (excluding treasury shares) have the right to request the convening of an extraordinary shareholders' meeting from the board of directors and shall submit it in writing to the board of directors. The board of directors shall, in accordance with laws, administrative regulations and the Articles of Association, provide written feedback on whether to agree or disagree with the convening of an extraordinary shareholders' meeting within ten days after receiving the request.

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

If the board of directors does not agree to convene an extraordinary shareholders' meeting or fails to provide feedback within ten days after receiving the request, shareholders who individually or collectively hold 10% or more of the Company's shares have the right to propose to the board of supervisors to convene an extraordinary shareholders' meeting and shall submit a request in writing to the board of supervisors.

If the board of supervisors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within five days after receiving the request. Any changes to the original proposal in the notice shall be approved by the relevant shareholders.

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

Article 53 If the shareholders' meeting is convened by the board of supervisors or shareholders on their own, a written notice shall be issued to the board of directors, and it should be filed with the securities regulatory authorities in the place where the Company is registered and the place where the Company's shares are listed in accordance with applicable provisions (if required).

Prior to the announcement of the resolution of the shareholders' meeting, the proportion of shares held by the convening shareholders shall not be less than 10%.

The board of supervisors or the convening shareholders shall, upon issuing the notice of the shareholders' meeting and the announcement of the resolutions of the shareholders' meeting, submit relevant supporting documents (if required) to the securities regulatory authorities in the place where the Company is registered and the place where the Company's shares are listed in accordance with applicable provisions.

Article 54 The board of directors and the secretary to the board of directors should cooperate with the board of supervisors or shareholders to convene shareholders' meetings on their own. The board of directors shall provide the register of shareholders on the record date of equity interests.

Article 55 The expenses necessary for the shareholders' meeting convened by the board of supervisors or the shareholders themselves shall be borne by the Company.

Section 4 Proposal and Notice of Shareholders' Meeting

Article 56 The contents of a proposal shall be within the scope of the duties and powers of the shareholders' meeting, have definite themes and specific matters for resolutions, and be in compliance with the relevant requirements of the laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 57 The Company holds a shareholders' meeting, and the board of directors, board of supervisors, and shareholders who individually or jointly hold 1% or more of the Company's Shares have the right to submit proposals to the Company.

Shareholders who individually or collectively hold 1% or more of the Company's Shares may submit temporary proposals and submit them in writing to the convener ten days prior to the convening of the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting within two days after receiving the proposal, and submit the temporary proposals to the shareholder's meeting for deliberation, unless the temporary proposals are in violation of any law, administrative regulation, regulatory rules of the place where the Company's shares are listed, provisions of the CSRC and other relevant national authorities and the Articles of Association, or fall outside the scope of functions of the shareholders' meeting.

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

Proposals that are not listed in the notice of the shareholders' meeting or do not comply with Article 56 of the Articles of Association shall not be voted on, and a resolution shall not be made by the shareholders' meeting.

Article 58 The convener will notify all shareholders by announcement 21 days before the annual shareholders' meeting is held, and the extraordinary shareholders' meeting will notify all shareholders by announcement 15 days before the meeting is held.

The date of the meeting shall not be included when the Company calculates the starting date, but shall include the date on which the notice is given.

Article 59 The notice of the shareholders' meeting shall include the following contents:

- (I) the time, location, and duration of the meeting;
- (II) submit matters and proposals for review at the meeting;
- (III) clearly state in writing that all shareholders have the right to attend the shareholders' meeting and may appoint a proxy in writing to attend and vote at the meeting. The proxy does not need to be a shareholder of the Company;
- (IV) share registration date of the shareholders entitled to attend the shareholders' meeting;

The interval between the share registration date and the date of the meeting shall comply with the regulatory rules of the place where the Company's shares are listed. Once the share registration date is confirmed, it may not be changed; if it needs to be changed, the procedures stipulated in the regulatory rules of the place where the Company's shares are listed must be followed.

- (V) name and phone number (if any) of the permanent contact person for conference affairs;
- (VI) online or other voting time and voting procedure;
- (VII) other requirements stipulated by laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

The notice and supplementary notice of the shareholders' meeting shall fully and completely disclose all specific contents of all proposals. If the matter to be discussed requires independent non-executive directors to express their opinions, the independent non-executive directors' opinions and reasons will be disclosed simultaneously when the notice of the shareholders' meeting or supplementary notice is issued.

Article 60 If the election of any director(s) or supervisor(s) will be discussed at a shareholders' meeting, the notice of the shareholders' meeting shall specify the particulars of each director or supervisor candidate, which shall at least include:

- (I) educational background, work experience, concurrent posts and other personal information;
- (II) connected relationship with the Company or its controlling shareholders and actual controllers, if any;
- (III) the number of shares held in the Company;
- (IV) penalty imposed by the CSRC or other relevant authorities, or any punishment imposed by the stock exchange of the place where the Company's shares are listed, if any;
- (V) circumstances under which a person may not serve as a director and supervisor as stipulated in the Articles of Association, if any.

Except where the director and supervisor will be elected through the cumulative voting system, each director or supervisor candidate shall be nominated by a separate proposal.

Article 61 After the notice of a shareholders' meeting has been issued, the shareholders' meeting shall not be adjourned or cancelled without justifiable reason, and no proposal set forth in the notice of the shareholders' meeting shall be cancelled. If the meeting needs to be adjourned or cancelled, the convener shall notify each shareholder and explain the reason at least 2 working days prior to the originally scheduled date of the meeting.

Where the securities regulatory rules of the place where the Company's shares are listed contain special provisions for procedures regarding the postponement or cancellation of a shareholders' meeting, such provisions shall prevail, provided they do not violate the requirements of the Company Law, the Securities Law and other laws and regulations.

Section 5 Holding of Shareholders' Meeting

Article 62 The board of directors and other conveners of the Company shall take necessary measures to guarantee the normal order of each shareholders' meeting, prevent any person from interfering with or inciting public disorder at any shareholders' meeting or otherwise infringing on the legitimate rights and interests of the shareholders, and promptly refer any such act to the competent authorities for investigation and punishment.

Article 63 All shareholders of the Company or their proxies recorded in the register on the record date shall have the right to attend shareholders' meetings, and enjoy various rights such as the right to know, the right to speak, the right to inquire and the right to vote in accordance with the relevant laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association, unless individual shareholders are required by the Hong Kong Listing Rules to abstain from voting on individual matters. Pursuant to the applicable laws and regulations and the listing rules of the stock exchange on which the Company's shares are listed, where any shareholder is required to abstain from voting on any particular resolution, or where any shareholder is restricted from voting only for or only against any particular resolution, and in the event of any contravention of any such requirement or restriction, the votes cast by or on behalf of such shareholder shall not be counted towards the result of the vote.

Article 64 Shareholders may attend the shareholders' meeting in person or appoint one or more persons (who may not be shareholders) as their proxies to attend and vote on their behalf, and such proxies need not be the shareholders of the Company. If a shareholder is a recognized clearing house (or its proxy) as defined in the relevant regulations enacted in Hong Kong from time to time, the shareholder may authorize his or her company's representative or one or more persons as he/she thinks fit to act as his or her proxy at any shareholders' meeting. A shareholder that appoints a proxy to attend a shareholders' meeting shall specify the matters in which the proxy will act, the authority, and the period. An individual shareholder who attends the meeting in person shall produce his or her own identification card or other valid documents or proof evidencing his or her identity. If a shareholder appoints a proxy to attend the meeting on his or her behalf, such proxy shall produce his or her own valid proof of identity, the power of attorney from the shareholder and the form of proxy.

A legal person shareholder shall attend the meeting by its legal representative or proxy appointed by the legal representative. Where the legal representative attends the meeting, he/she shall produce his or her own identity card and valid certificates evidencing his or her capacity as the legal representative. Where a proxy is appointed to attend the meeting, he/she shall produce his or her own identification card and the written power of attorney or the form of proxy issued by the legal representative of the legal person shareholder according to law.

Article 65 The power of attorney issued by shareholders authorizing others to attend the shareholders' meeting shall include the following contents:

- (I) the name of the proxy;
- (II) whether the proxy has the right to vote;
- (III) instructions on affirmative, negative or abstention voting on each item for consideration listed in the shareholders' meeting's agenda;

(IV) date of issuance and validity period of the power of attorney;

(V) signature (or seal) of the principal; If the principal is a corporate shareholder, the seal of the legal entity shall be affixed.

The power of attorney shall indicate that the shareholder's proxy can vote according to its own will if the shareholder does not provide specific instructions.

The instrument appointing a voting proxy shall be placed at the domicile of the Company or at such other place as specified in the notice of the meeting at least 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours prior to the specified time for the voting. Where the instrument is signed by another person authorized by the principal, the power of attorney or other authorization document shall be notarized. The notarized power of attorney or other authorization document shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.

Where the principal is a legal person, its legal representative or the person authorized by resolution of its board of directors or other decision-making body shall be entitled to attend the Company's shareholders' meeting as the representative of such legal person.

Article 66 A proxy can exercise, including but not limited to, the following rights pursuant to the authorization from such shareholder:

(I) such shareholder's right to speak at the meeting;

(II) the right to demand a poll alone or jointly with others;

(III) the right to vote by a poll. However, when more than one proxy is entrusted, they can only vote by a poll.

If the shareholder is a recognized clearing house (or its proxy) as defined in the relevant ordinance enacted from time to time in Hong Kong, the shareholder may authorize one or more persons as it thinks fit or company representative to act as its representative(s) at any shareholders' meeting or any meeting of creditors. However, if more than one person is so authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized. The person so authorized may exercise on behalf of the recognized clearing house (or its proxy) such legal rights (without being required to produce share certificate, notarized authority and/or further evidence to prove that he/she has been duly authorized) as other shareholders are entitled, including the right to speak and vote, as if he/she/it was an individual shareholder of the Company.

Article 67 Where the power of attorney is signed by a person authorized by the principal, the power of attorney or other authorization instruments authorized to be signed shall be notarized. The notarized power of attorney or other authorization instruments, together with the power of attorney, shall be lodged at the domicile of the Company or other places as specified in the notice of the meeting.

Where the principal is a legal person or other organizations, its legal representative/ person in charge or the person authorized by the resolutions of its board of directors or other decision-making body shall be entitled to attend and vote at the shareholders' meeting of the Company as a representative of the principal. If the legal person or other organizations have appointed a representative to attend any meeting, it shall be deemed to have attended in person. The legal person or other organizations may have their authorized representative sign the form of proxy.

Article 68 The Company shall prepare a register of attendance of the meeting, which shall contain the name of the attendee (or name of entity represented by him/her), his or her identity card number and address of domicile, number of voting shares held or represented by him/her and name of shareholder represented by him/her (or name of such shareholder's entity).

Article 69 The convener(s) shall verify the legitimacy of the eligibility of the shareholders according to the register of shareholders provided by the securities registration and clearing institution, and shall register the name of and number of voting shares held by each shareholder. Such registration shall be completed before the chairperson of the meeting declares the number of shareholders attending the meeting in person or by proxy and the total number of voting shares held by them.

Article 70 All directors, supervisors and the secretary to the board of directors shall be present at the shareholders' meeting, and senior management members shall sit in at the shareholders' meetings. If the above persons are unable to attend or sit in at the shareholders' meeting for any reason, they shall provide a written explanation to the Company and request leave.

Article 71 A shareholders' meeting convened by the board of directors shall be chaired by the chairperson of the board of directors. In the event that the chairperson is incapable of performing or does not perform his or her duties, the meeting shall be presided over by the vice chairperson. In the event that the vice chairperson is incapable of performing or does not perform his or her duties, a director jointly nominated by more than half of the directors shall preside over the meeting.

A shareholders' meeting convened by the board of supervisors shall be chaired by the chairperson of the board of supervisors. Where the chairperson of the board of supervisors is incapable of performing or does not perform his or her duties, a supervisor jointly recommended by more than half of the supervisors shall chair the meeting.

A shareholders' meeting convened by the shareholders themselves shall be chaired by a representative elected by the convener.

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

Article 72 The Company shall formulate the rules of procedure for the shareholders' meetings, specifying in details the procedures for convening and voting at the shareholders' meeting, including, among others, notice, registration, deliberation of proposals, casting of votes, counting of votes, declaration of voting results, adoption of resolutions, meeting minutes and execution thereof, announcement, and principle of delegating powers to the board of directors by the shareholders' meeting, and the authorization shall be clear and specific. The rules of procedure for the shareholders' meetings shall be prepared by the board of directors and approved by the shareholders' meeting and constitute an exhibit to the Articles of Association.

Article 73 At an annual shareholders' meeting, the board of directors and the board of supervisors shall report their respective work in the preceding year to the shareholders' meeting, and each independent non-executive director shall deliver a work report.

Article 74 The directors, supervisors and senior management members shall answer and explain inquiries and suggestions made by the shareholders at any 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 Minutes of a shareholders' meeting shall be kept by the secretary to the board of directors. The meeting minutes shall include copies of all notices convening the shareholders' meeting. All meeting minutes and resolutions adopted at the shareholders' meeting shall be recorded by the secretary to the board of directors and circulated to all shareholders within ten (10) days after the meeting. Resolutions of the shareholders' meeting shall be signed by all shareholders participating in the vote, and the minutes of the shareholders' meeting shall be archived by the secretary to the board of directors and maintained in the Company's minute book for shareholders' meetings.

The minutes shall include the following:

- (I) time, venue and agenda of the meeting and names of the convener;
- (II) the name of the meeting chairperson and the names of the directors, supervisors, general managers and other senior management members attending or sitting in on the meeting;
- (III) the number of shareholders and proxies attending the meeting, the total number of voting shares they hold and the respective proportions in the total shares of the Company;
- (IV) the process of review and discussion, a summary of any speech and voting results of each proposal;
- (V) shareholders' questions, opinions or suggestions and corresponding responses or explanations;
- (VI) names of the vote counters and scrutineers of the voting;
- (VII) other contents that the shareholders' meeting deems or that are required by the Articles of Association to be recorded in the meeting minutes.

Article 77 The convener shall ensure the information contained in the minutes of the meeting is true, accurate and complete. The minutes of the meeting shall be signed by the directors, supervisors, the secretary to the board of directors, the convener or his or her proxy present at the meeting and the chairperson, and be kept together with the register of attendance of the shareholders present, the powers of attorney and valid information on results of voting online or by other means in respect of the meeting for a period of not less than 10 years.

Article 78 The convener shall ensure the shareholders' meeting proceeds continuously, until the final resolutions have been adopted, and if the meeting is discontinued or fails to adopt any resolution due to any force majeure or other special reasons, necessary measures shall be taken to resume the meeting as soon as practicable or directly terminate the meeting, and announcements shall be made in a timely manner.

Section 6 Voting and Resolutions of Shareholders' Meeting

Article 79 The resolutions of the shareholders' meeting are categorized as ordinary resolutions and special resolutions.

An ordinary resolution made by the shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders (including proxies thereof) attending the shareholders' meeting.

A special resolution made by the shareholders' meeting shall be passed by two-thirds or more of the voting rights held by the shareholders (including proxies thereof) attending the shareholders' meeting.

Article 80 The following matters shall be passed by ordinary resolution at the shareholders' meeting:

- (I) to elect and change directors and supervisors, and to decide on matters relating to the remuneration of directors and supervisors;
- (II) to consider and approve reports of the board of directors;
- (III) to consider and approve reports of the board of supervisors;
- (IV) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (V) to decide on the issue of corporate bonds;
- (VI) to decide on the hiring or dismissal of the accounting firm by the Company and the determination of its remuneration;
- (VII) to consider and approve the guarantees as provided for in Article 46 of the Articles of Association;
- (VIII) to consider material asset transactions conducted within one year involving purchases, sales or guarantees that exceed 30% of the latest audited total assets of the Company;
- (IX) to review and approve changes in the use of proceeds;

- (X) to review equity incentive plans and employee shareholding schemes;
- (XI) other matters other than those required by laws, administrative regulations, requirements of regulatory rules of the place where the Company's shares are listed, or the Articles of Association to be passed through special resolutions.

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

- (I) the increase or decrease in registered capital of the Company;
- (II) the mergers, divisions, dissolutions and liquidations of the Company and change of its corporate form;
- (III) the amendment to the Articles of Association;
- (IV) other matters required by laws, administrative regulations, regulatory rules of the place where the Company's shares are listed or the Articles of Association, as well as those determined by ordinary resolutions of the shareholders' meeting with significant impact on the Company, and which require special resolutions to be passed.

If at any time the share capital of the Company is divided into different classes of shares, and the Company intends to vary or abrogate rights of class shareholders, it may do so only after such variation or abrogation has been approved by way of a special resolution of the separate shareholders' meeting convened by the affected class shareholders.

Article 82 Shareholders (including proxy thereof) shall exercise their voting rights according to the number of voting Shares they represent, and each Share shall have one vote. On a poll taken at a meeting, a shareholder (including proxies thereof) entitled to two or more votes need not cast all his or her votes in favour of or against, or to abstain from voting.

Shares held by the Company do not carry any voting rights and shall not be counted in the total number of voting shares represented by shareholders present at the shareholders' meeting.

Any subsidiary controlled by the Company shall not acquire the shares of the Company. In case any subsidiary controlled by the Company holds the shares of the Company due to the merger of the Company, exercise of pledge right or other reasons, it shall not exercise the voting right corresponding to the shares it holds and shall timely dispose of the relevant shares of the Company.

Article 83 The Company shall facilitate the participation of shareholders in the shareholders' meeting through various methods and ways, provided that the shareholders' meeting is lawful and effective.

Article 84 Unless the Company faces a crisis or falls into other special situations, without the approval of a special resolution by the shareholders' meeting, the Company shall not enter into any contract with any person other than the directors, general manager and other senior management members of the Company, pursuant to which the Company will delegate the management of all or any important business of the Company to such person.

Article 85 The list of candidates for directors and supervisors shall be submitted to the shareholders' meeting for voting by proposal. The nomination methods and procedures for directors and supervisors are as follows:

- (I) candidates for directors shall be nominated by the board of directors or shareholders individually or collectively holding 1% or more of the Company's shares, and submitted to the shareholders' meeting for review;
- (II) candidates for independent non-executive directors shall be nominated by the board of directors, board of supervisors or shareholders individually or collectively holding 1% or more of the Company's shares, and submitted to the shareholders' meeting for review;
- (III) candidates for non-employee representative supervisors shall be nominated by the board of supervisors or shareholders individually or collectively holding 1% or more of the Company's shares, and submitted to the shareholders' meeting for review;
- (IV) candidates for employee representative supervisors shall be elected by the employee representatives' meeting;

When nominating directors, independent non-executive directors or supervisors, shareholders shall submit the nomination proposal, detailed information of the nominated candidates, statements or commitments of the candidates to the board of directors 10 days before the shareholders' meeting.

The board of directors shall announce to the shareholders the resumes and basic information of the director and supervisor candidates.

When the election of directors and supervisors is put to a vote at a shareholders' meeting, an accumulative voting system may be implemented in accordance with the provisions of the Articles of Association or a resolution of the shareholders' meeting.

The accumulative voting system referred to in the previous paragraph means that the voting rights of each share shall be the same as the number of candidates for directors or supervisors during the election of directors and supervisors at the shareholders' meeting. Shareholders with voting rights may cast all their votes for one candidate.

The election of and votes on the independent non-executive directors, non-independent directors and supervisors shall be conducted separately. At the shareholders' meeting where the accumulative voting system is adopted to elect directors or supervisors, the secretary to the board of directors shall explain the specific content and voting rules of the accumulative voting system to shareholders, and inform them of the voting rights per share during such election of directors or supervisors.

Article 86 Except for the accumulative voting system, votes on proposals shall be taken one by one at a shareholders' meeting, and if there are different proposals regarding the same matter, votes on such proposals shall be taken in order of time of submission thereof. Unless the shareholders' meeting is discontinued or fails to adopt any resolution due to any force majeure or other special reasons, the shareholders' meeting shall not put on hold or refrain from voting on any proposal.

Article 87 No proposal deliberated at a shareholders' meeting shall be amended; otherwise, the relevant amendment shall be deemed a new proposal, which shall not be voted on at the same meeting.

Article 88 The same voting right can only be exercised at on-site meetings, online or by other means. If the same vote is cast more than once, only the first vote will be deemed valid.

Article 89 The shareholders' meeting adopts a registered voting method.

Article 90 Before voting on any proposal at a shareholders' meeting, two shareholders' representatives shall be elected to participate in counting votes or scrutinizing the vote count. If any shareholder is related to the matters to be considered, such shareholder and his or her proxy shall not participate in the vote counting or scrutinization of votes.

When a proposal is voted on at the shareholders' meeting, shareholders' representatives, supervisors' representatives and other relevant personnel appointed pursuant to the regulatory rules of the place where the Company's shares are listed shall be jointly responsible for counting the vote, scrutinizing the vote count and announcing the voting results on the spot in accordance with the above provisions, which shall be recorded in the minutes of the meeting.

Corporate shareholders or proxies thereof voting over the network or any other voting method shall have the right to check their voting results via the corresponding voting system.

Article 91 The chairperson shall declare the voting and result thereof on each proposal, and whether such proposal has been adopted accordingly.

Before the formal declaration of the result of any voting, the Company, vote counter(s), scrutineer(s), substantial shareholders, network service provider and other persons involved in voting on site, online and by other means (if any) at the shareholders' meeting shall have the obligation to keep the information related to the voting confidential.

Article 92 Except for Hong Kong Securities Clearing Company Limited and HKSCC Nominees Limited, shareholders present at the shareholders' meeting shall express one of the following opinions on any proposals to be voted: for, against or abstention. Where the securities registration and clearing institution acts as a nominal holder under the Mainland-Hong Kong Stock Connect Scheme, it shall make a declaration according to the intentions of the actual holders.

In the event of any vote that is uncompleted, erroneously completed or illegible, or fails to be cast, the shareholder casting or failing to cast the same shall be deemed to have waived his or her voting right, and the voting results of the shares held by him/her shall be counted as "abstaining from voting".

Where any shareholder is, under the securities regulatory rules of the place where the Company's shares are listed, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any vote cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

Article 93 If the chairperson of the shareholders' meeting has any doubt about the result of voting on any resolution submitted for voting, the chairperson may request the votes cast to be counted. If the chairperson does not request the votes to be counted, any shareholder attending the meeting in person or by proxy shall have the right to request the votes to be counted immediately after the result of voting is declared if such shareholder objects to the result of voting declared by the chairperson, in which case, the chairperson shall immediately have the votes counted.

Article 94 The resolutions of the shareholders' meeting shall be announced in a timely manner, and the announcement shall indicate the number of shareholders and proxies attending the meeting, the total number of voting shares and its proportion to the total share capital carrying voting rights of the Company, and the voting method, voting results of each resolution and details of each resolution passed, as well as other items as required by the securities regulatory rules of the place where the Company's shares are listed.

Article 95 The resolutions of a shareholders' meeting shall specifically indicate any proposal that fails to be adopted at the meeting or any amendment to any resolution of the previous shareholders' meeting in the corresponding resolution.

Article 96 If a shareholders' meeting adopts any resolution on the appointment of directors and supervisors, the term of office of the newly appointed directors and supervisors shall commence from the date of the passing of the resolution at the shareholders' meeting until the expiration of the term of office of the current session of the board of directors and the board of supervisors.

CHAPTER 5 BOARD OF DIRECTORS

Section 1 Directors

Article 97 Directors of the Company shall be natural persons. The following person shall not serve as a director of the Company:

- (I) a person who has no capacity for civil conduct or has limited capacity for civil conduct;
- (II) a person who has been sentenced to criminal punishment for corruption, bribery, encroachment on property, misappropriation of property or sabotage of the order of the socialist market economy, and less than five years have elapsed since the completion of the sentence, or having been deprived of his or her political rights as a result of a criminal conviction, and five years have not elapsed since the date on which execution of the sentence was completed, two years have not yet elapsed from the date on which the probationary period of probation has expired;
- (III) a person who has served as a director, factory chief, or manager of an insolvent and liquidated company or enterprise and is held personally liable for such bankruptcy, and three years have not elapsed since the date when the insolvency and liquidation of the company or enterprise is completed;
- (IV) a person who has served as the legal representative of a company or enterprise whose business license has been revoked or ordered to close down due to any violation of law, and is held personally liable for the revocation, and three years have not elapsed since the date when the revocation of the business license and the closure ordered occur;

- (V) a person who is listed by the people's court as a judgment defaulter because the amount of debt he/she bears is relatively large and the debt is not paid off when it is due;
- (VI) other contents stipulated by laws, administrative regulations, departmental rules, or regulatory rules of the place where the Company's shares are listed.

The election or appointment of the directors shall be invalid if such election or appointment is against this article. If a director falls into the situations provided in this article during his or her term of office, the director shall promptly report to the Company on his or her own initiative and leave office within one month from the date of the occurrence of the fact. The board of directors shall, from the date it becomes aware of the occurrence of the relevant circumstances, immediately cease the performance of the duties of the director concerned and recommend to the shareholders' meeting that the director should be removed from office.

Article 98 Candidates for directors shall conduct a self-inspection to determine whether they meet the qualifications for the position and provide the Company with a written explanation of whether they meet the qualifications for the position and relevant qualification certificates (if applicable) in a timely manner after they have been nominated.

The board of directors and the board of supervisors shall verify the qualifications of candidates. If a candidate is found to be unqualified, the nominator shall be required to withdraw the nomination, and the nominator shall comply with the request.

Article 99 Directors shall be elected or replaced at the shareholders' meetings for a term of three years. Directors may be re-elected upon expiration of their term. Prior to the expiration of their term, directors may be removed from office at the shareholders' meeting, effective from the date the resolution is adopted.

The term of office of a director shall commence from the date on which the said director assumes office to the expiry of the current term of the board of directors. If the term of office of a director expires but re-election is not made in a timely manner, the said director shall continue to perform the duties as director pursuant to the laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association until the elected director assumes his or her office.

The shareholders may, by ordinary resolution, remove any director (including general manager or other executive directors) before the expiration of his or her term of office on the condition that all the relevant laws and administrative regulations are fully complied with by the shareholders' meeting; however, the claim for compensation made by the director under any contract shall not be affected by the removal.

If the board of directors appoints a director to fill a casual vacancy or as an addition to the board of directors, such director shall hold office only until the first annual shareholders' meeting after his or her appointment and shall be eligible for re-election thereat.

Article 100 Directors shall abide by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association and bear the following fiduciary obligations towards the Company. They shall take measures to avoid any conflict of interest with the Company and shall not accept any undue benefits by taking advantage of their authority. Directors shall also adhere to the following obligations:

- (I) shall not abuse their authority to accept bribes or other illegal income and shall not encroach upon the properties of the Company;
- (II) shall not misappropriate corporate funds;
- (III) shall not deposit any of the Company's assets or capital in an account opened in their own names or in others' names;
- (IV) shall not directly or indirectly enter into contracts or conduct transactions with the Company without reporting to the board of directors or the shareholders' meetings and obtaining the approval of the board of directors or the shareholders' meetings in accordance with the provisions of the Articles of Association (the same applies to the entering into of contracts or transactions with the Company by close relatives of directors, enterprises directly or indirectly controlled by their close relatives, and associates who have other related relationships with the directors);
- (V) shall not take the advantages provided by their own positions to pursue business opportunities that belong to the Company for their own account or for the account of any other person, except when such business opportunities are reported to the board of directors or the shareholders' meeting and approved by a resolution of the shareholders' meeting, or when the Company is not allowed to take advantage of such business opportunities in accordance with the laws, regulations or the provisions of the Articles of Association;
- (VI) shall not engage in the same business as the Company either for their own account or for the account of any other person without reporting to the board of directors or the shareholders' meeting and obtaining approval of a resolution from the shareholders' meeting;
- (VII) shall not accept commissions paid by others for transactions conducted with the Company as their own benefit;
- (VIII) shall not disclose confidential information of the Company without authorization;
- (IX) shall not use their related relationships to damage the Company's interests;
- (X) other fiduciary obligations stipulated in laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The income obtained by the director in violation of this article shall belong to the Company; if losses are caused to the Company, the director shall be liable for compensation.

The provisions of item (IV) of the first paragraph of this article shall apply to the entering into of contracts or transactions with the Company by close relatives of directors, supervisors or senior management of the Company, enterprises directly or indirectly controlled by the directors, supervisors or senior management or their close relatives, and associates who have other related relationships with the directors, supervisors or senior management.

Where the controlling shareholder or actual controller of the Company does not serve as a director but actually attends to the affairs of the Company, the provisions of the preceding article concerning the fiduciary duties of directors shall apply.

Article 101 Directors, supervisors and senior management of the Company shall pay attention to the pledge of shares by the controlling shareholders and persons acting in concert with them, and carefully verify and evaluate the potential impact of the high proportion of pledge by the controlling shareholders and persons acting in concert with them on control over the Company, production and operation stability, shareholding structure, corporate governance, and fulfillment of performance compensation obligations in accordance with regulations.

Article 102 Directors shall abide by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, bear the following diligent obligations to the Company and exercise the reasonable care normally expected of a manager in the best interests of the Company in the performance of their duties:

- (I) shall prudently, earnestly and diligently exercise the powers the Company grants to them to ensure that the Company conducts its commercial activities in a manner that complies with the requirements of state laws, administrative regulations and state economic policies, and that the Company's commercial activities do not go beyond the scope of the business activities stipulated in the Company's business license;
- (II) shall treat all shareholders equally;
- (III) to carefully read all business and financial reports of the Company to timely keep abreast of the Company's business operation and management;
- (IV) shall sign written statements confirming the regular reports of the Company, and ensure that the information disclosed by the Company is true, accurate and complete;
- (V) shall truthfully provide information and materials to the board of supervisors, shall not obstruct the board of supervisors or supervisors in the exercise of its or their powers, and shall accept the lawful supervision and reasonable recommendations of the board of supervisors regarding the performance of their duties;
- (VI) to personally exercise the lawfully conferred rights of management and disposal over the Company, and shall not be subject to manipulation by others; such right of disposal shall not be delegated to others for exercise except as allowed by laws and administrative regulations or with the informed approval of the shareholders' meeting;
- (VII) to ensure that they have reserved sufficient time and energy for participating in the Company's affairs and to cautiously judge the risks and gains arising from the resolutions proposed, the directors, in principle, shall attend the meeting of the board of directors in person. Any director who authorizes another director to attend on his or her behalf due to certain reasons shall cautiously select a proxy, with specific and clear authorized matters and intent of decision-making, and shall not give carte blanche to his or her proxy;

- (VIII) to focus on matters such as the operating condition of the Company and timely report relevant issues and risks to the board of directors, and shall not claim exemption from liability on the grounds that they are not familiar with the Company's business or do not understand the relevant matters;
- (IX) to actively promote the regulated operation of the Company, urge the Company to fulfill its obligation of information disclosure, timely rectify and report the irregularities of the Company and support the Company in fulfilling its social responsibilities;
- (X) other obligations of diligence stipulated in the laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Where the controlling shareholder or actual controller of the Company does not serve as a director but actually attends to the affairs of the Company, the provisions of the preceding article concerning the diligent duties of directors shall apply.

Article 103 A written commitment shall be made by candidates for directors prior to the issuance of the notice convening the shareholders' meeting, agreeing to accept the nomination, promising to publicly disclose their information truthfully and completely and warranting to faithfully fulfill their obligations as directors if elected.

Article 104 If any director fails to attend in person or appoint another director to attend on his or her behalf for two consecutive board meetings, such director shall be deemed to be unable to perform his or her duties, and the board of directors shall propose removal of such director to the shareholders' meeting.

Article 105 A director may resign before the expiry of his or her term of service. A director shall submit a written resignation report to the board of directors when he/she resigns. The board of directors shall disclose the relevant matter within 2 days.

If the number of directors of the Company falls below the minimum quorum requirement due to a director's resignation, or if the number of independent non-executive directors falls below one-third of the total number of board members or there is no accounting professional among the independent non-executive directors due to the resignation of an independent non-executive director, the former directors shall still perform their duties as directors in accordance with the requirements of the laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association until an elected director assumes his or her office.

Save for the circumstances referred to in the preceding paragraph, the director's resignation takes effect upon delivery of his or her resignation report to the board of directors.

Article 106 When a director's resignation comes into effect or his or her term of service expires, the director shall complete all handover procedures with the board of directors. The duty of loyalty owed by the director to the Company and shareholders shall not automatically terminate upon expiration of the term but shall remain in effect for a period of two years starting from the effective date of resignation or the expiration of the term. The duty of confidentiality of directors in relation to the Company survives the termination of their tenure until such trade secrets become public. The continuance of other duties of directors shall be determined on a fair basis, depending on the time lapse between the termination of tenure and the occurrence of the event concerned and the circumstances and conditions under which the relationships between them and the Company are terminated.

Article 107 Without the provisions of the Articles of Association or the lawful authorization of the board of directors, no director shall act in his or her own name on behalf of the Company or the board of directors. When a director acts in his or her own name, the director shall declare his or her position and identity in advance if the third party reasonably believes that the director is acting on behalf of the Company or the board of directors.

Article 108 A director shall be personally liable for any loss suffered by the Company as a result of a violation by him/her of any laws, administrative regulations, departmental rules or the Articles of Association in the course of performing his or her duties in the Company.

If a director or senior management causes losses to others in performing his or her duties, the Company shall be liable for compensation; the director or senior management shall also be liable for compensation if there is intentionality or gross negligence on his or her part.

Article 109 Independent non-executive directors shall perform their duties in accordance with the relevant provisions of laws, administrative regulations, departmental rules, and regulatory rules of the place where the Company's shares are listed.

Section 2 Board of Directors

Article 110 The Company shall have a board of directors, which is accountable to the shareholders' meeting.

Article 111 The board of directors is composed of no less than 8 directors. Independent non-executive directors shall comprise one-third or more of the members of the board of directors and shall not be less than three. All directors are elected at the shareholders' meeting.

The audit committee, nomination committee and remuneration committee are established under the board of directors of the Company. The special committees shall consist of no less than three directors, of which more than half the members shall be independent non-executive directors. The audit committee shall be composed of non-executive directors, and the convener shall be an accounting professional.

The audit committee is mainly responsible for the communication between internal and external auditors, supervision and inspection of their work, as well as the risk management and internal control of the Company. The nomination committee is mainly responsible for identifying candidates, formulating selection standards and procedures, examining candidates for directors and senior management of the Company, and providing recommendations on the selection. The remuneration committee is mainly responsible for formulating the appraisal standards and conducting appraisals for the Company's directors and senior management, and formulating and reviewing the remuneration policy and package for the Company's directors and senior management.

The terms of reference and procedures of each special committee are set out in the rules of procedure of each special committee formulated by the board of directors of the Company.

Article 112 The board of directors shall exercise the following functions and powers:

- (I) to convene shareholders' meeting and report to the shareholders' meeting;
- (II) to implement resolutions of the shareholders' meeting;

- (III) to decide on the Company's business plans and investment plans;
- (IV) to formulate the Company's profit distribution plans and plans on making up losses;
- (V) to formulate proposals for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities and the listing of the Company;
- (VI) to formulate plans for major acquisitions and disposals of the Company, purchase of shares of the Company, or merger, division, dissolution and change of corporate form;
- (VII) to resolve on the issuance of corporate bonds (including bonds convertible into shares) pursuant to the authorization granted by the shareholders' meeting;
- (VIII) to decide on the establishment of internal management organs of the Company;
- (IX) to decide on the appointment or dismissal of the Company's general manager and secretary of the board of directors and other senior management, and decide on their remuneration, rewards and punishments; to decide to appoint or dismiss the Company's deputy general manager, financial director and other senior management according to the nomination of the general manager, and decide on their remuneration, rewards and punishments;
- (X) to formulate the basic management system of the Company;
- (XI) to formulate proposals to amend the Articles of Association;
- (XII) to manage the Company's information disclosures;
- (XIII) to propose to the shareholders' meeting the appointment or replacement of the accounting firm that provides audit services to the Company;
- (XIV) to listen to the work report of the general manager of the Company and inspect the work of the general manager;
- (XV) to propose the election and replacement of a director of the Company to the shareholders' meeting;
- (XVI) to review and approve external guarantees and financial assistance matters beyond the scope of authority of the shareholders' meeting;
- (XVII) other powers stipulated by laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed or the Articles of Association, and those powers granted by the shareholders' meeting.

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

Article 113 The board of directors of the Company shall discuss and evaluate whether the corporate governance mechanisms provide appropriate protection and equal rights to all shareholders, and whether the corporate governance structure is reasonable and effective.

Article 114 The board of directors of the Company shall provide an explanation at the shareholders' meeting for the non-standard audit opinions on the financial report of the Company issued by the certified public accountant.

Article 115 The board of directors shall establish its rules of procedure to ensure the implementation of the resolutions of the shareholders' meeting, improve its efficiency and make scientific decisions.

Article 116 The board of directors shall determine the scope of authorities in respect of external investments, acquisition and sale of assets, asset mortgage, external guarantees, entrusted financial management, and related party transactions, and establish strict review and decision-making procedures; major investment projects should be reviewed by relevant experts and professionals, subject to approval at the shareholders' meeting.

Article 117 The board of directors has one chairperson and may have a vice chairperson. The chairperson and the vice chairperson of the board of directors shall be elected by more than half of all directors. Where the chairperson is incapable of performing or is not performing his or her duties, a director nominated by more than half of all directors shall perform the duties.

Article 118 The chairperson shall exercise the following functions and powers:

- (I) to preside over the shareholders' meeting and convene and preside over the board meetings;
- (II) to supervise and examine the implementation of the resolutions of the board of directors;
- (III) to sign relevant documents on behalf of the company within the scope of authorization;
- (IV) other functions and powers delegated by the board of directors.

The chairperson of the board shall not engage in acts beyond the scope of his or her powers. When exercising the powers within the scope of his or her functions and powers, if the chairperson encounters matters that may have a significant impact on the company's operations, he/she shall make prudent decisions and, when necessary, submit such matters to the board of directors for collective decision-making. With respect to the implementation of authorized matters, the chairperson shall promptly inform all directors.

Article 119 Board meetings shall be held at least four times a year. Meetings shall be convened by the chairman of the board of directors. Except for ad hoc board meetings, written notice shall be given to all directors and supervisors at least 14 days before the meeting is held.

Article 120 The chairperson shall, on requisition of the shareholders representing one-tenth or more of the voting rights of the Company, or one-third or more of the directors, or the board of supervisors, convene and preside over an ad hoc board meeting within 10 days after receiving such requisition.

Article 121 The convening of an ad hoc board meeting by the board of directors shall be notified by oral notice (including telephone and in person), email, telegraph, postal delivery or personal delivery, etc., at least 3 days in advance.

Under special circumstances that require the board of directors to reach an immediate resolution and in the interests of the Company, the convening of an ad hoc board meeting need not be subject to the restrictions of the method and time limit of notification set out in the preceding paragraph, provided that the convener shall make an explanation at the meeting and record it in the minutes of meeting.

Article 122 The notice of a board meeting shall include the following:

- (I) date and venue of the meeting;
- (II) duration of the meeting;
- (III) method of convening the meeting;
- (IV) subject matter and topics of the meeting;
- (V) meeting contact person and contact information;
- (VI) date of notice.

Article 123 Board meetings shall be convened in person as a principle. When necessary, upon the consent of the convener (chairperson) and the proposer, and on the premise that directors are guaranteed to fully express their opinions, meetings may also be convened by video, telephone or other means, or by a combination of in-person and other means.

When a board meeting is not convened in person, the number of directors present at the meeting shall be counted based on the directors who are visually present via video, directors who express opinions in a conference call, and valid votes actually received via fax, email, or other means within the prescribed time limit.

When a board meeting is simultaneously conducted physically present and participating remotely, the quorum shall be the sum of directors counted in the preceding two paragraphs.

Article 124 The board meeting shall be attended by more than half of the directors. Resolutions made by the board of directors shall be approved by more than half of all directors.

Voting on the resolutions of the board of directors shall be conducted on a one-person-one-vote basis.

Article 125 If a director is connected to the enterprises or individuals involved in the matters to be resolved at the board meetings, he/she shall report it to the board of directors in writing. The connected director shall abstain from such voting and not exercise voting rights on such resolutions, nor shall he/she act as a proxy to exercise voting rights on behalf of other directors. Such board meeting may be held with the attendance of more than half of the directors without a connected relationship. Resolutions made at the board meeting shall be adopted by more than half of the directors without a connected relationship. If the number of non-connected directors present at the board meeting is less than three, the matter shall be submitted to the shareholders' meeting for consideration.

Matters for which the board of directors exercises its powers beyond the scope authorized by the shareholders' meeting shall be submitted to the shareholders' meeting for deliberation.

Where a director, supervisor, senior management of the Company, their close relatives, the enterprises directly or indirectly controlled by the aforesaid persons, or an affiliate who has other connected relationships with a director, supervisor or senior management, enters into a contract or conducts a transaction with the Company directly or indirectly, they shall report the matters relating to the conclusion of the contract or the conduct of the transaction to the board of directors and submit such matters to the board of directors for deliberation.

Article 126 Where a board meeting is convened in the form of an on-site meeting, the voting methods for the meeting shall be voting on a poll or by a show of hands.

For a board meeting convened remotely, the voting shall be conducted by ballot. The votes of directors participating remotely shall be confirmed based on the valid votes received within the specified deadline or written replies (such as faxes and emails) submitted by directors within the specified timeframe. The specific form of voting shall be determined by the meeting chairperson at the commencement of the meeting.

Article 127 A director shall attend each meeting of the board of directors in person, or if he/she is unable to attend the meeting for any reason, he/she may entrust any other director in writing to attend on behalf of him/her. The power of attorney shall specify the name of the proxy, matters authorized, powers delegated and validity term, and be signed or stamped by the principal.

Where voting matters are involved, the principal shall clearly express in the power of attorney his or her agreement, disagreement or abstention on each matter. A director shall not make or accept an appointment without voting intentions, a discretionary appointment or an appointment with an indefinite scope of authorization. A director's responsibility for voting matters is not discharged by the presence of another director by proxy.

A director may not accept proxies from more than two directors to attend a board meeting on their behalf.

A director attending a meeting as the proxy of another director shall exercise the rights of a director within the powers delegated by the principal. Any director who fails to attend a board meeting in person or by proxy shall be deemed to have waived his or her voting rights at such meeting.

Article 128 The board of directors shall cause minutes to be made in respect of its decisions on the matters discussed at each meeting, and such meeting minutes shall include copies of all notices convening the board meeting. All the directors present at such meeting shall sign the meeting minutes. Directors present at the meeting shall have the right to record his or her explanations for their statements made in the meeting.

The meeting minutes of the board of directors shall be kept as a record of the Company for not less than 10 years.

Article 129 The minutes of a board meeting shall contain, among others:

- (I) date, venue and name of convener of the meeting;
- (II) names of the directors present at the meeting and the directors (proxies) attending the meeting on behalf of other directors;

- (III) agenda of the meeting;
- (IV) key points of the speeches delivered by each director;
- (V) method and result of voting on each resolution (including the number of votes for, against and abstentions);
- (VI) other matters that are considered necessary to be included by the attending directors.

Article 130 Directors shall sign the board resolutions and be liable for the same. Where a board resolution violates laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed, the Articles of Association, or the resolutions of shareholders' meetings, thereby causing substantial losses to the Company, the directors who participated in such resolution shall be liable to the Company for compensation, unless a director has been proved as having expressed objection during the vote and such objection was recorded in the meeting minutes.

CHAPTER 6 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT

Article 131 The Company shall have one general manager who shall be appointed or dismissed by the board of directors.

The Company can have deputy general managers, who shall be appointed or dismissed by the board of directors.

The Company's general managers, deputy general managers, finance manager, secretary to the board of the directors, and other senior management members appointed by the board of directors shall constitute senior management of the Company.

Article 132 The circumstances in Article 97 of the Articles of Association regarding disqualification from serving as a director shall also apply to senior management.

If an incumbent senior management falls under the circumstances specified in Article 97 of the Articles of Association, he/she shall promptly and proactively report to the Company and resign within one month from the date on which the facts occur. The Company's board of directors shall, upon becoming aware of the situation, immediately suspend the relevant senior management from performing his or her duties and convene a board meeting to dismiss him/her.

The provisions regarding the verification of directors' qualifications under Article 98, the fiduciary duties of directors under Article 100 and the diligence obligations under Article 102 of the Articles of Association shall also apply to senior management.

Article 133 Any person who holds any office (other than director or supervisor) in any entity of the controlling shareholders and actual controllers of the Company shall not hold any office of senior management in the Company concurrently.

The senior management may receive their remuneration from the Company only, rather than from the controlling shareholder of the Company.

Article 134 Each term of office of the general manager is three years and is renewable upon re-election.

Article 135 The general manager is responsible to the board of directors and exercises the following powers:

- (I) to be in charge of the production and operational management of the Company, organize the enforcement of resolutions of the board of directors and report to the board of directors on work;
- (II) to organize the implementation of the annual operation plans and investment schemes of the Company;
- (III) to formulate the structure scheme of the internal management department of the Company;
- (IV) to formulate the fundamental management policies of the Company;
- (V) to formulate the specific management rules of the Company;
- (VI) to propose to the board of directors the appointment or dismissal of the Company's deputy general manager and other senior management;
- (VII) to decide on the appointment or dismissal of responsible management personnel except those whose appointment or dismissal shall be determined by the board of directors;
- (VIII) to decide on the purchase of raw materials, sale of products, provision of services, daily operational matters, and daily administrative and personnel management matters; however, if the purchase or sale of such assets falls under the matters requiring consideration and approval by the shareholders' meeting or the board of directors, the corresponding procedures shall still be followed in accordance with other provisions of the Articles of Association;
- (IX) to consider and approve the transactions, external investments, and related party transactions that are not required to be considered and approved by the shareholders' meeting or the board of directors as stipulated in the Articles of Association;
- (X) other functions and powers authorized by the Articles of Association or the board of directors.

The general manager shall be accountable to the board of directors and exercise his or her powers in accordance with the provisions of the Articles of Association or the authorization granted by the board of directors. The general manager shall attend board meetings as a non-voting member.

Where the general manager has an interest in a related party transaction subject to its decision, such related party transaction shall be considered and approved by the board of directors.

The powers set forth in item (VIII) of this article may be delegated by the general manager to other departments and personnel of the Company.

Article 136 The general manager shall attend board meetings as a non-voting member. The general manager, who is not a director, does not have any voting rights at board meetings.

Article 137 The general manager may develop working rules and submit them to the board of directors for approval prior to implementation.

Article 138 Working rules for the general manager shall include the following:

- (I) conditions and procedures of holding the general manager's meeting and attendees at the meeting;
- (II) respective specific duties and responsibilities and work allocations of the general manager and other senior management;
- (III) the general manager's authority on the use of funds and assets of the Company and on the execution of major contracts, reporting system to the board of directors and the board of supervisors;
- (IV) other matters the board of directors deems necessary.

Article 139 The general manager may tender his or her resignation before the expiry of his or her term of office. The specific procedures and measures of the resignation of the general manager shall be subject to the service contract between the general manager and the Company.

Article 140 The deputy general manager and the financial controller of the Company shall be nominated by the general manager, and their appointments shall become effective upon consideration and approval by the board of directors. Among them, the financial controller shall possess the professional technical qualification of an accountant or above, or have an accounting professional background and three or more years of experience in accounting work.

Article 141 The Company shall have one secretary to the board of directors. The secretary to the board of directors shall be responsible for the preparation of shareholders' meetings and board meetings, retention of documents and management of investor relations and the Company's shareholder materials, handling of information disclosure matters, etc.

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

The secretary to the board of directors shall attend the board of directors' meetings and shareholders' meetings as a non-voting member. Directors or other senior management of the Company may concurrently serve as the secretary to the board of directors.

Article 142 A senior management of the Company may resign before expiry of his or her term of office, subject to submission of a written resignation report to the board of directors, and shall not evade his or her responsibilities by means of resignation or other means. If the secretary to the board of directors resigns without completing the handover of work, the resignation report shall not take effect until the secretary to the board of directors has completed the handover of work. Except for the aforesaid circumstances, the resignation of senior management shall take effect from the date on which the resignation report is delivered to the board of directors.

The board of directors of the Company shall promptly convene a board meeting to determine the succeeding senior management upon receipt of the resignation report.

The obligation of loyalty to the Company and all shareholders assumed by the senior management of the Company shall not be discharged prior to the effective date of his or her departure and within a reasonable period or agreed period after the effective date of his or her departure or the expiration of his or her term of office. After the departure of the senior management, the obligations of confidentiality in respect of trade secrets of the Company shall survive until such trade secrets become publicly known. The duration of other obligations shall be determined in accordance with the agreements or the principle of fairness.

Article 143 The senior management shall strictly implement the resolutions of the board of directors and the resolutions of the shareholders' meeting, etc., and shall not change, refuse or passively implement the relevant resolutions without authorization.

Article 144 Any senior management who violates the laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed or the Articles of Association in performing his or her duties in the Company shall indemnify the Company for the losses arising therefrom. The senior management of the Company shall faithfully perform his or her duties and safeguard the best interests of the Company and all shareholders. Any senior management of the Company who fails to faithfully perform his or her duties or breaches the fiduciary duty shall indemnify the Company and the public shareholders for the damage arising therefrom according to law.

CHAPTER 7 BOARD OF SUPERVISORS

Section 1 Supervisors

Article 145 Article 97 of the Articles of Association regarding the circumstances under which a person may not serve as a director shall also apply to supervisors.

If an incumbent supervisor falls under the circumstances specified in Article 97 of the Articles of Association, he/she shall promptly and proactively report to the Company and resign within one month from the date on which the facts occur. The Company's board of supervisors shall, from the date on which it becomes aware of the occurrence of the relevant circumstances, immediately suspend the supervisor from performing his or her duties and propose to the shareholders' meeting or the employee assembly for replacement.

The directors, general managers, and other senior management shall not concurrently hold the position of supervisor. During the term of office of directors and senior management, their spouses and immediate family members shall not serve as supervisors of the Company.

Article 146 The supervisors shall observe the laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association, shall fulfil the fiducial duty to the Company, take measures to avoid conflicts between their own interests and the Company's interests, and shall not abuse their powers to seek improper benefits. The provisions of the Articles of Association regarding the directors' fiduciary duty shall apply to supervisors simultaneously.

The supervisors shall fulfil the obligations of diligence to the Company, and when performing their duties, they shall exercise the reasonable care that a prudent manager would ordinarily exercise for the best interests of the Company.

Article 147 The supervisors shall serve a term of three years and the term is renewable upon re-election when it expires. The supervisors served by shareholder representatives shall be elected or replaced by the shareholders' meeting, while employee supervisors shall be elected or replaced through democratic procedures at the Company's employee (representative) assembly.

Article 148 A supervisor may tender his or her resignation before the expiration of his or her term of office. The supervisor shall submit a written resignation report to the board of supervisors, and shall not evade the responsibilities he/she shall bear by resignation or other means. If the re-election of a supervisor is not conducted in a timely manner upon the expiration of term of office, or if a supervisor resigns during his or her term of office, resulting in the number of members of the board of supervisors falling below the quorum, or the number of employee representative supervisors being less than one-third of the total number of members of the board of supervisors, the said supervisor shall, prior to the assumption of office by the newly elected supervisor, still perform the duties of a supervisor in accordance with the provisions of laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

The Company shall complete the by-election within two months. Except for the circumstances listed in the preceding paragraph, a supervisor's resignation shall take effect from the date on which the resignation report is delivered to the board of supervisors. The fiduciary duty of the supervisor to the Company and all shareholders shall not be automatically terminated until the resignation takes effect, or within a reasonable period after the resignation takes effect or the term of office expires. The supervisor's obligation to keep the Company's trade secrets confidential shall remain valid after the end of his or her term of office until such secrets become public information. The duration of other obligations shall be determined in accordance with agreements or the principle of fairness.

Article 149 A supervisor shall attend meetings of the board of supervisors in person. If a supervisor is unable to attend the meeting for any reason, he/she may appoint in writing another supervisor of the board of supervisors of the Company to attend the meeting on his or her behalf. A supervisor who is unable to attend two consecutive meetings of the board of supervisors in person and does not appoint another supervisor to attend the meeting shall be deemed unable to perform his or her duties and shall be replaced at the shareholders' meeting, or at the employee representative assembly, the employee assembly, or other means.

Article 150 Supervisors may attend the board meetings and raise inquiries or suggestions concerning the matters subject to resolutions to be adopted by the board of directors.

Supervisors have the right to understand the Company's operation. The Company should take measures to safeguard the right to information of the supervisors and provide necessary assistance for the supervisors to perform their duties normally, without any interference or obstruction from any individual. The relevant expenses incurred by supervisors in performing their duties shall be borne by the Company.

Article 151 A supervisor shall not abuse related relationships to harm the Company's interests. If such conduct causes losses to the Company, the supervisor shall bear compensation liability.

If a supervisor violates laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed or the provisions of the Articles of Association in the course of performing his or her duties and causes losses to the Company, he/she shall be liable for compensation.

Section 2 Board of Supervisors

Article 152 The Company shall establish a board of supervisors, which shall comprise three members.

The board of supervisors shall have one chairperson, who shall be elected by more than half of all supervisors. The chairperson of the board of supervisors shall convene and preside over meetings of the board of supervisors; if the chairperson is unable to perform or fails to perform his or her duties, more than half of all supervisors shall jointly elect one supervisor to convene and preside over such meetings.

The proportion of employee representatives shall not be less than one-third of the members of the board of supervisors, and they shall be elected democratically by the employees of the Company at the employee representatives' assembly, employee assembly or in other forms.

Article 153 The board of supervisors shall exercise the following functions and powers:

- (I) to examine the financial operations of the Company;
- (II) to supervise the performance of duties to the Company by the directors and senior management, if necessary, require directors and senior management to submit reports on the performance of their duties; and propose dismissal of any director or senior management member who violates the laws, administrative regulations, the Articles of Association, regulatory rules of the place where the Company's shares are listed or resolutions of shareholders' meeting;
- (III) to require directors and senior management to make corrections if their conduct has damaged the interests of the Company;
- (IV) to propose the convening of an extraordinary shareholders' meeting, and to convene and preside over the shareholders' meeting when the board of directors fails to perform such duties as specified in the Company Law;
- (V) to submit proposals to the shareholders' meeting;
- (VI) to institute legal proceedings against the directors and senior management according to the law, administrative regulations or the Articles of Association;
- (VII) in the event that the board of supervisors discovers any unusual operation of the Company, it may conduct an investigation and, when necessary, may engage professionals, such as accounting firms and law firms, to assist in its work; any expenses incurred thereby shall be borne by the Company;
- (VIII) to review the Company's periodic reports prepared by the board of directors and provide written review opinions;
- (IX) other functions and powers conferred by the Articles of Association or the shareholders' meeting.

Article 154 Meetings of the board of supervisors shall be held at least once every six months. Notice of such meetings shall be given in writing to each supervisor ten days before the meeting is convened.

Supervisors may propose to hold an extraordinary meeting of the board of supervisors, and the notice of such meetings shall be given to each supervisor three days before the meeting is convened.

A notice of a meeting of the board of supervisors shall include the following contents: the date, venue and duration of the meeting, the subject matter and agenda of the meeting, and the date on which the notice is issued. When an extraordinary and urgent matter arises and requires the convening of a meeting of the board of supervisors, the restrictions on the time limit and form of notice mentioned above may be waived.

Article 155 The board of supervisors may require the Company's directors, general manager, other senior management, and internal and external auditors to attend meetings of the board of supervisors and respond to the issues raised by the board of supervisors.

Article 156 The board of supervisors shall formulate the rules of procedure for the meetings of board of supervisors, specifying the deliberation methods and voting procedures of the board of supervisors, so as to ensure the work efficiency and scientific decision-making of the board of supervisors.

Article 157 The meeting of the board of supervisors may be convened only if more than half of the supervisors are present. Each supervisor shall have one vote.

Article 158 The voting methods of the board of supervisors shall be as follows: registered voting or a show of hands. On the premise of ensuring that supervisors can fully express their opinions, meetings of the board of supervisors may be conducted and resolutions may be adopted in writing such as by fax, with signatures of the attending supervisors.

Resolutions of the board of supervisors shall be passed by more than half of all supervisors.

Article 159 The board of supervisors shall record the decisions made on the issues discussed at the meeting in the minutes, which shall be signed by the supervisors present at the meeting.

Any supervisor shall have the right to have certain explanatory notes entered into the minutes regarding his or her statements at the meeting. The minutes of the board of supervisors shall be saved in the archives of the Company for a period of at least ten years.

CHAPTER 8 FINANCIAL AND ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Section 1 Financial and Accounting System

Article 160 The Company formulates its financial and accounting system in accordance with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the provisions of the Chinese accounting standards formulated by the Ministry of Finance.

Article 161 The Company shall prepare a financial report at the end of each fiscal year, which shall be reviewed and verified in accordance with the law.

The Company's financial reports shall include the following financial and accounting statements as well as schedules of breakdowns:

- (I) balance sheet;
- (II) statement of profit and loss;
- (III) statement of cash flow;
- (IV) notes to the financial and accounting statements;
- (V) statement of profit distribution.

Where laws, administrative regulations, normative documents promulgated by competent authorities and regulatory rules of the place where the Company's shares are listed otherwise specify regarding the financial reports, those provisions shall prevail.

Article 162 The board of directors of the Company shall submit to the shareholders at each annual shareholders' meeting such financial reports as relevant laws, administrative regulations and normative documents promulgated by the local government and the competent authorities as well as the provisions of the place where the Company's shares are listed require the Company to prepare.

Article 163 The Company's financial reports shall be made available for shareholders' inspection at the Company 20 days prior to the date of the annual shareholders' meeting.

The Company shall dispatch (herein referred to as send) by post, with postage prepaid, to each holder of overseas listed shares an annual report comprising the annual accounts and a copy of the auditor's report thereon not less than 21 days before the date of the annual shareholders' meeting. The address of each shareholder should be the address listed on the register of shareholders of the Company. Subject to the requirements of laws, administrative regulations or regulatory rules of the place where the Company's shares are listed, such information may be given by way of announcement (including through the website of the Company and the website of the Hong Kong Stock Exchange). Once the announcement is made and relevant procedures are fulfilled in accordance with laws, administrative regulations and regulatory rules of the place where the Company's shares are listed, all shareholders shall be deemed to have received the aforementioned financial report.

Article 164 The Company shall prepare its financial statement not only in accordance with the Chinese accounting standards and regulations but also the international accounting standards or the accounting standards in the overseas listing place. In case there are major discrepancies between the financial statements prepared in accordance with the two different accounting standards, they should be explained in the notes to the financial statements. When distributing the after-tax profit for the fiscal year, the Company shall base on the lower of the after-tax profit as determined in the financial statements prepared according to (i) Chinese accounting standards and regulations, or (ii) international accounting standards or the accounting standards in the overseas listing place.

Article 165 Interim results or financial information published or disclosed by the Company shall be prepared not only in accordance with the Chinese accounting standards and regulations but also the international accounting standards or the accounting standards in the overseas listing place.

Article 166 The Company is required to publish an annual results announcement within three months after the end of the fiscal year and an interim results announcement within two months after the end of the first six months of each year according to the listing rules of the Hong Kong Stock Exchange.

The Company is required to publish an annual report within four months after the end of the fiscal year and an interim report within three months after the end of the first six months of each year according to the listing rules of the Hong Kong Stock Exchange.

Article 167 The Company shall not establish other accounting books except for statutory accounting books. The funds of the Company shall not be deposited in any account opened in the name of any individual.

Article 168 In distributing its current-year after-tax profits, the Company shall allocate 10% of its profit to its statutory reserve fund. Allocations to the Company's statutory reserve fund may be waived once the cumulative amount of funds therein exceeds 50% of the Company's registered capital.

Where the statutory reserve fund is not sufficient to cover any loss made by the Company in the previous year, the current year's profit shall be used to cover such loss before any allocation is made to the statutory reserve fund pursuant to the preceding paragraph.

After an allocation to the statutory reserve fund has been made from the after-tax profit of the Company, and subject to the adoption of a resolution by the shareholders' meeting, an allocation may be made to the discretionary reserve fund.

The remaining after-tax profit after the Company makes up for losses and withdraws the provident fund shall be distributed according to the proportion of shares held by shareholders, unless prohibited by the Articles of Association.

If the Company distributes profits to shareholders in violation of laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and provisions of the CSRC and other relevant national competent authorities, the shareholders shall return the profits distributed in violation of the provisions to the Company; if losses are caused to the Company, the shareholders and the directors, supervisors and senior management members who are responsible shall be liable for compensation.

Profits shall not be distributed to shares held by the Company itself.

Article 169 The Company's provident fund is used to compensate for its losses, expand its production and operation, or convert it into an increase in the Company's registered capital.

The provident fund to make up for the Company's losses should first use the arbitrary provident fund and the statutory provident fund; if it still cannot be made up, the capital reserve may be used in accordance with the regulations.

After converting statutory reserve funds into the increased registered capital, the amount remaining in the statutory reserve fund shall be no less than 25% of the Company's registered capital before the conversion.

Article 170 The Company shall maintain a continuous and stable profit distribution policy, and pay attention to bringing a reasonable return to investors and take into account the sustainable development of the Company. The distribution of after-tax profits of the Company shall be formulated by the board of directors depending on the economic benefits of the Company, in accordance with the Articles of Association and relevant regulations, and shall be implemented after being resolved by the shareholders' meeting.

The Company may adjust the profit distribution policy according to the production and operation conditions, investment plans and the long-term needs, the adjusted profit distribution policy shall not be in breach of the relevant requirements of laws and regulations. The resolution on adjustment to the profit distribution plan shall be submitted to the shareholders' meeting for approval after consideration by the board of directors of the Company.

The board of directors of the Company proposes a distribution plan after the end of each fiscal year, which shall be submitted to the shareholders' meeting for approval before implementation.

Article 171 The Company may distribute profit in the form of cash, shares, or by the combination of cash and shares, to distribute profit.

Section 2 Internal Audit

Article 172 The Company shall implement its internal audit system with professional auditors to carry out internal audit supervision to the financial income and expenditure and economic activities of the Company.

Article 173 The internal audit system of the Company and the duties of the auditing staff shall be subject to the approval of the board of directors. The officer in charge of audit shall be accountable to the board of directors and report his or her work to the same.

Section 3 Appointment of Accounting Firm

Article 174 The Company shall engage an accounting firm who complies with the requirements of the Securities Law and the regulatory rules of the place where the Company's shares are listed to conduct audits of financial statements, net assets verification and other relevant consultancy services. The term of office of an accounting firm appointed by the Company shall be one year commencing from the closure of this annual shareholders' meeting of the Company until the closure of the next annual shareholders' meeting, and the appointment may be renewed.

Article 175 The engagement and dismissal of an accounting firm by the Company shall be determined at the shareholders' meeting, and the board of directors shall not engage an accounting firm before any decision is made at the shareholders' meeting.

Article 176 The Company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or misrepresentation of information.

Article 177 The audit fee of the accounting firm shall be determined by the shareholders' meeting.

Article 178 A 10-day prior notice shall be given to the accounting firm if the Company decides to dismiss such accounting firm or not to renew the engagement thereof. The accounting firm is allowed to make representations when the shareholders' meeting of the Company conducts a vote on the dismissal of the accounting firm.

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

CHAPTER 9 NOTICE AND ANNOUNCEMENT

Section 1 Notice

Article 179 The notices of the Company may be served as follows:

- (I) by hand;
- (II) by post (including email);
- (III) by announcement;
- (IV) by fax;
- (V) by other means as specified by the listing rules of the place where the Company's shares are listed and the securities regulatory authorities, or as recognized or specified in the Articles of Association.

Article 180 Where the Company issues a notice by public announcement, all relevant personnel shall be deemed to have received such notice once the public announcement has been made.

Article 181 Subject to the requirements of laws, regulations, and the listing rules of the place where the Company's shares are listed, the notice convening the shareholders' meeting shall be given by way of announcement on the website of the Company and the website of the Hong Kong Stock Exchange.

Article 182 The convening of a board meeting by the Company shall be notified in writing or by fax, email, letter (including express delivery), personal delivery, etc.

Article 183 The convening of a meeting of the board of supervisors by the Company shall be notified in writing or by fax, email, letter (including express delivery), personal delivery, etc.

Article 184 For notice of the Company sent by personal delivery, the date of service shall be the date when the recipient signed (or stamped) to acknowledge receipt of the same; for notice of the Company sent by letter (including express delivery), the date of service shall be the third working day from the date on which the post office (including express company) receives the notice; for notice of the Company sent by email or fax, the date of service shall be the date when the email or fax is sent out; for notice of the Company issued by announcement, the date of service shall be the date when the Company publishes the first announcement.

Article 185 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting and resolution adopted thereat as long as the number of attendees and voting results are legal and valid.

Article 186 The Company shall issue announcements and make information disclosure to the shareholders of domestic shares through the information disclosure newspapers and websites designated by laws, administrative regulations or relevant domestic regulatory authorities. If an announcement is required to be issued to shareholders holding overseas listed shares in accordance with the Articles of Association, such announcement shall, at the same time, be published in the designated newspapers, websites and/or the Company's website by the means prescribed in the Hong Kong Listing Rules. All the documents that the Company is required to deliver to the Hong Kong Stock Exchange pursuant to Chapter 19A of the Hong Kong Listing Rules shall be written in English or be accompanied by a signed and certified English translation.

Section 2 Announcement

Article 187 The Company shall publish the corporate announcements and other information required to be disclosed in the information disclosure media that comply with the laws and administrative regulations such as the Company Law and the Securities Law and the regulatory rules of the place where the Company's shares are listed.

CHAPTER 10 MERGER, DIVISION, INCREASE AND REDUCTION OF CAPITAL, DISSOLUTION AND LIQUIDATION

Section 1 Merger, Division, Increase and Reduction of Capital

Article 188 The Company may be merged or divided pursuant to laws. Merger of the Company may take the form of absorption or establishment of a new company.

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

Article 189 Where the Company merges with a company in which it holds 90% or more of the shares, the merged company is not subject to the approval of the shareholders' meeting but shall notify other shareholders, who shall have the right to request the Company to purchase their equity or shares at a reasonable price.

Where the consideration paid for a merger of the Company does not exceed 10% of the net assets of the Company, it is not necessarily subject to approval at a shareholders' meeting, except as otherwise provided in the Articles of Association.

Where the Company carries out a merger not subject to approval at a shareholders' meeting in accordance with the preceding two paragraphs, it shall be approved by the board of directors.

Article 190 In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution on merger and shall make an announcement on the media or on the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution.

The creditors shall, within 30 days of the receipt of the notice or, for those who do not receive the notice, within 45 days from the date of the announcement, demand the Company to settle their debts or provide corresponding guarantees for such debts.

Article 191 The credits and debts of the merging parties during a merger of the Company shall be inherited by the company surviving the merger or by the newly established company.

Article 192 If the Company is divided, its properties shall be divided accordingly.

Where the Company is divided, a balance sheet and a property inventory shall be prepared. The Company shall notify all creditors within ten days after adoption of the division resolution and shall make announcements in newspapers or on the National Enterprise Credit Information Publicity System within thirty days.

Article 193 The debts of the Company prior to the division shall be undertaken by the companies after division, except as otherwise specified in the written agreement on debt repayment reached between the Company and its creditors before division.

Article 194 Where the Company decreases its registered capital, the Company shall prepare a balance sheet and a property inventory.

The Company shall notify the creditors within ten days after adoption of the resolution at the shareholders' meeting to decrease the registered capital and shall make announcements in newspapers or on the National Enterprise Credit Information Publicity System within thirty days. A creditor may, within thirty days from the date of receipt of the written notice or, if he/she does not receive a written notice, within forty-five days from the date of the announcement, require the Company to repay debts or provide corresponding guarantees.

When the Company reduces its registered capital, it shall correspondingly reduce the shares held by shareholders in proportion to their shareholdings, except as otherwise provided by laws and regulations or stipulated in the Articles of Association.

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

If the Company's registered capital is reduced in violation of the laws and regulations, the shareholders shall return the funds they have received, and any reduction or exemption of shareholders' capital contributions shall be restored; if the Company suffers losses as a result, the shareholders and the concerned directors, supervisors and senior management shall bear the liability for compensation.

Article 195 Change in registered particulars arising from a merger or division of the Company shall be registered with the companies registration authority according to law. If the Company is dissolved, it shall be deregistered according to law. If a new company is established, such establishment shall be registered according to law. Increase or decrease of the registered capital of the Company shall be registered with the companies registration authority according to law.

Article 196 If there are still losses after the Company has made up for losses in accordance with the second paragraph of Article 169 of the Articles of Association, it may reduce the registered capital to make up for the losses. If the registered capital is reduced to make up for losses, the Company shall neither make distributions to shareholders, nor shall it exempt shareholders from their obligation of capital contribution or paid-in capital payment.

Where the registered capital is reduced pursuant to the preceding paragraph, the provisions under the second paragraph of Article 194 shall not apply. However, the Company shall announce such reduction in the newspapers or on the National Enterprise Credit Information Publicity System within thirty days commencing from the date when the shareholders' meeting resolves to reduce the registered capital.

After reduction of registered capital in accordance with the preceding two paragraphs, the Company shall not distribute profits until the cumulative amount of statutory reserves and discretionary reserves reaches fifty percent of the Company's registered capital.

Section 2 Dissolution and Liquidation

Article 197 In any of the following circumstances, the Company shall be dissolved and liquidated according to the law:

- (I) upon expiry of term of business stipulated in the Articles of Association or occurrence of other circumstances of dissolution stipulated in the Articles of Association;
- (II) the shareholders' meeting has resolved to dissolve the Company;
- (III) the Company is dissolved by reason of its merger or division;
- (IV) the business license of the Company is revoked or the Company is ordered to close down or to be dissolved in accordance with the laws;
- (V) where the Company encounters serious difficulties in its operations or management that will lead to significant losses to the benefits of the shareholders if the Company continues its existence and the situation cannot be resolved by other means, the Company is dissolved by a people's court in response to the request of shareholders representing 10% or more of the voting rights of all shareholders of the Company.

If any of the situations as mentioned in the preceding paragraph arises, the Company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

Article 198 Where the Company falls under the circumstance as mentioned in items (I) or (II) of Article 197 of the Articles of Association, and it has not distributed the assets to its shareholders yet, it may survive by modifying the Articles of Association or upon a resolution of the shareholders' meeting.

To modify the Articles of Association or make a resolution of the shareholders' meeting according to the provisions of the preceding paragraph, the consent of two-thirds or more of the voting rights held by the shareholders who attend the meeting of the shareholders' meeting is required.

A voluntary liquidation of the Company must be approved by shareholders at a shareholders' meeting by two-thirds or more of the voting rights held by the shareholders present at the meeting.

Article 199 Where the Company is dissolved under the circumstances set forth in items (I), (II), (IV) or (V) of Article 197 of the Articles of Association, it shall be liquidated. The directors, who are the liquidation obligors of the Company, shall form a liquidation committee to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution.

The liquidation committee shall be composed of directors, unless it is otherwise provided for in the Articles of Association or it is otherwise elected by the shareholders' meeting.

The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the Company or the creditors.

Where the Company undergo liquidation pursuant to the provisions of the first paragraph of this Article but fails to form a liquidation committee to conduct liquidation within the time limit, or fails to conduct liquidation after forming a liquidation committee, interested parties may apply to the people's court for appointing relevant personnel to form a liquidation committee for liquidation.

Where the Company is dissolved pursuant to item (IV) of the first paragraph of Article 197 of the Articles of Association, the authority or the company registration authority that made the decision to revoke the business license, order the closure or revoke the Company may apply to the people's court for appointing relevant personnel to form a liquidation committee for liquidation.

Article 200 The liquidation committee may exercise following powers during the liquidation:

- (I) to verify the Company's assets and to prepare a balance sheet and an inventory of assets;
- (II) to inform creditors by notice or announcement;
- (III) to deal with any outstanding business of the Company relating to liquidation;
- (IV) to pay all outstanding taxes and the taxes arising during the liquidation process;
- (V) to settle claims and debts;
- (VI) to distribute the Company's remaining assets after its debts have been paid off;
- (VII) to represent the Company in civil lawsuits.

Article 201 The liquidation committee shall notify the Company's creditors within 10 days of its establishment, and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his or her claim with the liquidation committee within 30 days of receipt of the notification or within 45 days of the date of the announcement if he/she has not received any notification.

The creditors lodging their claims shall explain matters relating to the claims and provide evidential documents. The liquidation committee shall register the creditors' claims.

During the claims lodging period, the liquidation committee shall not make repayment to the creditors.

Article 202 Upon disposal of the Company's property and preparation of the balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan and submit this plan to a shareholders' meeting or a people's court for endorsement.

The remaining part of the Company's assets, after payment of liquidation expenses, employee wages, social insurance fees and statutory compensation, outstanding taxes and the Company's debts, shall be distributed to shareholders in proportion to shares held by them.

The Company shall continue its existence during the liquidation period, although it cannot conduct operating activities that are not related to the liquidation. The Company's property shall not be distributed to shareholders before repayments are made in accordance with the requirements of the preceding paragraph.

Article 203 Where the liquidation committee finds that the property of the Company is not sufficient for paying off the debts after liquidating the property of the Company and preparing a balance sheet and an inventory of property, it shall file an application to a people's court for bankruptcy liquidation.

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

Article 204 Upon completion of the liquidation of the Company, the liquidation committee shall produce a liquidation report, report the same to the shareholders' meeting or the people's court for confirmation, and submit the same to the company registration authority to apply for deregistration of the Company and announce the termination of the Company.

Article 205 The members of the liquidation committee shall perform their liquidation duties in accordance with the law and bear the duties of loyalty and diligence.

Where a member of the liquidation committee fails to perform his or her liquidation duties diligently, thereby causing losses to the Company, he/she shall be liable for compensation; where he/she causes losses to creditors arising from his or her willful or gross negligence, he/she shall be liable for compensation.

Article 206 Liquidation of the Company which is declared bankrupt according to laws shall be processed in accordance with the laws on corporate bankruptcy.

CHAPTER 11 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 207 Under any of the following circumstances, the Company shall amend the Articles of Association:

- (I) after amendment has been made to the Company Law or relevant laws, administrative regulations and regulatory rules of the place where the Company's shares are listed, the contents of the Articles of Association are in conflict with the amended laws or administrative regulations;

- (II) the changes that the Company have undergone are inconsistent with the records made in the Articles of Association;
- (III) the shareholders' meeting has resolved to amend the Articles of Association.

Article 208 Where the amendments to the Articles of Association passed by the shareholders' meetings are subject to the examination and approval or filing by the competent authorities, such amendments shall be submitted to the competent authorities for approval or filing. Where the amendments involve registration particulars of the Company, the Company shall register relevant changes according to law.

Article 209 The board of directors shall revise the Articles of Association in accordance with the resolutions of the shareholders' meeting to amend the Articles of Association and the examination and approval opinions of the relevant competent authorities.

Article 210 Where the amendments to the Articles of Association are within the scope of information that must be disclosed as required by laws and regulations, they shall be made public according to the provisions.

CHAPTER 12 SUPPLEMENTARY PROVISIONS

Article 211 Definitions

- (I) Controlling shareholder means a shareholder who holds shares accounting for more than 50% of the total share capital of the Company, or a shareholder who, although holding shares accounting for less than 50%, has voting rights sufficient to exert a significant influence on the resolutions of the shareholders' meeting by virtue of the shares held.
- (II) Actual controller means a person who possesses the power to direct the acts of the Company through investment, agreement or other arrangement.
- (III) Related relationship means the relationship between the Company's controlling shareholders, actual controllers, directors, supervisors, senior management and the enterprises directly or indirectly controlled by them, as well as other relationships that may lead to the transfer of the Company's interests. However, enterprises controlled by the state do not have a related relationship merely because they are under common control by the state.
- (IV) Providing financial assistance refers to the act of the Company and its controlled subsidiaries providing funds, entrusted loans, or other financial support to external parties, whether on a paid or unpaid basis.

Article 212 Subject to the provisions hereof, the board of directors may formulate detailed rules for implementation of the Articles of Association, provided that such detailed rules shall not conflict with the provisions hereof.

Article 213 Where matters are not covered herein, or where there is any conflict between the Articles of Association and any laws, administrative regulations, departmental rules, other normative documents, or the regulatory rules of the place where the Company's shares are listed, which are promulgated or amended after the implementation of the Articles of Association, such laws, administrative regulations, departmental rules, other normative documents, or the regulatory rules of the place where the Company's shares are listed shall prevail.

Article 214 The Articles of Association shall be prepared in Chinese. In case of any discrepancy between different languages or versions of the Articles of Association, the Chinese version of the Articles of Association most recently filed with the company registration authority shall prevail.

Article 215 For purpose of the Articles of Association, the terms "or more", "within" and "or less" include the given figure, and the terms "more than half", "exceed", "other than", "less than" and "more than" do not include the given figure.

Article 216 The board of directors of the Company shall be responsible for the interpretation of the Articles of Association.

Article 217 The attachments to the Articles of Association include the rules of procedure for the shareholders' meeting, the rules of procedure for the board of directors and the rules of procedure for the board of supervisors.

Article 218 The Articles of Association shall, as approved by the shareholders' meeting, take effect since the Company's initial public offering of shares and from the date on which such shares are listed and traded on the Main Board of the Hong Kong Stock Exchange.