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SHANDONG GOLD MINING CO., LTD.

Articles of Association

Shandong, the PRC

(September 2025)

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CHAPTER 1 GENERAL PROVISIONS

Article 1 The Articles of Association are formulated pursuant to Company Law of the People's Republic of China (hereinafter as "Company Law"), Securities Law of the People's Republic of China (hereinafter as "Securities Law"), Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (hereinafter as "Trial Measures"), Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter as "Hong Kong Listing Rules") and other relevant regulations, in order to protect the legitimate rights and interests of SHANDONG GOLD MINING CO., LTD. (hereinafter as "the Company") and shareholders, employees and creditors thereof and regulate the organization and behavior.

Article 2 The Company is incorporated as a joint stock limited company in accordance with the Company Law and other relevant regulations.

The Company was established by way of promotion and establishment pursuant to the approval under "Lu Ti Gai Qi Zi [2000] No. 3" issued by the Shandong Province Economic System Reform Commission (山東省經濟體制改革委員會) and Shandong Province Joint Stock Limited Company Approval Certificate "Lu Zheng Gu [2000] No. 13" issued by the Shandong Province People's Government. The Company registered with Shandong Provincial Administration for Industry and Commerce on January 31, 2000 and obtained a business license. The unified social credit code of the Company is 91370000723865016M.

Article 3 On August 7, 2003, the China Securities Regulatory Commission (hereinafter as "CSRC") approved the Company to increase its capital for the first time by issuing 60 million RMB ordinary shares to the public, the shares were listed on the Shanghai Stock Exchange on August 28, 2003. On December 18, 2007, the CSRC approved the Company to increase its capital by way of private placement, the Company issued 17,884,051 RMB ordinary shares to Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), SDG Group Pingdu Gold Co., Ltd. (山東黃金集團平度黃金有限公司) (currently known as Shandong Gold Group Qingdao Gold Co., Ltd. 山東黃金集團青島黃金有限公司) and other specific investors. On November 9, 2015, the CSRC approved the Company to acquire asset, fundraise and increase its capital by way of issuance of shares, the Company issued 434,046,401 RMB ordinary shares to specific investors including Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司) and Shandong Province State-owned Assets Investment Holding Co., Ltd. (山東省國有資產投資控股有限公司) by way of private placement.

On May 7, 2018, the CSRC approved the Company to issue a total of 356,889,500 overseas listed foreign shares (H shares), of which 327,730,000 shares were listed on The Stock Exchange of Hong Kong Limited (hereinafter as "Hong Kong Stock Exchange") on September 28, 2018, and 29,159,500 shares were listed on the Hong Kong Stock Exchange on October 26, 2018.

On January 11, 2021, the CSRC approved the Company to issue 159,482,759 overseas listed foreign shares (H shares) to the original shareholders of Hengxing Gold Holding Company Limited as the consideration for the acquisition of Hengxing Gold Holding Company Limited, and such shares were listed on the Hong Kong Stock Exchange on February 5, 2021.

As authorized by the 2024 annual general meeting, the Company issued 136,500,000 H Shares on September 9, 2025, and such shares were listed on the Hong Kong Stock Exchange on the same date.

Article 4 The Company's registered names:
Chinese name: 山東黃金礦業股份有限公司
English name: Shandong Gold Mining Co., Ltd.

Article 5 Domicile of the Company:
No. 2503 Jingshi Road, Licheng District, Jinan, Postal Code 250100.
Telephone no. of the Company: 0531-67710376
Fax no. of the Company: 0531-67710380

Article 6 Registered capital of the Company is RMB4,609,929,525. Increase or decrease of the Company's registered capital resulting in a change in total registered capital has to be approved by way of resolution of the shareholders' meeting of the Company in relation to increase or decrease of registered capital, passing of the resolution on amendment of the Company's Articles of Association, authorizing the board of directors of the Company to complete the registration procedures for the change in registered capital.

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

Article 8 The director who represents the Company to carry out the Company's affairs is the legal representative of the Company. The legal representative of the Company is appointed and changed by a resolution of the board of directors.

The resignation of a director who holds the position of the legal representative shall be deemed to be the resignation of the legal representative at the same time.

If the legal representative resigns, the Company shall designate a new legal representative within 30 days from the date of resignation of the legal representative.

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

Restrictions on the authority of the legal representative imposed by the Articles of Association or the shareholders' meeting shall not be enforceable against bona fide counterparty.

If the legal representative causes damage to others while performing his/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 laws or the Articles of Association.

Article 10 Shareholders shall bear liability for the Company to the extent of the shares they subscribed. The Company shall bear liability for its debts to the extent of all of its assets.

Article 11 From the date on which the Articles of Association came into effect, the Articles of Association constitutes a legally binding document regulating the organization and behavior of the Company, as well as the rights and obligations shared between the Company and its shareholders and among the shareholders. The Articles of Association shall be a legally binding document for the Company, shareholders, directors and senior management. Pursuant to the Articles of Association, the shareholders may pursue actions against other shareholders, directors and senior management of the Company; pursuant to the Articles of Association, the Company may pursue actions against shareholders, directors and senior management.

Article 12 “Senior management” mentioned in this Articles of Association shall mean general manager, deputy general manager, chief financial officer, secretary of the board of directors, chief economist and chief engineer etc.

CHAPTER 2 BUSINESS OBJECTIVES AND SCOPE

Article 13 Business objective of the Company is to: uphold the operation adhering to the laws and regulations, implement modern corporate system, focus on development of gold mining and deep processing of gold and other precious metals, enhance economic efficiency, technology advancement and science management, shape the Company into a large-scale and competitive international gold enterprise through expanding the scale of operation with capital operation.

Article 14 As registered according to the laws, scope of operation of the Company is: extract and process of gold in permitted area, production and sale of gold mine specific equipment and construction and decorative material.

CHAPTER 3 SHARE

Section 1 Issuance of Shares

Article 15 The stock of the Company shall take the form of shares.

Article 16 The Company shall issue shares in a transparent, fair and just manner, and each share of the same category has the same right. All shares of the same category issued at the same time are issued under the same conditions and at the same price; subscribers pay the same price for each share.

Article 17 All shares issued by the Company shall be denominated in RMB.

Article 18 The Company may offer its shares to both domestic and foreign investors with the approval of the relevant securities regulatory authority under the State Council.

Foreign investors referred to in the preceding paragraph shall mean those investors in foreign countries, People's Republic of China (hereinafter as "PRC"), Hong Kong Special Administration Region (hereinafter as "Hong Kong"), Macau Special Administration Region or Taiwan who subscribe for shares of the Company. Domestic investors shall mean those investors in the PRC, excluding the aforementioned regions, who subscribe for shares of the Company.

Article 19 Shares that the Company issues to domestic investors for subscription in RMB shall be known as domestic shares. Shares that the Company issues to foreign investors for subscription in foreign currencies shall be known as foreign shares. Foreign shares offered and listed overseas shall be known as overseas listed foreign shares. Holders of domestic shares and holders of foreign shares are both holders of ordinary shares, and have the same rights and obligations.

Foreign currency referred to in the preceding paragraph refers to the statutory currency, other than RMB, of another country or region, which is recognized by the foreign exchange authority of the state and can be used to pay the Company for the shares.

The domestic shares issued by the Company listed on the Shanghai Stock Exchange shall be known as A shares. The overseas listed foreign shares issued by the Company listed on the Hong Kong Stock Exchange shall be known as H shares. H shares means the shares which are approved to be listed on the Hong Kong Stock Exchange, whose par value is denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.

Article 20 A shares issued by the Company are under centralized depository of the Shanghai branch of China Securities Depository and Clearing Corporation Limited; whereas H shares issued by the Company are in the custody of securities clearing and settlement companies in Hong Kong or held by shareholders under their own names.

Article 21 The Promoters of the Company are SDG Group Co., (山東黃金集團有限公司), Shandong Zhaojin Group Co., Ltd. (山東招金集團有限公司), Shandong Laizhou Gold (Group) Co., Ltd. (山東萊州黃金(集團)有限公司), Jinan Yuquan Development Centre (濟南玉泉發展中心) and Shandong Jinzhou Mining Group Co., Ltd. (山東金洲礦業集團有限公司). Among which, Jinan Yuquan Development Centre is renamed as Jinan Yuquan Development Co., Ltd. (濟南玉泉發展有限公司) on December 19, 2005.

The total number of shares issued upon the establishment of the Company was 100 million shares with par value of RMB1 per share.

Article 22 The number of shares of the Company in issue is 4,609,929,525 shares, equity structure of the Company is as follows: 4,609,929,525 ordinary shares, including 3,614,443,347 shares held by holders of A shares, representing 78.41% of the total share capital of the Company and 995,486,178 shares held by holders of H shares, representing 21.59% of the total share capital of the Company.

Article 23 Neither the Company nor its subsidiaries (including subsidiary entities of the Company) shall provide financial assistance in the form of donation, margin financing, guarantee, borrowings, etc. for others to acquire shares of the Company or its parent company, except for the implementation of the employee stock ownership plan.

Save as otherwise provided by the securities regulatory rules of the place where the shares of the Company are listed, in the interests of the Company, by resolution of the general meeting, or by resolution of the Board in accordance with the Articles of Association or the authorization of the general meeting, the Company may provide financial assistance for others to acquire shares of the Company or its parent company, provided that the cumulative total amount of the financial assistance shall not exceed 10% of the total issued share capital. Resolutions made by the Board shall be passed by more than two-thirds of all Directors.

Section 2 Increase, Decrease and Buyback of Shares

Article 24 The Company may increase capital based on the needs of operation and development and in accordance with the requirements of laws and regulations and resolution on Shareholders' meeting, by way of the following:

- (I) Offering of shares to unspecified objects;
- (II) Offering of shares to specified objects;
- (III) Offer of bonus shares to existing shareholders;
- (IV) Conversion of reserve into share capital;
- (V) Other means stipulated by laws, administrative regulations, the CSRC and the securities regulatory authorities of the place where the shares of the Company are listed.

Article 25 The Company may decrease its registered capital. The Company shall decrease its registered capital pursuant to the Company Law, other relevant regulations and the Articles of Association.

Article 26 The Company shall not repurchase its own shares, except in one of the following situations:

- (I) When decreasing registered capital of the Company;
- (II) When merging with other companies holding shares of the Company;

- (III) When shares are being used in the employee stock ownership plan or as equity incentive;
- (IV) When shareholders objecting to resolutions of the shareholders' meeting concerning merger or division of the Company require the Company to acquire their shares;
- (V) When shares are being used to satisfy the conversion of corporate bonds issued by the Company that can be converted to shares;
- (VI) When safeguarding corporate value and shareholders' equity as the Company deems necessary;
- (VII) Other situations permitted by laws and regulations.

Article 27 The Company may repurchase its shares through public and centralised trading or other methods as permitted by laws, administrative regulations, the CSRC and the regulatory authorities of the place where the shares of the Company are listed.

Where the Company repurchases its own shares in the circumstances set out in items (III), (V) and (VI) of the Paragraph 1 of Article 26 of the Articles of Association, such repurchase shall be conducted through public and centralised trading.

Article 28 Where the Company repurchases its shares in the circumstances set out in clauses (I) and (II) of the Paragraph 1 of Article 26 of the Articles of Association, it shall be subject to approval at the shareholders' meeting; where the Company repurchases its shares in the circumstances set out in clauses (III), (V) and (VI) of the Paragraph 1 of Article 26 of the Articles of Association, it may be resolved by more than two-thirds of directors present at a meeting of the Board of Directors in accordance with the provisions of the Articles of Association or the authorization of the shareholders' meeting and in compliance with the securities regulatory rules of the place where the shares of the Company are listed.

In the event that the Company repurchases its shares in accordance with the Paragraph 1 of Article 26 of the Articles of Association, such Shares shall be cancelled within ten days in the circumstance set out in clause (I), or shall be transferred or cancelled within six months in the circumstances set out in clauses (II) and (IV); the aggregate number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within three years in the circumstances set out in clauses (III), (V) and (VI).

Where the regulatory rules of the place where the shares of the Company are listed provide otherwise, such provisions shall prevail.

If the Company acquires its own shares, it shall fulfil its information disclosure obligation as required under the Securities Law and the securities regulatory rules of the place where the shares of the Company are listed.

Section 3 Transfer of Shares

Article 29 The shares of the Company shall be transferred in accordance with the law. For transfer of H shares, registration shall be made in the company share registrar in Hong Kong.

Article 30 All paid up H shares shall be freely transferable in accordance with the Articles of Association; unless the following conditions are satisfied, the board of directors may refuse to recognize any transfer documents without giving any reasons:

- (I) Fee of such amount prescribed in the Hong Kong Listing Rules of The Hong Kong Stock Exchange for the registration of the transfer documents of the shares and other documents relating to or affecting the ownership of shares is paid;
- (II) The transfer document only involves H shares;
- (III) The stamp duty payable in respect of the transfer document as required by the law of Hong Kong has been paid;
- (IV) The relevant share certificate, together with the evidence as reasonably required by the board of directors showing that the transferor is entitled to transfer the shares are produced;
- (V) If the shares are to be transferred to joint holders, the number of registered joint holders shall not exceed four;
- (VI) No company shall have any lien over the relevant shares.

If the board of directors refuses to register the share transfer, the Company shall send a written notice of the transferor and transferee within two months from the date of transfer application.

Article 31 All H shares shall be transferred by a transfer form in writing in the usual or common form accepted by the Hong Kong Stock Exchange or any other form which the board of directors may accept (including standard transfer format or ownership transfer form specified by the Hong Kong Stock Exchange from time to time). The instrument of transfer of any share may be executed by hand without seal. If the assignor or the assignee is a recognized clearing house as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time) (“Recognized Clearing House”) or its agent, the share transfer form may be executed by hand or in mechanically-printed form.

All share transfer forms shall be maintained in the legal address of the Company or other places designated by the board of directors from time to time.

Article 32 The Company shall not accept its own shares as pledge subject.

Article 33 Shares already issued by the Company before public offering shall not be transferred within one year after the shares of the Company are listed on the stock exchange.

The directors, senior management shall report to the Company about their shareholdings and changes thereof and shall not transfer more than 25% of the same class of their shares per annum during their terms of office determined at the time of assumption; the shares they hold in the Company shall not be transferred within one year after the shares of the Company are listed. The aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company.

Where there are other provisions on the transfer of shares in the Company held by shareholders under laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or the CSRC, such provisions shall prevail.

Article 34 Where a shareholder holding more than 5% of the Company's shares, director, member of the senior management of the Company sells his shares of the Company or other securities with the nature of equities within 6 months after his purchase of such shares, or repurchases the shares within 6 months after his selling of such shares, the proceeds generated therefrom shall become that of the Company. The board of directors of the Company shall forfeit such proceeds. However, except where a securities company holds more than 5% of the Company's shares as a result of the purchase of the remaining shares after underwriting, and other circumstances specified by the CSRC.

For the purpose of the foregoing paragraph, the shares or other securities with the nature of equities held by a director, member of the senior management and any natural person shareholder shall include the shares or other securities with the nature of equities held by their spouses, parents and children and held through others' accounts.

Should the board of directors of the Company do not observe the first paragraph of this Article, the shareholders shall be entitled to request the board of directors to effect the same within thirty days. If the board of directors of the Company fails to do so within the aforesaid time limit, the shareholders may directly initiate proceedings in the People's Court in their own name for the interests of the Company.

Should the board of directors of the Company fail to comply with the requirements set out in the first paragraph of this Article, the responsible director(s) shall assume joint and several liabilities under the law.

CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Section 1 Shares and Register of Shareholders

Article 35 The Company shall maintain a register of shareholders based on vouchers provided by the securities registration and clearing institution, the register of shareholders is sufficient evidence to prove that shareholders hold shares of the Company. The original register of holders of H shares shall be deposited in Hong Kong and made available for shareholders' inspection, but the Company may suspend the registration of shareholders in accordance with applicable laws and regulations and the requirements of the securities regulatory rules of the place where the Company's shares are listed. Any holders of H shares who is registered in the register of shareholders or requests that his name (its title) be entered into the register of shareholders may, if his share certificate is lost, apply to the Company for issuance of a replacement certificate in respect of such shares. Applications for the replacement of share certificates from holders of H shares who have lost their certificates may be dealt with in accordance with the laws, securities exchange regulations or other relevant regulations of the place where the original of the register of holders of H shares is kept. Shareholders have rights and assume obligations in accordance with the class of shares they hold; Shareholders who hold the same class of shares shall enjoy equal rights and assume the same obligations.

The Company enters into a Securities Registration and Service Agreement with the securities registration and clearing institution, for the purpose of consulting the information and shareholding change (including share pledge) of major shareholders on a regular basis, in order to be fully aware of the shareholding structure of the Company in a timely manner.

Article 36 When the Company convenes a shareholders' meeting, distributes dividends, liquidates, or engages in other activities that require confirmation of shareholders' identity, the board of directors or the convener of the shareholders' meeting shall determine the date of record, after the close of which date registered shareholders in the register of members are the shareholders entitled to enjoy the relevant rights and interests.

Article 37 After the Company has reissued the new share certificate for replacement in accordance with the provisions of the Articles of Association, the name (title) of the bona fide purchaser of the aforesaid new shares or the shareholder (if he is a bona fide purchaser) later registered as owner of the said shares shall not be deleted from the register of shareholders.

Article 38 The Company shall have no obligation to compensate any person who has suffered from any loss arising from the cancellation of the original share certificate or the reissue of new share certificate for replacement, unless the said person can prove that the Company has committed any fraud.

Section 2 General Provisions for Shareholders

Article 39 Shareholders of the Company's shall enjoy the following rights:

- (I) The rights to receive dividends and other forms of distribution in proportion to the number of shares held by them;
- (II) The rights to request, convene, chair, attend or appoint proxy to attend shareholders' meetings and exercise corresponding rights to speak and voting rights in accordance with laws;
- (III) The rights to supervise the Company's operations, put forward proposals or raise enquiries;
- (IV) The rights to transfer, gift or pledge the shares held in accordance with the laws, administrative regulations and the provisions of the Articles of Association;
- (V) The rights to review and copy the Articles of Association, the register of shareholders, minutes of general meetings, resolutions of board meetings and financial and accounting reports. Eligible shareholders can examine account books and accounting documents of the Company;
- (VI) The rights to participate in the distribution of remaining assets of the Company corresponding to the number of shares held in the event of the termination or liquidation of the Company;
- (VII) The rights to demand the Company to acquire the shares held by them with respect to shareholders voting against any resolution adopted at the shareholders' meeting on the merger or division of the Company;
- (VIII) Other rights conferred by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Article 40 Shareholders requesting to inspect and reproduce relevant information of the Company shall comply with the provisions of the Company Law, Securities Law, and other laws and administrative regulations, and submit to the Company written documents evidencing the class and number of shares he holds. The Company shall provide relevant materials after verifying the identity of such shareholder.

Article 41 If the resolutions of shareholders' meeting and the board of directors are in violation of laws and administrative regulations, shareholders are entitled to request the People's Court to identify them invalid.

Where the procedures for convening and voting of shareholders' meeting and the board of directors are in violation of laws, administrative regulations or the Articles of Association, or the resolutions violate the Articles of Association, shareholders are entitled to request the People's Court to revoke such resolutions within sixty days from the date on which the resolution is made, except that there are only minor defects in the convening procedures or voting method of a shareholders' meeting and a meeting of the board of directors, which do not materially affect the resolution.

Where the board of directors, shareholders and other relevant parties dispute the validity of a resolution of a shareholders' meeting, they shall promptly file a lawsuit with the People's Court. Before the People's Court makes a judgment or ruling on revocation of a resolution, the relevant parties shall execute the resolution of the shareholders' meeting. The Company, directors and senior management shall perform their duties diligently to ensure the normal operation of the Company.

Where the People's Court makes a judgment or ruling on a relevant matter, the Company shall fulfill its information disclosure obligations in accordance with the laws, administrative regulations, the requirements of the CSRC and the securities regulatory rules of the place where the Company's shares are listed, fully explain the impact, and actively cooperate with the enforcement of the judgment or ruling after it has come into effect. Where corrections to prior events are involved, they will be handled in a timely manner and the corresponding information disclosure obligations will be fulfilled.

Article 42 Resolutions of a shareholders' meeting or a meeting of the board of directors of the Company shall be invalid in any of the following circumstances:

- (I) the resolution was not made by a shareholders' meeting or a meeting of the board of directors;
- (II) the resolution was not voted on at a shareholders' meeting or a meeting of the board of directors;
- (III) the number of attendees of the meeting or their voting rights do not meet the quorum or the number of voting rights as required by the Company Law and the Articles of Association;
- (IV) the number of attendees voting in favor of the resolution or their voting rights do not meet the quorum or the number of voting rights as required by the Company Law and the Articles of Association.

Article 43 If Directors, other than those who are members of the audit committee, and senior management personnel cause losses to the Company for violation of the requirements of laws, administrative regulations or the Articles of Association during performance of their duties, shareholders who hold more than 1%, individually or jointly, of the Company's shares for more than 180 days continuously, have the right to request the audit committee in written to bring a suit to the People's Court; if the audit committee causes losses to the Company for violation of the requirements of laws, administrative regulations or the Articles of Association during performance of their duties, the above-mentioned Shareholders can request the Board in written form to file a suit in the People's Court.

If the audit committee or the Board causes irreparable losses to the Company's interests as it refuses to file a suit after receiving the written request from shareholders as set out in the preceding paragraph, or fails to file a suit within 30 days since the date of receiving the request, or does not file a suit immediately in case of emergency, the shareholders as mentioned in the preceding paragraph have the right to bring a suit directly to the People's Court in their own name for the interests of the Company.

If others infringe on the legitimate rights and interests of the Company and cause losses to it, the shareholders as specified in paragraph 1 of this Article can bring a suit to the People's Court as per the regulations as set out in the two preceding paragraphs.

If Directors, supervisors and senior management personnel of the wholly-owned subsidiaries of the Company cause losses to the Company for violation of the requirements of laws, administrative regulations or the Articles of Association during performance of their duties, or if others infringe on the legitimate rights and interests of the wholly-owned subsidiaries of the Company and cause losses, Shareholders who hold more than 1%, individually or jointly, of the Company's shares for more than 180 days continuously, may submit a written request to the supervisory committee and board of directors of such wholly-owned subsidiaries of the Company to bring a suit to the People's Court or directly bring a suit to the People's Court in their own names in accordance with the first three paragraphs of Article 189 of the Company Law.

Where a wholly-owned subsidiary of the Company does not have a supervisory committee or supervisors, but an audit committee, the provisions of paragraph 1 and paragraph 2 of this Article shall apply.

Article 44 If Directors and senior management personnel cause damage to the shareholders' interests for violation of the requirements of laws, administrative regulations or the Articles of Association, shareholders can bring a suit to the People's Court.

Article 45 Shareholders of the Company shall have the following obligations:

- (I) To abide by laws, administrative regulations and the Articles of Association;
- (II) To pay for the shares based on the shares subscribed for and the manners in which they became shareholder;

- (III) not to withdraw their paid share capital except in circumstances allowed by laws and regulations;
- (IV) not to abuse shareholder's rights and harm the interest of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liability of the shareholders to impair the interests of creditors of the Company;
- (V) Other obligations imposed by laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Article 46 Where the shareholder's abuse of its power causes damage to other shareholders, he/she shall be liable to compensation in accordance with the law; Where the shareholder has abused the Company's independent legal person status and shareholder's limited liability for debt evasion and caused serious damage to the creditor's interests, he/she shall bear joint liability for the debts of the Company.

Section 3 Controlling Shareholders and De Facto Controllers

Article 47 The controlling shareholders and de facto controllers of the Company shall exercise their rights and fulfil their obligations in accordance with the laws, administrative regulations, the provisions of the CSRC and securities regulatory rules of the place where the shares of the Company are listed, and safeguard the interests of the Company.

Article 48 Controlling shareholders and de facto controllers of the Company shall comply with the following provisions:

- (I) to exercise their rights as shareholders in accordance with the law and not abuse their control or use their affiliation to prejudice the legitimate interests of the Company or other shareholders;
- (II) to strictly fulfil the public statements and undertakings made, without unilateral alteration or waiver;
- (III) to fulfil information disclosure obligations in strict accordance with the relevant regulations, to proactively cooperate with the Company in information disclosure and to inform the Company in a timely manner of material events that have occurred or are proposed to occur;
- (IV) not to appropriate the Company's funds in any way;
- (V) not to order, instruct or request the Company and relevant personnel to provide guarantees in violation of laws and regulations;
- (VI) not to make use of the Company's undisclosed material information for personal gain, not to disclose in any way undisclosed material information relating to the Company, and not to engage in insider trading, short-swing trading, market manipulation and other illegal and unlawful acts;

- (VII) not to prejudice the legitimate rights and interests of the Company and other shareholders through unfair related party transactions, profit distribution, asset restructuring, foreign investment or any other means;
- (VIII) to ensure the integrity of the Company's assets, and the independence of personnel, finance, organisation and business, and not to affect the independence of the Company in any way;
- (IX) other provisions of laws, administrative regulations, the CSRC, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

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

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

Article 49 Where the controlling shareholder or the de facto controller pledges the shares of the Company that he/she/it holds or actually controls, he/she/it shall maintain the Company's control right and the stability of production and operation. The proportion of pledged shares and the use of funds shall conform to the relevant regulations on the management of state-owned assets.

Article 50 Where the controlling shareholder or the actual controller transfers the shares of the Company held by him/her/it, he/she/it shall comply with the restrictive provisions on the transfer of shares set out in the laws, administrative regulations, the provisions of the CSRC and securities regulatory rules of the place where the shares of the Company are listed, as well as his/her/its undertakings in respect of the restriction on the transfer of shares.

Section 4 General Requirement of Shareholders' Meeting

Article 51 The shareholders' meeting shall comprise all the shareholders. The shareholders' meeting is the organ of authority of the Company, which exercises its functions and powers in accordance with laws:

- (I) to elect and replace the directors who are not representatives of the employees, and to decide on matters relevant to remuneration of directors;
- (II) to consider and approve reports of the board of directors;
- (III) to consider and approve the profit distribution plan and loss recovery plan of the Company;

- (IV) to determine the increases or decrease of the registered capital of the Company;
- (V) to determine the issuance of corporate bonds by the Company;
- (VI) to determine matters such as the merger, division, dissolution, liquidation or change;
- (VII) to amend the Articles of Association;
- (VIII) to determine the appointment of, removal of an auditor which undertakes the Company's audit engagements by the Company;
- (IX) to consider and approve guarantees specified in Article 52 of the Articles of Association;
- (X) to consider matters relating to the purchases and disposals of material assets, which are more than 30% of the latest audited total assets of the Company, within one year;
- (XI) to review and approve the change of the purpose for raising funds;
- (XII) to consider share incentive plans and the employee stock ownership plan;
- (XIII) to review other matters which, in accordance with laws, administrative regulations, departmental rules, the respective securities regulatory rules of the places where the shares of the Company are listed, or the provisions of the Articles of Association, shall be approved at a shareholders' meeting.

The shareholders' meeting may authorize the board of directors to resolve matters in relation to corporate bond issuance.

The Company may issue shares, corporate bonds convertible into shares by a resolution of the shareholders' meeting or by a resolution of the Board as authorized by the Articles of Association or the shareholders' meeting, the specific implementation of which shall comply with the laws, administrative regulations, the provisions of the CSRC or the securities regulatory rules of the place where the shares of the Company are listed.

Unless otherwise stipulated by laws, administrative regulations, the provisions of the CSRC or the securities regulatory rules of the place where the shares of the Company are listed, the functions and powers of the shareholders' meeting mentioned above shall not be delegated to the Board or any other body or individual.

Article 52 The following external guarantees to be given by the Company shall be examined and approved by the shareholders' meeting.

- (I) Provision of any external guarantee by the Company and its subsidiaries, the total amount of which exceeds 50% of the latest audited net assets of the Company;

- (II) Provision of any external guarantee by the Company, the total amount of which exceeds 30% of the latest audited total assets of the Company (after deducting clients' margins);
- (III) Provision of any guarantee by the Company within one year, the amount of which exceeds 30% of the latest audited total assets of the Company;
- (IV) Provision of guarantee to anyone whose liability-asset ratio exceeds 70%;
- (V) Provision of a single guarantee whose amount exceeds 10% of the latest audited net assets of the Company;
- (VI) Provision of guarantees to the shareholders, de facto controllers and their related parties.

If any external guarantee is found to violate the aforementioned approval authority or review procedures, the Company shall hold the relevant Directors and senior management personnel accountable. Where such violation causes significant losses to the Company, legal or compensatory liability shall be pursued.

Article 53 Shareholders' meetings are divided into annual general meetings and extraordinary general meetings. Annual general meetings are held once every year and within six months from the end of the preceding accounting year.

Article 54 The Board shall convene an extraordinary general meeting within two months after the occurrence of any one of the following circumstances:

- (I) where the number of Directors is less than the number stipulated in the Company Law or is no more than two-thirds of the number required by the Articles of Association, namely six directors;
- (II) where the accrued losses of the Company amount to one-third of its total paid-up share capital;
- (III) where shareholders holding 10% or more of the Company's issued shares make a request to convene an extraordinary general meeting;
- (IV) where the Board considers it necessary;
- (V) where the audit committee proposes to call for such a meeting;
- (VI) other circumstances stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

Article 55 The venue of shareholders' meetings of the Company is: the place where the Company domiciled or the location as specified in the notice convening the shareholders' meetings.

A venue shall be set aside for the convening of such physical shareholders' meetings. Such meetings may also be participated via Internet voting pursuant to relevant requirements. In addition to being held on-site at a designated venue, shareholders' meetings may be conducted concurrently through electronic means including but not limited to online system, video conferencing, telephonic systems, or other communication methods with equivalent effect.

After issuance of the shareholders' meeting notice, the physical meeting venue shall not be altered without proper justification. Where change is absolutely necessary, the convener shall publicly announce such change and provide reasons at least two working days prior to the scheduled meeting date.

Article 56 The Company shall engage lawyers to attend the shareholders' meetings and advise on the following issues with announcements made thereon:

- (I) Whether the convening of the shareholders' meeting and its procedures are in compliance with the provisions of laws, administrative regulations and these Articles of Association;
- (II) Whether the attendees are eligible and whether the eligibility of the convener is lawful and valid;
- (III) Whether the procedures of voting and the voting outcome of the meeting are lawful and valid;
- (IV) Legal opinions on other related matters at the request of the Company.

Section 5 Convening of Shareholders' Meetings

Article 57 The Board shall convene the shareholders' meeting on time within the prescribed time limit.

With the consent of a majority of all independent directors, the independent directors shall be entitled to propose to the Board to convene an extraordinary general meeting. Regarding the proposal of the independent directors to convene an extraordinary general meeting, the Board shall, pursuant to relevant laws, administrative regulations and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within ten days after receipt of the proposal. If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution is made by the Board. If the Board does not agree to hold the extraordinary general meeting, it shall give the reasons and publish an announcement.

Article 58 When the audit committee proposes to the Board to convene an extraordinary general meeting, it shall put forward its proposal to the Board in writing. The Board shall, pursuant to laws, administrative regulations and these Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within ten days after receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution is made by the Board. In the event of any change to the original proposal set forth in the notice, the consent of the audit committee shall be obtained.

If the Board does not agree to hold the extraordinary general meeting or fails to give a reply within ten days after receipt of the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the shareholders' meeting, and the audit committee may convene and preside over the meeting by itself.

Article 59 Shareholder(s) severally or jointly holding 10% or above shares of the Company shall put forward a written request to the Board for convening an extraordinary general meeting. The Board shall, pursuant to laws, administrative regulations and these Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within ten days after receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution is made by the Board. In the event of any change to the original request set forth in the notice, the consent of relevant shareholder(s) shall be obtained.

If the Board does not agree to hold the extraordinary general meeting or fails to give a reply within ten days after receipt of the proposal, shareholder(s) severally or jointly holding 10% or above shares of the Company shall put forward a written request to the audit committee for convening an extraordinary general meeting.

If the audit committee agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after receipt of the said request. In the event of any change to the original request set forth in the notice, the consent of relevant shareholder(s) shall be obtained.

In the case of failure to issue the notice for the shareholders' meeting within the term stipulated, the audit committee shall be deemed as failing to convene and preside over the shareholders' meeting. Shareholder(s) severally or jointly holding 10% or above shares of the Company for 90 consecutive days or above may convene and preside over such meeting by itself/themselves.

Article 60 Where the audit committee or shareholders decide to convene a shareholders' meeting by itself/themselves, it/they shall notify the Board in writing and file with the Shanghai Stock Exchange.

The audit committee or the convening shareholders shall, when the notice of shareholders' meeting is issued and a resolution made at the shareholders' meeting is announced, submit relevant evidential documents to the Shanghai Stock Exchange.

The shareholding of shareholders who convene the shareholders' meeting shall be no less than 10% before a resolution passed at the shareholders' meeting is announced.

Article 61 For the shareholders' meeting convened by the audit committee or shareholders on its/their own, the Board and the secretary to the Board shall cooperate. The Board will provide the register of shareholders on the record date of the equity interests.

Article 62 For shareholders' meeting convened by the audit committee or shareholders on its/their own, any necessary expenses incurred to convene the meeting shall be borne by the Company.

Section 6 Proposals and Notices of Shareholders' Meetings

Article 63 Proposal should carry specific subjects and matters to be resolved that fall within the scope of authority of the shareholders' meeting and comply with the requirement of laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Article 64 Where the Company convenes a shareholders' meeting, the Board, the audit committee, shareholder(s) severally or jointly holding 1% or above shares of the Company may make proposals to the Company.

Shareholder(s) severally or jointly holding 1% or above shares of the Company may submit written provisional proposals to the convener ten days before a shareholders' meeting is convened. The convener shall serve a supplementary notice of shareholders' meeting within two days after receipt of a proposal, and announce the contents of the proposal on the agenda, and submit the provisional proposal to the shareholders' meeting for review, except for any proposal that violates the provisions of laws, administrative regulations, or the Articles of Association, or any proposal that falls outside the purview of the shareholders' meeting. If, in accordance with the securities regulatory rules of the place where the shares of the Company are listed, the shareholders' meeting must be postponed due to the publication of a supplementary notice, the convening of the shareholders' meeting shall be postponed as required by such securities regulatory rules.

Save as specified in the preceding paragraph, the convener shall not change the proposal set out in the notice of shareholders' meeting or add any new proposal after the said notice announcement is served.

Proposals which are not specified in the notice of the shareholders' meeting or which do not comply with the Articles of Association shall not be voted and resolved at the shareholders' meeting and become resolutions.

Article 65 When the convener convenes an annual general meeting, an announcement of the meeting shall be given twenty days before the date of the meeting to notify all of the shareholders, and when the convener convenes an extraordinary general meeting, an announcement of the meeting shall be given fifteen days before the date of the meeting to notify all of the shareholders.

In determining the commencement date and the period, the date of the meeting convened shall be excluded.

Article 66 A notice of shareholders' meeting shall include the following content:

- (I) specify the time and the place and the duration of the meeting;
- (II) state the matters and motions to be discussed at the meeting;
- (III) contain conspicuously a statement that Shareholders including all ordinary shareholders and shareholders holding special voting shares are entitled to attend the shareholders' meeting and vote, and the shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and that a proxy need not be a shareholder of the Company;
- (IV) specify the record date for determining the shareholders who are entitled to attend the shareholders' meeting;
- (V) state the names and telephone numbers of the standing contact persons for the meeting;
- (VI) specify the time and procedure for online voting or through other means.

Any notice and supplementary notice of shareholders' meetings shall sufficiently and completely disclose all contents of all motions in full.

If a shareholders' meeting is held online or otherwise, the commencement time for voting shall not be earlier than 3:00 pm on the day before the on-site shareholders' meeting and no later than 9:30 am on the day of the on-site shareholders' meeting, and its ending time shall not be earlier than 3:00 pm on the day of the conclusion of the on-site shareholders' meeting.

The interval between the shareholding record date of a shareholders' meeting and the date of the meeting shall not be more than seven working days. The shareholding record date shall not be changed once confirmed.

Article 67 In the event that matters involving the election of directors are to be considered at the shareholders' meeting, the notice of such shareholders' meeting shall fully disclose the detailed information of the candidates for such directors, which shall at least include the following:

- (I) personal particulars including education background, working experience and any part-time job;
- (II) whether there is any connected relationship with the Company or its controlling shareholders and de facto controller;
- (III) the shareholdings in the Company;
- (IV) whether or not they have been penalized by CSRC and other relevant authorities and the stock exchange;
- (V) other information as required under the securities regulatory rules of the place where the shares of the Company are listed.

Apart from directors elected through the cumulative voting system, each candidate of director shall be individually proposed.

Article 68 For holders of A shares, notice of the shareholders' meetings may be issued by way of announcement. The announcement shall be published in one or multiple newspapers designated by the CSRC after the publication of such notice, the holders of A shares shall be deemed to have received the notice of the relevant shareholders' general meeting.

Notice of shareholders' meeting can be sent to holders of H shares in any of the following manners:

- (I) to be published on the Company's website or the designated website of the Hong Kong Stock Exchange, subject to compliance with applicable laws, administrative regulations and relevant listing rules;
- (II) to be issued in accordance with other requirements of the Hong Kong Stock Exchange and the listing rules.

Article 69 After the notice of the shareholders' meeting is issued, the shareholders' meeting shall not be postponed or cancelled, and the motions set out in such notice shall not be cancelled without valid reasons. Where a shareholders' meeting has to be postponed or cancelled, the convener shall publish a public announcement at least two working days before the original date of the shareholders' meeting and state the relevant reasons. Where the Hong Kong Listing Rules specify special procedures for postponing or canceling a shareholders' meeting, such provisions shall apply unless they contravene with domestic regulatory requirements.

Section 7 Holding of Shareholders' Meetings

Article 70 The board of directors of the Company and other convener shall take necessary measures to ensure the good order of the shareholders' meeting. Measures will be taken to deter any act disturbing the meeting, picking quarrels and provoking troubles or infringing the lawful rights and interests of any shareholder, and shall report in a timely manner such act to the relevant authority for investigation and punishment.

Article 71 Shareholders including all ordinary shareholders and shareholders holding special voting shares listed on the register of shareholders on the shareholding record date or their proxies shall be entitled to attend the shareholders' meeting and speak and vote at the shareholders' meeting in accordance with relevant laws, regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association (unless individual shareholders are required to abstain from voting on certain matters under the securities regulatory rules of the place where the shares of the Company are listed).

Shareholders may attend the shareholders' meeting in person or they may appoint proxies to attend and vote on their behalf. Each shareholder is entitled to appoint one proxy, and such proxy need not be a shareholder of the Company. If a shareholder is a company, it may appoint a proxy to attend and vote at any shareholders' meeting, and if the company has appointed a proxy to attend any meeting, it shall be deemed to be present in person. A company may execute a form of appointment of a proxy through its duly authorised officer.

Article 72 Individual shareholders attending a general meeting in person shall produce their identity cards or other valid proof or evidence of their identities and, in the case of attendance by proxies, the proxies shall produce valid proof of their identities and the proxy forms from shareholders.

Where a shareholder is a legal entity, its legal representative or a proxy entrusted by such legal representative shall attend a general meeting. In case of attendance by legal representatives, they shall produce their identity cards, valid proof of their capacities as legal representatives; in the case of attendance by proxies of such legal representatives, such proxies shall produce their identity cards and, letters of authorization duly issued by such legal representatives.

HKSCC is entitled to appoint proxies or corporate representatives to attend the Company's shareholders' meetings and creditors meetings and those proxies or corporate representatives must enjoy rights equivalent to the rights of other shareholders, including the right to speak and vote.

Article 73 The proxy form to appoint a proxy to attend any shareholders' meeting by a shareholder shall contain the following:

- (I) Name of the principal and class and quantity of shares held thereby in the Company;
- (II) Name of the proxy;
- (III) Specific instructions of the shareholder, including instruction of voting "for", "against" or "abstain" for each resolution proposed at any shareholders' meeting;
- (IV) Date of signing the proxy form and the effective period for such appointment;
- (V) Signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the corporate shall be affixed (in the case of overseas legal person, the proxy form can be signed by one of its directors or duly authorized agent).

Article 74 Where the instrument is signed by another person authorized by the principal, the authorization letter or other documents authorizing the signatory shall be notarized. The notarized authorized letter or other authorized documents shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other places as specified in the notice of convening the meeting.

Article 75 A registration record for attendees at the meeting shall be compiled by the Company. The registration record shall contain items including but not limited to the names of the attendees (or names of organizations), identity card numbers, the number of shares held or voting rights represented and names of the principals (or name of organizations).

Article 76 The convener and the lawyers engaged by the Company shall verify the validity of the qualifications of shareholders based on such shareholders' register as provided by the securities registration and clearing institution, and shall register the names of the shareholders as well as the amount of their voting shares. The registration for a meeting shall be completed before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the total number of their voting shares.

Article 77 Where a shareholders' meeting requires directors and senior management to be present at the meeting, directors and senior management shall be so present at the meeting and accept inquiries from shareholders.

Article 78 The chairman of the board of directors shall chair and preside over the shareholders' meeting. In the event that the chairman of the board of directors is unable or fails to perform his/her duties, the vice chairman shall chair and preside over the meeting. In the event that the vice chairman of the board of directors is unable or fails to perform his/her duties, more than half of the directors shall designate a director to chair and preside over the meeting.

If a shareholders' meeting is convened by the audit committee, the convener of the audit committee shall preside over the meeting. If the convener of the audit committee is unable or fails to discharge his/her duties, more than half of the members of the audit committee shall designate a member of the audit committee to preside over the meeting.

If a shareholders' meeting is convened by the shareholders themselves, the convener will preside over the meeting or he/she will nominate a representative to preside over the meeting.

When a shareholders' meeting is convened, if the chairman of the meeting contravenes the rules of procedures, rendering the shareholders' meeting impossible to proceed, with the consent from half or more of the attending shareholders with voting rights, one person may be nominated at the shareholders' meeting to serve as the chairman and the meeting may proceed.

Article 79 The board of directors of the Company shall formulate the Rules of Procedure for Shareholders' Meetings, and specify in details the procedures for summoning, convening and voting at the shareholders' meeting, including notice, registration, reviewing of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing, public announcements as well as principle for the authorization granted to the board of directors by the shareholders' meeting, and the authorization shall be clear and specific. The Rules of Procedure for Shareholders' Meetings shall be appended to the Articles of Association. They shall be formulated by the board of directors and approved by the shareholders' meeting.

Article 80 At the annual general meeting, the board of directors shall report their work for the past year to the shareholders' meeting. Each independent director shall also present a work report.

Article 81 The directors, senior management of the Company shall answer and explain inquiries and proposals made by shareholders at the shareholders' meeting.

Article 82 The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting in person as well as the total number of voting shares, which shall be the number of shareholders and proxies attending the meeting in person and the total number of their voting shares as indicated in the meeting's registration record.

Article 83 Minutes of a shareholders' meeting shall be kept by the secretary of the board of directors. The minutes shall state the following contents:

- (I) Time, venue and agenda of the meeting and names of the convener;
- (II) The name of the meeting chairman and the names of the directors, senior management present at the meeting;

- (III) The numbers of shareholders and proxies attending the meeting, number of voting shares they represent and the percentages of their voting shares to the total share capital of the Company for each shareholder;
- (IV) The process of review and discussion, summary of any speech and voting results of each proposal;
- (V) Shareholders' questions, opinions or suggestions and corresponding answers or explanations;
- (VI) Names of lawyers, vote counters and scrutinizers of the voting;
- (VII) Other contents to be included as specified in these Articles of Association.

Article 84 The convener shall ensure that the contents of the minutes are true, accurate and complete. The directors, the secretary of the board of directors, the convener or representative thereof attending or present at the meeting, and the chairman of the general meeting shall sign on the minutes of the meeting. The minutes of meeting shall be kept together with the attendance record of the attending shareholders, the power of attorney of the proxies and the valid information of online voting and other means of voting for a term of ten years.

Article 85 The convener shall ensure that the shareholders' meeting be conducted continuously until final resolutions are made. If the shareholders' meeting is suspended or resolutions cannot be made because of force majeure and other special causes, the convener shall take necessary measures to resume the shareholders' meeting or directly terminate that shareholders' meeting as soon as practicable followed by a timely public announcement. At the same time, the convener shall report to Shandong Bureau of China Securities Regulatory Commission and Shanghai Stock Exchange.

Section 8 Voting and Resolutions of Shareholders' Meetings

Article 86 Resolutions of shareholders' meetings shall be divided into ordinary resolutions and special resolutions.

To adopt an ordinary resolution, votes representing more than half of the voting rights represented by the shareholders present at the shareholders' meeting must be exercised in favour of the resolution for it to be passed.

To adopt a special resolution, votes representing more than two-thirds of the voting rights represented by the shareholders present at the shareholders' meeting must be exercised in favour of the resolution for it to be passed.

The shareholders referred to in this Article include shareholders who appoint proxies to attend the shareholders' meeting.

Article 87 The following matters shall be resolved by way of an ordinary resolution of the shareholders' meeting:

- (I) work reports of the Board;
- (II) plans for the distribution of profits and making up of losses drafted by the Board;
- (III) appointment or dismissal of the members of the Board, remuneration and payment methods thereof;
- (IV) matters other than those that laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association require to be passed by way of a special resolution.

Article 88 The following matters shall be resolved by way of a special resolution of the shareholders' meeting:

- (I) increase or reduction of the Company's registered capital;
- (II) division, spin-off, merger, dissolution and liquidation of the Company;
- (III) amendment of the Articles of Association;
- (IV) any purchase or disposal of substantial assets made or guarantee provided to others by the Company within one year, the amount of which exceeds thirty percent of the latest audited total assets of the Company;
- (V) share incentive plans;
- (VI) matters as required by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, or other matters that, as resolved by way of an ordinary resolution of the shareholders' meeting, may have a significant impact on the Company and require adoption by way of a special resolution.

If at any time the Company's shares are divided into different classes of shares, and the Company intends to change or abolish the rights of a particular class of shareholders, such change or abolition shall be passed by a special resolution of the affected class of shareholders at a separately convened shareholders' meeting.

Article 89 Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share. The securities regulatory rules of the place where the Company's shares are listed provide otherwise, such provisions shall prevail.

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

Shares in the Company which are 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 a shareholders' meeting.

If a shareholder purchases shares of the Company with voting rights, which is in violation of the provisions of Paragraph 1 and Paragraph 2 of Article 63 of the Securities Law, such shares in excess of the prescribed proportion shall not be allowed to exercise voting rights for thirty-six months after the purchase, and shall not be counted in the total number of shares with voting rights attending a shareholders' meeting.

In accordance with relevant laws, regulations, and the securities regulatory rules of the place where the Company's shares are listed, if any shareholder is required to abstain from voting on a relevant proposal, or if any shareholder is restricted to voting only in favor of or against a designated proposal, then any votes cast by such shareholder or its representative in violation of the aforementioned provisions or restrictions shall not be counted in the voting results.

The Board, independent directors and shareholders holding more than one percent of the voting shares of the Company or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the securities regulatory rules of the place where the Company's shares are listed may collect voting rights from shareholders. Shareholders' voting rights shall be solicited with sufficient disclosure of the concrete voting intention to the owner of the voting rights. Consideration or de facto consideration for soliciting shareholders' voting rights is prohibited. Except for statutory conditions, the Company shall not set a minimum shareholding ratio threshold for soliciting the voting rights.

Article 90 When a related transaction is considered at a shareholders' meeting, the related shareholders shall not vote, and the voting shares held by them shall not be counted in the total number of voting shares; the announcement of any resolution made at the shareholders' meeting shall adequately disclose information relating to voting by non-related shareholders.

When is considering and voting on the connected transactions, the avoidance and voting procedures of the related shareholders at the general meeting are:

- (I) A matter considered by the shareholders' meeting relates to a shareholder, the related shareholder shall disclose his/her relationship to the Board before convening of the shareholders' meeting;

- (II) When the shareholders' meeting is considering the related transaction matters, the chairman announces the relationship between the related shareholder and the related transaction matters, and expressly announces the related shareholders to avoid, and the related transaction matters shall be considered and voted by the non-related shareholders;
- (III) The resolution so reached for the related transaction matters shall be approved by more than half of the voting shares of all non-related shareholders;
- (IV) Where the related shareholders fail to disclose related information or avoid for the related transaction matters based on the above procedures, the shareholders' meeting has the right to revoke all resolutions in respect of the related transaction matters.

If laws, regulations, or the securities regulatory rules of the place where the Company's shares are listed impose additional restrictions on directors' participation in board of directors and voting, such provisions shall prevail.

Article 91 Without a prior approval by way of special resolution is obtained in a shareholders' meeting, the Company shall not enter into any contract with any person other than the directors, other senior management members whereby the management and administration of the whole or any substantial part of the business of the Company is to be handed over to such person, save for special circumstances such as the Company is in a crisis.

Article 92 The list of candidates for director shall be proposed to the shareholders' meeting for voting. When voting on the election of directors (including independent directors and excluding employee representative directors), the shareholders' meeting may implement accumulative voting system.

When electing directors at a shareholders' meeting, independent directors shall be elected separately from non-independent directors. Each shareholder with voting rights shall have the same number of votes as the number of directors to be elected. Shareholders may decide independently how to allocate their votes among the director candidates, either by distributing them among multiple candidates or concentrating them on a single candidate.

Article 93 Save under the cumulative voting system, the shareholders' meeting shall resolve on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the shareholders' meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the shareholders' meeting.

Article 94 No amendment shall be made to a proposal when it is considered at a shareholders' meeting, if any changes are made, it shall be deemed as a new proposal and shall not be voted on at the shareholders' meeting.

Article 95 The same voting right can only be exercised in only one form: onsite, over the network, or otherwise. Where the same voting right is exercised more than once, the voting result of the first time shall prevail.

Article 96 Voting for a shareholders' meeting shall be held by registered ballot.

Article 97 When proposals are voted on at the shareholders' meeting, two shareholders' representatives shall be appointed to count, and monitor counting of, the votes. Where any shareholder has related relationship in any issue considered, the said shareholder or proxy thereof shall not participate in counting and monitoring of ballots.

When proposals are voted on at the shareholders' meeting, the lawyer and shareholders' representative shall be jointly responsible for the counting and monitoring of the ballots and shall announce the voting results on the spot, voting results of which shall be recorded in the meeting minutes.

Shareholders of companies or proxies thereof voting over the network or otherwise shall have the right to check their voting results via the corresponding voting system.

Article 98 A shareholders' meeting shall not conclude earlier at the venue than over the network or otherwise, and the chairman shall announce the voting result of every proposal and announce whether the proposal is passed or not according to the voting result.

Before the voting result is announced, the relevant parties including the listed company, counting officer, monitoring officer, shareholders and network service provider involved at the venue of the shareholders' meeting, over the network or otherwise shall have the confidentiality obligation.

Article 99 A shareholder attending a shareholders' meeting shall express one of the following opinions on any proposal to be voted on: pro, con or abstention, unless securities registration and settlement institutions, as the nominal holders of shares that can be traded through Shanghai-Hong Kong Stock Connect, make declarations according to the intention of actual holders.

Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstentions".

Where any shareholder is, under the Hong Kong Listing Rules, required to abstain from voting for any resolution or restricted to voting only for it (or only against it), any votes cast by or on behalf of such shareholder in contravention of such aforementioned requirement or restriction shall not be counted as votes with voting rights.

Article 100 If the chairman has any doubt as to the result of a resolution which has been put to vote at the shareholders' general meeting, he/she may have the ballots counted. If the chairman has not counted the ballots, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman may, immediately after the declaration of the voting result, demand that the ballots be counted and the chairman shall have the ballots counted immediately.

Article 101 Resolutions of the shareholders' meeting shall be announced in due time. The announcement shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the voting method, the voting result of each resolution and the details of each of the resolutions passed.

Article 102 Where a proposal has not been passed or the resolutions of the preceding shareholders' meeting have been changed at the current shareholders' meeting, special mention shall be made in the announcement of the resolutions of the shareholders' meeting.

Article 103 Where a proposal on election of directors is passed at the shareholders' meeting, the term of office of a new director shall commence on the date on which resolutions of the shareholders' meeting are approved.

If the date of democratic election of employee representatives (hereinafter referred to as "employee directors") in the new board of directors is earlier than the date of formation of the new board of directors, their term of office shall commence on the date of formation of the new board of directors; if it is later than the date of formation of the new board of directors, their term of office shall commence on the date of democratic election.

Article 104 Where a proposal on cash dividends, bonus shares or increase of share capital by way of transfer from capital reserves, the Company shall implement the specific scheme within two months after conclusion of the shareholders' meeting. If it is impossible to implement the specific plan within two months due to laws, regulations, or securities regulatory rules of the place where the Company's shares are listed, the implementation date of the specific plan may be adjusted accordingly in accordance with such provisions and actual circumstances.

Section 9 Special Procedures for Voting at Class Meetings

Article 105 The shareholders of different classes referred to in the Articles of Association are A-share shareholders and H-share shareholders.

Article 106 Rights conferred on any class of shareholders in the capacity of shareholders may not be varied or abrogated unless approved by a special resolution of shareholders' meeting and by holders of shares of that class at a separate meeting conducted in accordance with Article 108 to 112 stipulated in the Articles of Association.

Article 107 The following circumstances shall be deemed to be variation or abrogation of the class rights of a class:

- (I) to increase or decrease the number of shares of such class, or increase or decrease the number of shares of class having voting or equity rights or privileges equal or superior to those of the shares of such class;
- (II) to effect an exchange of all or part of the shares of such class into shares of another class or to effect an exchange or create a right of exchange of all or part of the shares of another class into the shares of such class;

- (III) to remove or reduce rights to accrued dividends or rights to cumulative dividends attached to shares of such class;
- (IV) to reduce or remove a dividend preference or a liquidation preference attached to shares of such class;
- (V) to add, remove or reduce conversion privileges, options, voting rights, transfer, pre – emptive rights, or rights to acquire securities of the Company attached to shares of such class;
- (VI) to remove or reduce rights to receive payment payable by the Company in particular currencies attached to shares of such class;
- (VII) to create a new class having voting or equity right or privileges equal or superior to those of the shares of such class;
- (VIII) to restrict the transfer or ownership of the shares of such class or add to such restriction;
- (IX) to issue rights to subscribe for, or convert into, shares in the Company of such class or another class;
- (X) to increase the rights or privileges of shares of another class;
- (XI) to restructure the Company where the proposed restructuring will result in different classes of shareholders bearing a disproportionate burden of such proposed restructuring;
- (XII) to vary or abrogate provisions in the Articles of Association.

Article 108 The affected class of shareholders, whether or not otherwise having the right to vote at shareholders' meetings, shall nevertheless have the right to vote at class meetings in respect of matter concerning (II) to (VIII), (XI) and (XII) of Article 107 in the Articles of Association, but interested shareholder (as defined below) shall not be entitled to vote at class meetings.

The meaning of interested shareholder in the preceding paragraph is:

- (I) in the case of a repurchase of shares by offers to all shareholders pro rata according to Article 27 under the Articles of Association or public dealing on a stock exchange, a controlling shareholder within the meaning of Article 231 stipulated in the Articles of Association;

- (II) in the case of a repurchase of shares by an off-market contract, a holder of the shares to which the proposed contract relates;
- (III) in the case of a restructuring of the Company, a shareholder within a class who bears less than a proportionate burden imposed on that class under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of shareholders of that class.

Article 109 Resolutions of a class meeting shall be passed by votes representing more than two-thirds of the voting rights of shareholders of that class represented at the relevant meeting who are entitled to vote at class meetings in accordance with Article 108 provided in the Articles of Association.

Article 110 When the Company is to hold a class meeting, it shall issue a written notice within the time limit to convene an annual general meeting or an extraordinary general meeting as stipulated in Article 65 under the Articles of Association informing all the registered shareholders of that class of the matters to be considered at the meeting as well as the date and venue of the meeting.

Article 111 Notice of class meetings need only be served on shareholders entitled to vote thereat.

Any class meetings shall be conducted in a manner as similar as possible to that of general meetings. The provisions of the Articles of Association relating to the manner of conducting any general meeting shall apply to any class meeting.

Article 112 The special procedures for voting at a class of shareholders shall not apply in the following circumstances:

- (I) where the Company issues domestic shares and overseas-listed foreign invested shares, upon the approval by a special resolution of its shareholders' meeting, either separately or concurrently once every twelve months, not exceeding 20% of each of its existing issued;
- (II) where the Company's plan to issue domestic shares and overseas-listed foreign invested shares at the time of its establishment is carried out within fifteen months from the date of approval of the securities regulatory authority under the State Council;
- (III) Upon approval by the securities regulatory authority under the State Council, the holders of domestic shares of the Company transfer the shares they hold to overseas investors and trade them in overseas stock exchanges.

CHAPTER 5 DIRECTORS AND BOARD OF DIRECTORS

Section 1 General Rules for Directors

Article 113 The directors of the Company shall be natural persons. The following persons shall not serve as the directors of the Company:

- (I) a person without civil capacity or a person with limited capacity for civil conduct;
- (II) a person who was convicted for criminal offence for corruption, bribery, encroachment of property, misappropriation of assets or disruption of the order of socialist market economy, or who has been stripped of his/her political rights as result of committing a criminal offence, and for each case a 5-year period has not elapsed since completion of execution of the judgment, or, in the case of those who has been sentenced to probation, a 2-year period has not elapsed since the date of expiration of the probation period;
- (III) a person who was a director or the plant president or manager of a bankrupt and liquidated company or enterprise and who was personally accountable for the bankruptcy of the said company or enterprise, and a 3-year period has not elapsed since completion of bankruptcy liquidation of the said company or enterprise;
- (IV) a person who was the legal representative of a company or an enterprise whose business license was revoked or which was ordered to be closed down due to violation of law, and who was personally accountable for the revocation of business license or closure of the company or enterprise, and a 3-year period has not elapsed since the revocation of the business license of, or the order to close down, the said company or enterprise;
- (V) a person who has a relatively large amount of due and outstanding debt, who is listed as a dishonest person by the people's court;
- (VI) a person who has been prohibited by the CSRC from participating in the security market and the ban period has not expired;
- (VII) he/she has been publicly identified by the stock exchange as not suitable to serve as a director and senior management of a listed company, the term of which has not expired;
- (VIII) other requirements stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or department rules.

In the case of the election or appointment of directors which violates the provisions of this Article, the election, appointment or employment shall be null and void. Where a director falls under the circumstances referred to in this Article during his/her/its tenure, the Company shall terminate his/her/its appointment and suspend his/her/its duties.

Article 114 Non-employee representative directors shall be elected or changed by the shareholders' meeting, and may be removed from his office by the shareholders' meeting by an ordinary resolution prior to the maturity of his term (but the director's right to claim damages based on any contract shall not be affected). Employee representative directors shall be elected by the Company's employees at an employee representative meeting or through other means of democratic election, without requiring consideration and approval at a shareholders' meeting. The term of office of a director is 3 years. A director may serve consecutive terms if re-elected. If there are other provisions regarding the re-election of directors under the relevant securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

A director's term of service commences from the date he takes office, until the current term of service of the Board ends. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations, departmental rules and the Articles of Association until a re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.

The senior officers may concurrently serve as a director, provided that the aggregate number of the directors who concurrently serve as senior officers and directors who are employee representatives shall not exceed one half of all the directors of the Company.

The Board of the Company shall include one director position to be held by an employee representative. A director is not required to hold shares of the Company.

Article 115 The directors shall comply with the laws, administrative regulations and the provisions of the Articles of Association and shall faithfully perform their obligations to the Company. The directors shall take measures to avoid conflicts between their own interests and the interests of the Company, and shall not procure undue benefit by taking advantage of his/her functions and powers.

The directors shall faithfully perform their following obligations to the Company:

- (I) not to misappropriate the properties of the Company and the money of the Company;
- (II) not to deposit any money of the Company in any accounts under their names or in the names of other persons;
- (III) not to use the functions and powers to take bribes or solicit other illegal incomes;
- (IV) not to directly or indirectly enter into contracts or transactions with the Company before reporting to the Board or the shareholders' meeting and passing the resolution at the Board or the shareholders' meeting in accordance with the provisions of the Articles of Association;
- (V) not to use their position to obtain business opportunities which should be available to the Company for themselves or others, unless reported to the Board or the shareholders' meeting and approved by a resolution of the shareholders' meeting, or the Company is not able to take advantage of the business opportunity in accordance with the laws, administrative regulations or the provisions of the Articles of Association;

- (VI) not to run his/her own or others' business which is similar to the Company's business without reporting to the Board or the shareholders' meeting and passing a resolution at the shareholders' meeting;
- (VII) not to accept commissions derived from others in relation to transactions between any third party and the Company;
- (VIII) not to disclose the secrets of the Company without consent;
- (IX) not to use their connections to harm the interests of the Company;
- (X) to be bound by other duties of loyalty stipulated by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The Company shall be entitled to the income gained by the directors in violation of this Article; the director shall be liable for compensation if any loss is caused to the Company.

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

Article 116 The directors shall comply with the laws, administrative regulations and the provisions of the Articles of Association and shall diligently perform their obligations to the Company, and shall perform their duties with the reasonable care normally expected of a manager in the best interests of the Company.

The directors shall diligently perform their following obligations to the Company:

- (I) to exercise prudently, conscientiously and diligently the rights granted by the Company to ensure that the Company's commercial activities are in compliance with the laws, administrative regulations and the requirements of economic policies of China and that its commercial activities are within the scope stipulated in the business license;
- (II) to treat all shareholders equally and fairly;
- (III) to understand the operation and management of the Company in a timely manner;
- (IV) to approve regular reports of the Company in written form and to ensure the integrity, accuracy and completeness of the information disclosed by the Company;
- (V) to truthfully provide all relevant information and data required by the audit committee and shall not intervene the performance of duties of the audit committee;

- (VI) to perform other obligations of diligence stipulated by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 117 A director who fails to attend two consecutive meetings of the Board in person or by proxy shall be deemed as unable to perform his/her duties. The Board shall propose to the shareholders' meeting for removal of such director.

Article 118 A director may resign before expiry of his/her term of service. When a director resigns, he shall submit a written resignation notice to the Board. The resignation shall take effect on the day when the Company receives the resignation report, and Company shall make relevant disclosure within two business days. If the member of directors falls below the minimum statutory requirement due to a director's resignation, the former directors shall still perform their duties as directors in accordance with the requirements of laws, administrative regulations, departmental rules and the Articles of Association before the appointment of the re-elected directors.

Article 119 The Company shall establish the director resignation management system, which stipulates the protective measures on the accountability and claiming of unfulfilled public commitments and other matters. When a director's resignation takes effect or his/her term of service expires, the director shall complete all transfer procedures with the Board. His/her fiduciary duties towards the Company and the shareholders do not necessarily cease after the end of his/her term of service. The duty of confidentiality in respect of trade secrets of the Company shall still be in effect after the end of his/her term of office, until such trade secrets become publicly available information. Other duties may continue for such period as the principle of fairness may require, depending on the length of time which has elapsed between the occurrence of the event concerned and the termination of tenure, and the circumstances and terms under which the relationships between them and the Company have been terminated. The liability of the director arising from the performance of his/her duties during his/her tenure of office shall not be waived or terminated by reason of his/her resignation.

Article 120 The shareholders' meeting may resolve to remove a director, with the removal taking effect on the date the resolution is made.

If the director is removed before the expiration of the term of office without proper cause reason, the director may request the Company for compensation.

Article 121 Unless legally authorized by the Articles of Association or the Board, no director shall act on behalf of the Company or the Board. When a director acts in his/her own name and a third party reasonably considers such director acts on behalf of the Company or the Board, such director shall declare in advance his/her position and capacity.

Article 122 The Company shall be liable for any damage caused to others by its directors in the course of performing duties for the Company, and the directors shall be personally liable for any damage caused by their willful actions or gross negligence.

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

Section 2 Board of Directors

Article 123 The Company shall have a Board, comprising nine directors and shall have one Chairman and one vice chairman. The Chairman and vice chairman shall be elected by a simple majority of votes of all directors.

Article 124 The Board shall exercise the following functions and powers:

- (I) to convene shareholders' meeting and report to shareholders' meeting;
- (II) to implement resolutions of shareholders' meeting;
- (III) to resolve on the Company's business plans and investment plans;
- (IV) to prepare the profit distribution plan and loss makeup plan of the Company;
- (V) to formulate proposals for the Company in respect of increase or reduction of registered capital, issue of bonds or other securities and the listing thereof;
- (VI) to formulate plans for material acquisitions, purchase of shares of the Company, merger, division, dissolution or transformation of the Company;
- (VII) to determine, within the authority granted by the shareholders' meeting, such matters as external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, external donations, etc.;
- (VIII) to decide on the establishment of internal management organizations of the Company;
- (IX) to decide to appoint or dismiss the general manager and secretary to the Board and other senior management members of the Company, and to determine their remunerations, rewards and penalties; to decide to appoint or dismiss senior management officers including deputy general manager(s) and the financial controller of the Company in accordance with the nominations by general manager, and to determine their remunerations, rewards and penalties;
- (X) to set up the basic management system of the Company;
- (XI) to formulate the proposals for any amendment to the Articles of Association;
- (XII) to manage information disclosure of the Company;

- (XIII) to propose to the shareholders' meeting the appointment or replacement of the accounting firms which provide audit services to the Company;
- (XIV) to listen to work reports of the general manager and review his/her work;
- (XV) to exercise other functions and powers as stipulated by laws, administrative regulations, department rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

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

Article 125 The Board shall explain to the shareholders' meeting regarding the nonstandard auditors' advice given by certified accountant in relation to the financial report of the Company.

Article 126 The Board shall formulate the rules of procedure for meetings of the Board to ensure the implementation by the Board of the resolutions of shareholders' meeting, to improve efficiency and to have scientific decision-making. The rules of procedure for meetings of the Board shall be prepared by the Board and approved by the shareholders' meeting as an appendix to the Articles of Association.

Article 127 The Board formulates stringent examination and approval system to determine the following authority with respect to external investment, acquisition and disposal of assets, mortgage of assets, external guarantee, entrusted wealth management, connected transactions and external donations of the Company. Specialists or professionals shall be retained to evaluate major investment projects and report to shareholders' meeting for approval.

Unless otherwise provided by the securities regulatory rules of the place where the Company's shares are listed, the board of directors has the right to approve the following major matters:

1. The Company's purchase or disposal of major assets within one year with the aggregate amount not exceeding 30% of the latest audited total assets of the Company.
2. The scope of authority for external guarantee: provision of any external guarantee by the Company and its controlling subsidiaries with the aggregate amount not exceeding 50% of the latest audited net assets of the Company; provision of any external guarantee by the Company with the aggregate amount not exceeding 30% of the latest audited total assets of the Company; provision of guarantee to anyone with gearing ratio not exceeding 70%; provision of any single guarantee not exceeding 10% of the latest audited net assets.

Any such guarantees to be approved by the board of directors shall be approved by a resolution passed by more than two-thirds of the directors present at the relevant board meeting, in addition to being considered and approved by more than half of all directors;

For external guarantees outside the scope of authority shall be considered and approved by the board of directors before submission to the shareholders' meeting. The Company shall neither provide guarantees in favour of a unit without legal person status nor an individual. The Company shall require the controlling shareholders, de facto controllers and their associates guaranteed to provide counter indemnity and the party providing the counter indemnity must possess actual performance ability.

3. The board of directors considers and approves external donations not exceeding RMB20 million per year;
4. To consider and approve major transactions and connected transactions that shall be considered and approved by the board of directors in accordance with the securities regulatory rules of the place where the Company's shares are listed.

Article 128 The chairman of the board shall exercise the following powers:

- (I) to preside over shareholders' meetings, and convene and preside over meetings of the board of directors;
- (II) to supervise and check the implementation of resolutions passed by the board of directors;
- (III) to sign the important documents of the board of directors and other documents;
- (IV) in the event of emergency situations such as the occurrence of large-scale natural disasters, to take special steps in handling the Company's business according to the laws and the Company's interest; and to report to the Company's board of directors and shareholders' meeting afterwards;
- (V) to exercise other powers conferred by the board of directors.

Article 129 The vice chairman of the Company shall assist the chairman. Where the chairman is unable to or does not perform the duty, the vice chairman shall perform the duty, where the vice chairman is unable to or does not perform the duty, a director nominated by more than half of the directors shall perform the duty.

Article 130 Regular board meetings shall be held at least four times a year and shall be convened by the chairman. Notice of a regular board meeting shall be given to all directors at least fourteen days in advance. Regular board meetings shall not be convened by way of correspondence.

Article 131 An extraordinary board meeting may be held by request of shareholders representing more than one-tenth of the voting rights or by request of more than one-third directors or the audit committee. The chairman shall convene and preside over a board meeting within ten days after receipt of the proposal.

Article 132 A notice of extraordinary meeting of the board of directors shall be delivered by telephone or written notice; the time limit for the delivery of such notice is at least 3 days before the meeting.

In case of emergency and an extraordinary meeting of the board of directors is required to be convened as soon as possible, the notice of meeting may be given by telephone or by other verbal means at any time, but the convener shall provide an explanation at the meeting.

Article 133 A notice of board meeting shall contain the following contents:

- (I) date and place of the meeting;
- (II) duration of the meeting;
- (III) cause and topic;
- (IV) date of notice.

Article 134 The board meeting shall be held upon the attendance of more than half of directors. A resolution of the board of directors must be passed by more than half of all directors of the Company.

Resolutions of the board of directors are voted by way of poll with each director having one vote.

Article 135 If any director has connection with the enterprise or any individual involved in the resolution made at a board meeting, such director shall promptly file a written report to the board of directors. The connected director shall not vote on the said resolution for himself or on behalf of another director. The board meeting may be held when more than half of the non-connected directors attend the meeting. The resolution of the board meeting shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the meetings is less than three, the issue shall be submitted to the shareholders' meeting for consideration.

Article 136 Resolutions of the board of directors may be decided on a poll or show of hands or a written opinion. The convening and voting of meetings of the board of directors may be conducted by means of electronic communication. Resolutions adopted by the board of directors in the aforesaid manner shall be signed by participating directors.

Article 137 Directors shall attend the meetings of the board of directors in person. Where a director is unable to attend a meeting for any reason, he/she may, by a written power of attorney, appoint another director to attend the meeting on his/her behalf. The power of attorney shall set out the name of the attorney, issues under authorisation, scope of authorisation and valid period, which will be signed or sealed with the chop by the appointing director. A Director appointed as a representative of another director to attend the meeting shall exercise the rights of a director within the scope of authority conferred by the appointing director. Where a director is unable to attend a meeting of the board of directors and has not appointed a representative to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting.

Article 138 The board of directors shall keep minutes of resolutions passed at meetings of the board of directors. The minutes shall be signed by the directors present at the meeting.

Minutes of the board meeting shall be kept as the Company's record for a period of ten years.

Article 139 The minutes of a board meeting shall include the following contents:

- (I) date and place of the meeting and name of the convener;
- (II) names of the directors attending the meeting and names of the directors (proxies) appointed by others to attend the board meeting;
- (III) agenda of the meeting;
- (IV) main points of directors' speeches;
- (V) method and results of the voting for each proposal (the voting result should specify the number of votes for and against the proposal or abstention).

Section 3 Independent Directors

Article 140 Independent directors shall comprise of more than one-third of the members of the board of directors of the Company and at least one of them shall be an accounting professional. The term of office of an independent director shall be the same as that of other directors. At the expiry of the term of office, the term is renewable upon reelection. However, the term of office upon reelection shall not be more than six years.

Independent directors refer to those who do not serve non-director positions in the Company and have no direct or indirect interest in the Company and the controlling shareholders, and the de facto controller, or any other relationship that may hinder their independent and objective judgement as a director of the Company.

Independent directors shall, in accordance with the provisions of laws, administrative regulations, the CSRC, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, earnestly perform their duties, play the roles of participating in decision-making, supervising, checking and balancing, and professional consultation in the board of directors, safeguard the interests of the Company as a whole and protect the legitimate rights and interests of minority shareholders.

Article 141 Independent directors shall maintain their independence. The following persons shall not serve as independent directors:

- (I) employees of the Company or its subsidiaries, and their spouse, parents and children, and major social relatives;
- (II) natural person shareholders who directly or indirectly hold more than 1% of the issued shares of the Company or who rank among the top ten shareholders of the Company, as well as their spouses, parents and children;
- (III) employees of those shareholders who directly or indirectly hold more than 5% of the issued shares of the Company or employees of the top five shareholders of the Company, as well as their spouses, parents and children;
- (IV) employees of the subsidiaries of the Company's controlling shareholders or de facto controllers, and their spouses, parents and children;
- (V) persons who have significant business dealings with the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, or employees of the entities which have significant business dealings with the Company and their controlling shareholders or de facto controllers;
- (VI) persons providing financial, legal, consulting and sponsorship and other services to the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, including but not limited to, all members of the project team of the intermediaries providing the services, reviewers at all levels, persons signing the reports, partners, directors, senior management and principal responsible persons;
- (VII) any persons who fell within the categories stated in (I) to (VI) during the last twelve months;
- (VIII) any other persons who do not possess independence as stipulated under the laws, administrative regulations, the CSRC, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The subsidiaries of the controlling shareholders and de facto controllers of the Company mentioned in items (IV) to (VI) of the preceding paragraph do not include those enterprises which are controlled by the State-owned Assets Supervision and Administration Commission of Shandong Provincial People's Government as the Company and do not constitute any connected relationship with the Company under the relevant provisions.

The independent directors shall conduct an annual self-examination of their independence and submit the findings of their self-examination to the board of directors every year. The board of directors shall annually assess the independence of the incumbent independent directors and issue special opinions, which shall be disclosed at the same time in the annual report.

Article 142 An independent director of the Company shall meet the following conditions:

- (I) having the qualifications to serve as a director of a listed company in accordance with laws, administrative regulations and other relevant provisions;
- (II) complying with the independence requirements set forth in the Articles of Association;
- (III) having basic knowledge about the operation of a listed company and being familiar with the relevant laws, regulations and rules;
- (IV) having at least five years of work experience in law, accounting or economics necessary to perform the duties of an independent director;
- (V) possessing good personal integrity and have no record of major breaches of trust or other adverse conduct;
- (VI) complying with any other conditions as stipulated under the laws, administrative regulations, the CSRC, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 143 Independent directors, as members of the board of directors, shall be loyal and diligent to the Company and all shareholders, and shall perform the following duties prudently:

- (I) to participate in the decision-making of the board of directors and express clear opinions on the matters under consideration;
- (II) to supervise the matters with potential material conflicts of interest between the Company and its controlling shareholders, de facto controllers, directors, and senior management, and protect the legitimate rights and interests of minority shareholders;
- (III) to provide professional and objective advice on the operation and development of the Company and promote the improvement of the decision-making level of the board of directors;
- (IV) to perform other duties as stipulated under the laws, administrative regulations, provisions of the CSRC, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 144 Independent directors shall exercise the following special functions and powers:

- (I) independently engaging an intermediary organisation to audit, consult or verify specific matters of the Company;
- (II) proposing to the board of directors the convening of an extraordinary general meeting;
- (III) proposing the convening of a meeting of the board of directors;
- (IV) openly soliciting shareholders' rights in accordance with the law;
- (V) expressing independent opinions on matters which may prejudice the interests of the Company or minority shareholders;
- (VI) to perform other functions and powers as stipulated under the laws, administrative regulations, provisions of the CSRC, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Independent directors should obtain the consent of at least half of all the independent directors before exercising the functions and powers listed in items (I) to (III) of the preceding paragraph.

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

Article 145 The following matters shall be submitted to the board of directors for consideration with the consent by more than half of all independent directors of the Company:

- (I) Related transactions that shall be disclosed;
- (II) Any plans of the Company and related parties to change or waive their commitments;
- (III) The decisions made and measures taken by the board of directors of the acquired listed company regarding the acquisition;
- (IV) Other matters as stipulated under the laws, administrative regulations, provisions of the CSRC, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 146 The Company shall establish a mechanism of special meetings attended entirely by independent directors. Where the board of directors considers matters such as related transactions, it shall be approved in advance by a special meeting of independent directors.

The Company shall hold regular or ad hoc meetings attended by all independent directors. Matters listed in items (I) to (III) of the first paragraph of Article 144 and Article 145 of these Articles shall be considered at a special meeting of independent directors.

The special meetings of independent directors may study and discuss other matters of the Company as needed.

The special meetings of independent directors shall be convened and presided over by an independent director jointly elected by more than half of the independent directors. Where the convener does not perform or fails to perform his/her duties, two and more independent directors may convene and elect one representative to preside over the meeting.

The minutes of special meeting of independent directors shall be prepared as prescribed, and the opinions of independent directors shall be stated in the minutes. Independent directors shall sign and confirm the minutes.

The Company shall provide convenience and support for the convening of the special meetings of independent directors.

Section 4 Special Committees of the Board of Directors

Article 147 The board of directors of the Company shall establish an audit committee to exercise the powers and functions of the board of supervisors as stipulated in the Company Law.

Article 148 Members of the audit committee shall consist of five directors who do not hold senior management positions in the Company. Three of them shall be independent directors, and an accounting professional among the independent directors shall serve as the convener.

Article 149 The audit committee is responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal control. The following matters shall be submitted to the board of directors for consideration with the consent by more than half of all members of the audit committee:

- (I) disclosure of financial information in the financial accounting reports and regular reports, and the evaluation reports on internal control;
- (II) engagement or dismissal of the accounting firm that conducts auditing for the Company;
- (III) appointment or dismissal of the financial controller of the Company;

- (IV) changes in accounting policies, accounting estimates or correction of significant accounting errors for reasons other than changes in accounting standards;
- (V) other matters as stipulated under the laws, administrative regulations, provisions of the CSRC, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association and the implementation rules of the committee.

Article 150 The audit committee shall meet at least once every quarter. The audit committee may convene an extraordinary meeting upon the proposal of two and more members, or when the convener deems necessary. Meetings of the audit committee shall be held with the attendance of at least two-thirds of the members.

Resolutions of the audit committee shall be passed by more than half of the members of the audit committee.

Each member of the audit committee shall have one vote for any voting to be resolved by the audit committee.

The resolutions of the audit committee shall be recorded in minutes as required, and the members of the audit committee attending the meeting shall sign the minutes.

The implementation rules for the audit committee shall be formulated by the board of directors.

Article 151 The board of directors of the Company has set up the strategy committee, the nomination committee, the remuneration and appraisal committee, the sustainability committee and other special committees, which shall be accountable to the board of directors and perform their duties in accordance with the Articles of Association and the authorization of the board of directors. The proposals of the special committee, shall be submitted to the board of directors for consideration and decision. The board of directors shall be responsible for formulating the rules of procedure of the special committees. A majority of the members of the nomination committee and the remuneration and appraisal committee shall be independent directors, and the convener of each such committee shall be an independent director.

Article 152 The primary responsibilities of the strategy committee include:

- (I) to study the Company's medium and long-term development strategy plans and annual investment plans and make recommendations;
- (II) to study major investment financing programs which requires to be approved by the board of directors as stated in the Articles of Association and make recommendations;
- (III) to study major capital operation and assets management projects which requires to be approved by the board of directors as stated in the Articles of Association and make recommendations;

- (IV) to study other important matters affecting the Company's development and make recommendations;
- (V) to review the implementation of the above matters;
- (VI) to discharge any other matters prescribed by the laws, administrative regulations, the CSRC, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association and the implementation rules of the committee.

Article 153 The Company shall, in accordance with laws, administrative regulations and the requirements of relevant state authorities, formulate a remuneration management system for directors and senior management to safeguard the lawful rights and interests of employees and shareholders.

The remuneration and appraisal committee shall be responsible for formulating the performance assessment criteria for directors and senior management, conducting their evaluations, and formulating and reviewing the remuneration determination mechanisms, decision-making procedures, payment and clawback arrangements, and other remuneration policies and plans for directors and senior management. It shall make recommendations to the board of directors on the following matters:

- (I) The remuneration of directors and senior management;
- (II) The formulation of or amendment to equity incentive schemes, employee share schemes, and the achievement of conditions for the grant and exercise of rights by incentive participants;
- (III) The arrangements made by directors and senior management for shareholding plans in connection with the proposed spin-off of subsidiaries;
- (IV) Other matters as stipulated by laws, administrative regulations, the regulations of the CSRC, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association and the implementation rules of the committee.

Where the board of directors does not adopt or fully adopt the recommendations of the remuneration and appraisal committee, it shall record the committee's opinions and the specific reasons for not adopting them in the board resolution, and make appropriate disclosure.

Article 154 The nomination committee shall be responsible for formulating the selection criteria and procedures for directors and senior management, and for identifying and reviewing candidates for directors and senior management and their qualifications. It shall make recommendations to the board of directors on the following matters:

- (I) Nomination or removal of directors;
- (II) Appointment or dismissal of senior management;

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

If the board of directors does not adopt or fully adopt the recommendations of the nomination committee, it shall record the committee's opinions and the specific reasons for not adopting them in the board resolution, and make appropriate disclosure.

Article 155 The principal responsibilities of the Sustainable Development Committee include:

- (I) to study and formulate the Company's sustainable development and ESG management strategies, medium and long-term plans and annual goals, and to study and make suggestions on the Company's sustainable development areas, including but not limited to health and safety, community relations, ecological environment, resource recycling, climate response, respect for human rights, diversity, anti-corruption and anti-corruption, risk management, supplier management, to ensure compliance with national strategies and international standards;
- (II) to regularly review the implementation of the Company's sustainable development goals, evaluate the implementation effect of strategic planning, analyze the progress of key indicators, and make suggestions to the board of directors;
- (III) to assess the risks and opportunities faced by the Company in the field of sustainable development, guide the management to formulate risk response strategies, and supervise the implementation of prevention and control measures;
- (IV) to review the Company's annual sustainability report and related information disclosure documents, and make suggestions to the board of directors;
- (V) to consider other material matters related to the Company's sustainable development and ESG.

CHAPTER 6 SENIOR MANAGEMENT

Article 156 The Company shall have one general manager who shall be appointed or dismissed by the board of directors.

Article 157 The circumstances of disqualification for Directors and the management system for resignations prescribed hereof shall also be applicable to senior management.

The requirements set out hereof with respect to directors' duties of loyalty and obligations of diligence shall also be applicable to senior management.

Article 158 Any person holding any executive position working in the controlling shareholder of the Company other than as a director or supervisor shall not serve as senior management of the Company.

The Company's senior management is paid only by the Company and is not paid by the controlling shareholders on behalf of the Company.

Article 159 The term of office of the general manager shall be three years, renewable upon re-appointment.

Article 160 The general manager, who reports to the board of directors, may exercise his/her powers:

- (I) to manage the production, operation and administration of the Company, arrange for the implementation of the resolutions of the board of directors and report to the board of directors;
- (II) to arrange for the implementation of the Company's annual operation plans and investment proposals;
- (III) to formulate proposals for the establishment of the Company's internal management organs;
- (IV) to formulate the fundamental management system of the Company;
- (V) to formulate the Company's specific rules and regulations;
- (VI) to recommend the appoint mentor dismissal of any deputy manager and any financial controller of the Company by the board of directors;
- (VII) to appoint or dismiss management personnel (other than those required to be appointed or dismissed by the board of directors);
- (VIII) to exercise any other authority granted by these Articles of Association or the board of directors.

The general manager shall be present at meetings of the board of directors.

Article 161 The general manager shall formulate working rules of the general manager, and shall be implemented after being approved by the board of directors.

Article 162 The working rules of the general manager shall include:

- (I) the conditions, procedure and participants of the general manager's meeting;
- (II) specific responsibilities and work allocation of the general manager and other senior management;
- (III) use of funds and assets of the Company, scope of authorization to enter into contracts and reporting policies regarding the board of directors;
- (IV) other matters which the board of directors deems necessary.

Article 163 The general manager may resign before expiry of his term of office. The specific procedures and methods for the resignation of the general manager shall be specified in the labor contract concluded by the general manager and the Company.

Article 164 The deputy general managers of the Company shall be nominated by the general manager, and shall be appointed or dismissed by the board of directors. The deputy general managers shall work under the leadership of the general manager according to their scope of work.

Article 165 The Company shall have a secretary of the board of directors, who shall be responsible for preparing the shareholders' meeting and board meetings of the Company, keeping relevant documents, managing the information of shareholders of the Company, dealing with information disclosure related matters and others.

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

Article 166 The senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If the senior management of the Company fails to perform their duties faithfully or violates their obligations of integrity and causes damage to the interests of the Company and the public shareholders, they shall be liable for compensation in accordance with the law.

Article 167 If a senior management officer causes damage to others while performing his/her duties for the Company, the Company shall bear liability for compensation; if a senior management officer acts with intent or gross negligence, he/she shall also bear liability for compensation. If a senior management officer breaches the laws, administrative regulations, departmental regulations or these Articles of Association when carrying out his/her duties and causes loss to the Company, he/she shall be held responsible for damages.

CHAPTER 7 PARTY ORGANIZATION

Article 168 In accordance with the Constitution of the Communist Party of China, with the approval of the Party organization at the higher level, the Committee of Shandong Gold Mining Co., Ltd. of the Communist Party of China has been established. At the same time, the Disciplinary Inspection Committee of Shandong Gold Mining Co., Ltd. of the Communist Party of China has been established in accordance with the relevant regulations.

Article 169 The leading group of the Party Committee of the Company shall be arranged in accordance with the provisions of the Constitution of the Communist Party of China (《中國共產黨章程》) and the Regulations on the Work of the Organizations at the Primary Level of State-owned Enterprises of the Communist Party of China (Trial) (《中國共產黨國有企業基層組織工作條例(試行)》) according to the management authority. The leading group of the Party Committee generally consists of five to nine members, with a maximum of eleven members, including a secretary of the Party Committee, one to two deputy secretaries and a secretary of the Discipline Inspection Committee. The leading group of the Company's Party Committee shall be approved in accordance with the management authority of corporate leaders.

Article 170 The Party Committee of the Company shall, in accordance with the relevant regulations, set up the Party's grassroots committees, general branch committees and branch committees at each level, establish and improve the Party's working organizations, and maintain staffing to handle Party affairs. At the same time, the Company shall set up a disciplinary working department and a designated disciplinary staff. The Company shall provide necessary support and maintain sufficient funding for the activities of the Party organization. The Party organization of the Company shall hold regular general elections in accordance with the Regulations on Elections of Grassroots Organizations of the Communist Party of China (《中國共產黨基層組織選舉工作條例》).

Article 171 The Party Committee of the Company shall play a leading role in setting the direction, managing the overall situation and ensuring the implementation, and discuss and decide on major issues of the Company in accordance with the regulations. Major operation and management matters shall be first deliberated and discussed by the Party Committee before they are submitted to the board of directors for determination in accordance with the authority and prescribed procedures. The main responsibilities of the Party Committee of the Company are:

- (I) to strengthen the Party's political building of the Company, adhere to and implement the fundamental, basic and important systems of socialism with Chinese characteristics, and educate and guide all Party members to maintain a high degree of consistency with the Party Central Committee with Comrade XI Jinping as the core in terms of political stance, political direction, political principles and political path;

- (II) to thoroughly study and implement the Xi Jinping Thought on Socialism with Chinese Characteristics in the New Era, learn and publicize the theories of the Party, implement the Party's lines, guidelines and policies, supervise and ensure the implementation of the major decisions and deployments of the Party Central Committee and the resolutions of the Party organizations of the higher level in the Company; to promote the Company in shouldering responsibilities and missions, focusing on the main responsibilities and main businesses, serving major strategies of the country and the province, and fully performing the economic, political and social responsibilities;
- (III) to study and discuss major operation and management issues of the Company, and support the general meeting, the board of directors and the management in exercising their functions and powers in accordance with the law;
- (IV) to strengthen the leadership and gate keeping role in the process of selection and appointment of personnel of the Company, and the building of the leading group, cadre and talents team of the Company;
- (V) to undertake the main responsibility of the construction of the Company's Party's conduct and integrity, lead and support the disciplinary and supervisory organizations to fulfil their supervisory and disciplining responsibilities as well as exercise strict administrative disciplines and political rules and promote Party's strict self-governance in every aspect to the primary level;
- (VI) to improve the Party's conduct construction of the Company, strictly implement the spirit of the Central Committee's eight – point decision, and resolutely oppose the “Four Malfeasances”, especially formalism and bureaucracy;
- (VII) to lead the Company's ideological and political work, the spirit and civilization progress and the united front work, and lead mass organizations such as the labor union, Communist Youth League and Women's Organization of the Company;
- (VIII) to discuss and decide other important matters within the scope of authority of the Party Committee.

Article 172 The Party Committee shall strictly control the authorization and decision-making plan of the board of directors to prevent irregular or excessive authorization. The Party Committee generally does not conduct preliminary research and discussion on decision-making matters authorized by the board of directors to the chairman and the management.

Article 173 The Company adheres to and improves the “two-way entry, cross-appointment” leadership system, under which eligible members of the Party Committee can enter the board of directors and the management through legal procedures, while eligible Party members among the members of board of directors and the management can enter the Party Committee in accordance with relevant regulations and procedures.

Article 174 The secretary of the Party Committee and chairman of the Company are generally served by one person, and the chairman of the Company and the general manager are separately appointed; general managers who are members of the Party Committee generally serve as deputy secretaries of the Party Committee; designated deputy secretaries of the Party Committee are generally appointed to the Board of Directors and do not serve at the management level. The Party organization of the Company implements a system combining collective leadership and individual division of responsibilities, and members of the leadership team of the party organization sitting on the Board of Directors or at the management level must implement the decisions of the party organizations.

CHAPTER 8 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Section 1 Financial and Accounting System

Article 175 The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the requirement of relevant regulatory departments of the PRC.

Article 176 The Company shall submit and disclose its annual reports to the CSRC and the stock exchanges within four months from the ending date of each fiscal year, submit and disclose the interim reports to the local office of the CSRC and the stock exchanges within two months from the ending date of the first half of each fiscal year. The aforesaid annual report and interim report shall be prepared in accordance with the relevant laws, administrative regulations, the rules of the CSRC and the securities regulatory rules of the place where the Company's shares are listed.

The Company's financial statements, published or disclosed annual reports, interim reports or financial data shall be prepared in accordance with Chinese accounting standards and regulations, except that the securities regulatory rules of the place where the Company's shares are listed stipulate that they should also be prepared in accordance with international or overseas accounting standards of the place where the Company's shares are listed.

Article 177 The Company shall not establish account books other than the statutory account books. The fund of the Company shall not be deposited in any personal account.

Article 178 When the Company allocates the after-tax profits for the current year, it shall extract ten percent of the profits into the Company's statutory reserve fund. Should the accumulated amount of the Company's statutory reserve fund be more than fifty percent of the Company's registered capital, no appropriation shall be made.

In the event that the Company's statutory reserve fund is not sufficient to cover all the losses for the previous year, the profits for the current year shall be firstly used to cover the loss before making appropriation to the statutory reserve fund pursuant to the foregoing provisions.

After the Company has made appropriation to the statutory reserve fund from the after-tax profits, optional reserve fund may also be extracted from the after-tax profits upon resolution at the shareholders' meeting.

As for the remaining after-tax profits after the Company has covered loss and has extracted statutory reserve fund, shareholders shall be allocated pursuant to the ratio of the shareholding of the shareholders, except for those allocations not pursuant to the ratio of the shareholding as provided by the Articles of Association.

If the shareholders' meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return the profits distributed in violation of the preceding paragraph to the Company; in case of losses caused to the Company, shareholders and responsible directors and senior management officers shall be liable for compensation.

The Company shall not be entitled to any distribution of profits in respect of shares held by it.

Article 179 The Company's profit distribution policies are as follows:

- (I) Profit distribution principles: The Company adopts consistent and stable profit distribution policies, which should emphasize on shareholders' reasonable investment return while takes into account the long-term interests of the Company, the interests of all shareholders and the sustainable development of the Company.
- (II) Form of profit distribution: The Company may distribute profit in the form of cash, shares, or by the combination of cash and shares. When the conditions for cash dividends are met, cash dividends are preferred shares dividends. The Company's cash dividend policy goal is the residual profit policy.
- (III) Profit distribution period: The Company generally distributes its profits on a yearly basis, and can also distribute an interim profits (cash) based on the capital requirements of the Company.
- (IV) Differentiated cash dividend policy: When conducting profit distribution, the board of directors of the Company shall distinguish the following circumstances taking into account the features of the industry in which the Company operates, development stages, operation model and profitability and whether it has any substantial capital expenditure arrangement, and stipulate differentiated cash dividend policy:
 - 1. Where the Company is in a developed stage with no substantial capital expenditure arrangement, cash dividend shall represent at least 80% of the total profit distribution when distributing profits;
 - 2. Where the Company is in a developed stage with substantial capital expenditure arrangement, cash dividend shall represent at least 40% of the total profit distribution when distributing profits;
 - 3. Where the Company is in a developing stage with substantial capital expenditure arrangement, cash dividend shall represent at least 20% of the total profit distribution when distributing profits.

If it is difficult to determine the Company's stage of development but there is a significant capital expenditure arrangement, profit distribution may be dealt with pursuant to aforesaid requirements.

The proportion of cash dividends in the profit distribution shall be cash dividends divided by the sum of cash dividends and share dividends.

The board of directors of the Company may propose the Company to make interim cash distribution according to the Company's profitability and capital requirement conditions provided that the cash dividend conditions are satisfied.

- (V) Cash distribution interval and percentage: The Company must make one cash dividend distribution during every three consecutive years, the specific percentages of distribution to be drafted by the Board according to the operating situation of the Company and the stipulations of the CSRC, and to be considered and determined by the general meetings.

The profits distributed in cash by the Company in the last three years shall not be in aggregate lower than 30% of the average annual distributable profit realized in the last three years.

- (VI) The Company may not distribute profits under the following circumstances:

1. The audit report of the latest year is an unqualified opinion or an unqualified opinion with significant uncertainties related to going concern;
2. The net operating cash flow of the distribution year is negative;
3. There are major investment plans or significant cash expenditures (except for fund-raising projects). Significant investment plans or significant cash expenditures refer to the proposed external investment, acquisition of assets or purchase of equipment by the Company in the coming twelve months with accumulated expenses amounting to or exceeding 50% of the latest audited net assets of the Company;
4. The Company's asset-liability ratio is higher than 70%.

- (VII) Conditions for script dividend proposal: Subject to the fulfilment of the conditions for cash dividend distribution, if the operating income and net profit of the Company show rapid growth, in addition to propose a cash dividend proposal, the Board can propose and implement a script dividend proposal if it considers the scale of the share capital and shareholding structure of the Company are reasonable.

Article 180 Procedures for decision making on profit distribution by the Company:

- (I) The board of directors of the Company is responsible for formulating the profit distribution plan. In the process of formulating the profit distribution plan, the board of directors should fully discuss with the independent directors and the audit committee, listen to the opinions of public shareholders through multiple channels and ways, and demonstrate the rationality of the profit distribution plan; and carefully study and discuss, among others, the timing, conditions as well as the minimum ratio, conditions for adjustments and the requirements of the procedures for decision making in respect of the cash dividend distribution of the Company.
- (II) Before the shareholders' meeting considers the specific cash dividend proposal, the Company actively communicates with shareholders, especially minority shareholders, through various means, fully listens to the opinions and demands of minority shareholders, and timely answers to the concerns of minority shareholders.
- (III) Independent directors have the right to express independent opinions if they think that the specific cash dividend proposal may harm the rights and interests of the Company or minority shareholders. If the opinions of the independent directors are not adopted or fully adopted by the board of directors, the opinions of the independent directors and the specific reasons for non-adoption shall be recorded in the resolution of the board of directors and disclosed.

The consideration procedures of the profit distribution proposal mainly include:

- (I) Consideration and approval by the audit committee according to the procedures;
- (II) Consideration and approval by the board of directors;
- (III) The shareholders' meeting shall consider and approve it by ordinary resolutions. When the shareholders' meeting of the Company discusses and considers profit distribution matters, it can adopt various methods such as online voting and setting up an investor communication platform on the Company's website as needed to provide opportunities for public shareholders to express their opinions and demands.

Article 181 Procedures for adjustment and consideration of profit distribution policy:

Due to significant changes in the Company's external operating environment, which have a significant impact on the Company's production and operation or the Company's own operating conditions, and the implementation of the current profit distribution policy may seriously affect the Company's sustainable development, the Company may adjust the relevant annual profit distribution policy according to the following procedures:

- (I) the board of directors of the Company is responsible for forming a written demonstration report on the reasons for adjustment of the relevant annual profit distribution policy;
- (II) Consideration and approval by more than two-thirds of the members of the audit committee;

- (III) Consideration and approval by more than two-thirds of all directors;
- (IV) The shareholders' meeting shall consider and approve it through special resolutions. The Company should provide an online voting platform to facilitate the voting of public shareholders.

Article 182 The Company shall disclose the formulation and implementation of the cash dividend policy in its annual report, and make special explanations on the following matters:

- (I) Whether it complies with the provisions of the Articles of Association or the requirements of the resolutions of the shareholders' meeting;
- (II) Whether the dividend standard and proportion are clear and explicit;
- (III) Whether the relevant decision-making procedures and mechanisms are complete;
- (IV) If the Company fails to pay cash dividends, it shall disclose the specific reasons and the measures to be taken in the next step to enhance the return level of investors;
- (V) Whether minority shareholders have the opportunity to fully express their opinions and demands, and whether the legitimate rights and interests of minority shareholders have been fully protected, etc.

If the cash dividend policy is adjusted or changed, it shall also explain in detail whether the conditions and procedures for the adjustment or change are compliant and transparent.

Article 183 After the shareholders' meeting of the Company makes a resolution on the profit distribution proposal, or after the board of directors of the Company formulates a specific plan according to the conditions and upper limit of the interim dividend for the next year considered and approved by the annual shareholders' meeting, the distribution of dividends (or shares) shall be completed within two months. If the specific plan cannot be implemented within two months due to the provisions of laws and regulations or the securities regulatory rules of the place where the Company's shares are listed, the implementation date of the specific plan may be adjusted accordingly according to these provisions and actual conditions.

Article 184 The common reserve fund of the Company shall be applied to make good the Company's losses, expand its business operations or increase its registered capital.

To make up for the Company's losses, the discretionary provident fund and statutory common reserve fund shall be used first; If it still cannot be made up, the capital reserve fund may be used in accordance with regulations.

Upon the transfer of the statutory common reserve fund into increased registered capital, the balance of the fund shall not be less than 25% of the registered capital of the Company before such transfer.

Article 185 Dividends and other payments paid by the Company to A shareholders shall be denominated and declared in RMB, and shall be paid in RMB. Dividends or other payments paid by the Company to H shareholders are denominated and declared in RMB and paid in Hong Kong dollars.

Article 186 The Company shall pay dividends and other payments to H shareholders in accordance with the relevant provisions on foreign exchange administration of the state. If there is no such provision, the applicable exchange rate shall be the central parity rate between RMB and Hong Kong dollars published by the Bank of China on the date of the resolution of the shareholders' meeting at which the distribution of dividends and other payments is considered.

Article 187 Any amount paid up in advance of calls on any shares may bear interest but shall not entitle the holder of the shares to participate in respect thereof in a dividend subsequently declared.

Subject to the relevant laws, regulations, rules and normative documents, the Company may exercise the power to forfeit unclaimed dividends, provided that it does so only after the expiration of the applicable relevant period.

The Company has the power to cease sending dividend warrants by post to a given holder of overseas listed foreign shares, but may exercise such power only if such warrants have been left uncashed on two consecutive occasions. However, the Company may exercise such power after the first occasion on which such a warrant is returned undelivered.

The Company has the power to sell by a method deemed fit by the Board the shares of a holder of overseas listed foreign shares who is untraceable, provided that it complies with the following conditions:

- (I) the Company has distributed dividends on such foreign shares for at least three times in 12 years, which dividends are not claimed by anybody during the period;
- (II) upon expiration of the 12-year period, the Company makes an announcement of its intention to sell such shares in one or more newspapers, and notify the local securities regulatory authority at the place where the shares of the Company are listed.

Where the Company is granted the power by the Board to seize any dividends not claimed by anybody, this power may not be exercised until at least six years following the date that the dividends are announced.

Section 2 Internal Audit

Article 188 The Company shall implement an internal audit system, and define the leadership system, responsibilities and authority, staffing, financial guarantee, application of audit results and accountability of internal audit work.

The Company's internal audit system is implemented after being approved by the Board and disclosed to the public.

Article 189 The internal audit institution of the Company shall supervise and inspect the Company's business activities, risk management, internal control, financial information and other matters.

Article 190 The internal audit institution of the Company shall be accountable to the Board.

The internal audit institution shall accept the supervision and guidance of the audit committee in the process of supervision and inspection of the Company's business activities, risk management, internal control and financial information. If the internal audit institution finds relevant major problems or clues, it shall immediately report directly to the audit committee.

Article 191 The internal audit institution is responsible for the specific organization and implementation of the Company's internal control evaluation. According to the evaluation report and relevant information issued by the internal audit institution and reviewed by the audit committee, the Company issues the annual internal control evaluation report.

Article 192 When the audit committee communicates with external audit units such as accounting firms and national audit institutions, the internal audit institutions shall actively cooperate and provide necessary support and cooperation.

Article 193 The audit committee shall participate in the assessment of the person in charge of internal audit.

Section 3 Appointment of Accounting Firm

Article 194 The Company shall appoint such accounting firm which complies with the provisions of the Securities Law and the securities regulatory rules of the place where the shares of the Company are listed for carrying out the audit for the accounting statements and reports, net asset verification and other relevant consultancy service. The term of appointment is one year, and the appointment can be renewed.

Article 195 The appointment and dismissal of an accounting firm by the Company shall be decided by an ordinary resolution of the shareholders' meeting. The Board may not appoint an accounting firm before the decision is made by the shareholders' meeting.

Article 196 The Company ensures to 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 falsification of information.

Article 197 The audit fees of the accounting firm shall be determined by an ordinary resolution of the shareholders' meeting.

Article 198 Should the Company dismiss or no longer re-appoint the accounting firm, it shall notify such accounting firm 30 days in advance. When the shareholders' meeting votes for the dismissal of such accounting firm, such accounting firm shall be allowed to express their opinions.

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

CHAPTER 9 NOTICES AND ANNOUNCEMENTS

Section 1 Notices

Article 199 The notices of the Company shall be sent out in the following ways:

- (I) sent out by hand;
- (II) sent out by mail or email;
- (III) sent out by announcement;
- (IV) any other way recognized by the regulatory authority at the place where the shares of the Company is listed or specified by the Articles of Association.

Save as otherwise specified in the context, the “announcement” as mentioned in the Articles of Association, in respect of the announcement sent to holders of A shares or required to be sent in China pursuant to relevant regulations and the Articles of Association, refers to announcement published in the newspapers and periodicals in China, which shall be as specified in PRC laws and administrative regulations or designated by the CSRC; notice issued by the Company to the holders of H shares (by way of announcement) shall be released on the website of the Hong Kong Stock Exchange. The announcement shall also be published on the Company’s website.

For the purpose of providing and/or delivering corporate communication to the holders of H shares as required by securities regulatory rules of the place where the Company’s shares are listed, the Company may deliver such notice by electronic means to the holders of H shares or post such notice on the website of the Company or the stock exchange where the Company’s shares are listed, subject to regulations and the listing rules of the place where the Company’s shares are listed. Corporate communications referred to in the preceding article means any document issued or to be issued by the Company for the information or action of the holders of H shares of the Company or other individuals required under the Hong Kong Listing Rules, including but not limited to:

1. the annual report of the Company (including the reports of the board of directors, annual financial statements, the auditing report and the financial summary of the Company (if applicable));
2. the interim report and the summary of the interim report of the Company (if applicable);
3. notices of meetings;
4. listing documents;

5. circulars;
6. proxy forms (as defined in the listing rules of the stock exchange where the shares of the Company are listed).

Where notices are given by way of announcements under authorization conferred by the Articles of Association, such announcements shall be published by means specified in the Hong Kong Listing Rules.

Article 200 Where a notice of the Company is served by an announcement, the aforesaid notice shall be deemed as received by relevant persons once it is published.

Article 201 Any notice of shareholders' meetings of the Company shall be sent by public announcement or other means stipulated by the securities regulatory rules of the place where the Company's shares are listed. Any notice for convening a meeting of the board of directors of the Company shall be given by hand, fax, telephone, email or other means.

Article 202 For any notice delivered by hand, the addressee shall sign or seal with chop on the receipt slip and the date of delivery shall be the date of the confirmation of receipt by such addressee; for any notice delivered by email, the date of delivery shall be the third working day upon the delivery to the post office; for any notice delivered by an announcement, the date of delivery shall be the date on which such announcement is initially published.

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

Article 203 In the case where the listing rules of the place where the Company's shares are listed require the Company to send, post, dispatch, issue, publish or otherwise provide the relevant documents of the Company in both the English version and the Chinese version, if the Company has made appropriate arrangements to confirm whether the shareholders wish to receive the English version only or the Chinese version only, the Company may, to the extent permitted under the applicable laws and regulations, only send the English version or the Chinese version of such documents to the relevant shareholder (in accordance with the intention expressed by the shareholder).

Section 2 Announcements

Article 204 The Company designates China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily as the media for publishing Company's announcements and other information that need to be disclosed. If it is required to make public announcements to the holders of H shares pursuant to the Articles of Association, the announcement shall also be published in such manner as required by the Hong Kong Listing Rules.

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

Section 1 Merger, Division, Increase and Decrease of Capital

Article 205 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

Absorption means that a company absorbs another company and the absorbed company will be dissolved. Where two or more companies merge into a new company, the original companies will be dissolved.

Article 206 The payment for the Company's merger that does not exceed 10% of the Company's net assets may be made without a resolution from the shareholders' meeting, unless otherwise provided for by the Articles of Association or the securities regulatory rules of the place where the Company's shares are listed.

If the Company merges in accordance with the aforesaid provisions without a resolution from the shareholders' meeting, it must be resolved by the board of directors.

Article 207 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 notifies its creditors within ten days after the date of the Company's resolution approving the merger and shall publish a public notice in China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily or on the National Enterprise Credit Information Publicity System within thirty days thereafter. The creditors are entitled to require the Company to settle the loans or to provide corresponding guarantees within thirty days after the receipt of the written notification, or in the event that no such notification is received, within forty-five days after the date of the announcement.

Article 208 Upon the merger, receivables and indebtedness of each of the merging parties shall be assumed by the company which survives the merger or the newly established company.

Article 209 Where there is a division of the Company, its assets shall be divided up accordingly.

In the event of division of the Company, the parties shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days after the date of the Company's resolution approving the division and shall publish an announcement in China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily or on the National Enterprise Credit Information Publicity System within thirty days thereafter.

Article 210 Debts of the Company prior to division shall be assumed jointly by the companies which exist after the division, unless agreed otherwise in the written agreement signed between the Company and creditors in respect of settlement of such debts prior to the division.

Article 211 A balance sheet and an inventory of assets will be prepared by the Company if it reduces registered capital.

The Company notifies its creditors within ten days from the date of the resolution for reduction of registered capital made by the shareholders' meeting and shall publish an announcement in China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily or on the National Enterprise Credit Information Publicity System within thirty days thereafter. The creditors are entitled to require the Company to settle the loans or to provide corresponding guarantees within thirty days after the receipt of the written notification, or in the event that no such notification is received, within forty-five days after the date of the announcement.

When the Company reduces its registered capital, it shall reduce the amount of capital contributions or shares in proportion to the shareholders' shareholdings, unless otherwise stipulated in the laws, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Article 212 If the Company still has losses after making up for them in accordance with the provisions of paragraph 2 of Article 184 of the Articles, it may reduce its registered capital to make up for such losses. Where the registered capital is reduced to make up for losses, the Company shall not make distributions to shareholders, nor shall it exempt shareholders from their obligations to make capital contributions or pay for shares.

Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of paragraph 2 of Article 211 of the Articles of Association shall not apply. However, the Company shall announce the reduction in China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily or on the National Enterprise Credit Information Publicity System within thirty days from the date on which the shareholders' meeting passes a resolution to reduce the registered capital.

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

Article 213 If the registered capital is reduced in violation of the Company Law or other relevant regulations, shareholders shall return the funds received, and any reduction or exemption of shareholders' capital contributions shall be restored to their original status; in case of losses caused to the Company, shareholders and responsible directors and senior management members shall be liable for compensation.

Article 214 When the Company issues new shares to increase its registered capital, shareholders do not have preemptive rights, unless otherwise stipulated in the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association or granted by a resolution of the shareholders' meeting.

Article 215 The Company shall, in accordance with law, apply for change in its registration particulars with the company's registration authority where a change in any item in its registration arises as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with law. Where a new company is established, that company shall apply for registration in accordance with the law.

Where the Company increase or reduce its registered capital, the Company shall, in accordance with law, apply for change in its registration with the company registration authorities.

Section 2 Dissolution and Liquidation

Article 216 The Company shall be dissolved and liquidated upon the occurrence of the following events:

- (I) the term of its operations set out in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred;
- (II) a resolution for dissolution is passed by shareholders at a shareholders' meeting;
- (III) dissolution is necessary due to a merger or division of the Company;
- (IV) the Company's business license is revoked or the Company is ordered to close down or de-registered according to laws;
- (V) where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to the interests of shareholders, and no solution can be found through any other channel, shareholders representing more than 10% of the voting rights of the Company may request the People's Court to dissolve the Company.

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

Article 217 The Company may continue to exist by amending the Articles of Association or by a resolution of the shareholders' meeting in the event of the circumstance as set forth in items (I) and (II) of Article 216, and has not yet distributed assets to shareholders.

The amendment to the Articles of Association or a resolution made by the shareholders' meeting according to the preceding article shall be passed by two-thirds of the voting rights held by shareholders present at the shareholders' meeting.

Article 218 In the case of dissolution of the Company under items (I), (II), (IV), and (V) of Article 216 hereof, it shall be liquidated. The directors are the Company's liquidators and shall establish a liquidation committee to carry out the liquidation within fifteen days from the date of occurrence of events giving rise to dissolution.

The liquidation committee shall be composed of directors, except where otherwise provided by the Articles of Association or resolved by the shareholders' meeting to appoint others.

If the liquidators fail to fulfill the liquidation obligations in a timely manner, causing losses to the Company or creditors, they shall be liable for compensation.

Article 219 The liquidation committee shall exercise the following functions and powers during the period of liquidation:

- (I) to categorize the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (II) to inform creditors by a notice or public announcement;
- (III) to dispose of and liquidate any unfinished businesses of the Company;
- (IV) to pay all outstanding taxes and the taxes incurred from the process of liquidation;
- (V) to settle claims and debts;
- (VI) to allocate the residual assets remaining after repayment by the Company of its debts;
- (VII) to represent the Company in any civil proceedings.

Article 220 The liquidation committee shall, within ten days of its formation, notify the creditors, and shall, within sixty days, make a public announcement in China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily or on the National Enterprise Credit Information Publicity System. Creditors shall, within thirty days of the receipt of the notice or within forty-five days of the release of the public announcement in the case of failure to receive said notice, file their creditors' rights with the liquidation committee.

Where creditors file their creditors' rights, they shall explain about the matters related to creditors' rights, and shall provide the evidentiary materials. The liquidation team shall register the creditors' rights.

The liquidation team may not clear off any of the debts of any creditors during the period of filing creditors' rights.

Article 221 After the liquidation committee has sorted the Company's assets and prepared a balance sheet and an inventory of assets, it shall prepare a liquidation plan and submit it to the shareholders' meeting or the People's Court for confirmation.

The remaining assets after paying off the liquidation expenses, wages of employees, social insurance premiums and statutory compensation, the outstanding taxes and the debts of the Company may be distributed in proportion to shareholding of the shareholders.

During the period of liquidation, the Company continues to exist but may not carry out any business operation that is not related to liquidation. Before the settlement of repayments as provided in the preceding article has been made, the Company's assets shall not be distributed to shareholders.

Article 222 If the liquidation committee, having sorted the Company's assets and prepared the balance sheet and an inventory of assets, discovers that there are insufficient assets in the Company to pay off its debts, it shall apply to the People's Court immediately for bankruptcy liquidation of the Company.

Upon the acceptance of bankruptcy application of the Company by the People's Court, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator appointed by the People's Court.

Article 223 Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, submitted the same to the shareholders' meeting or the People's Court for confirmation, and submit the same to the companies registration authority and apply for cancellation of registration of the Company.

Article 224 The members of the liquidation committee fulfill their liquidation duties and bear the obligations of fiduciary and diligence. The members of the liquidation committee who fail to fulfill their liquidation duties and cause losses to the Company shall be liable for compensation; Where any members of the liquidation committee cause any loss to any creditor with intention or due to gross negligence, he/she shall be liable to make compensation.

Article 225 Where the Company is declared bankruptcy in accordance with laws, it shall implement bankruptcy liquidation in accordance with relevant laws relating to bankruptcy of enterprise.

CHAPTER 11 AMENDMENTS OF ARTICLES OF ASSOCIATION

Article 226 Under any one of the following circumstances, the Company will amend its articles of association:

- (I) after amendment has been made to the Company Law, the securities regulatory rules of the place where the Company's shares are listed or relevant laws or administrative regulations, the contents of the Articles of Association shall conflict with the amended securities regulatory rules of the place where the Company's shares are listed, 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 decides that the Article of Association should be amended.

Article 227 Amendments to the Articles of Association passed by resolutions at the shareholders' meeting shall be required to be examined and approved by the competent authorities, and shall be submitted to the competent authorities for approval; where the amendments involve the registered particulars of the Company, procedures for change of registration shall be handled in accordance with the law.

Article 228 The board of directors shall amend the Articles of Association according to the resolutions of the shareholders' meeting and the opinions of the relevant competent authority.

Article 229 Any amendments to the Articles of Association that involve information to be disclosed as required by the laws and regulations, shall be publicly announced as required.

CHAPTER 12 SUPPLEMENTARY ARTICLES

Article 230 Definitions

- (I) the controlling shareholder means a shareholder whose shares account for more than 50% of the Company's total share capital; or a shareholder who holds less than 50% of the Company's shares but whose voting rights on the basis of their shareholdings are sufficient to exercise a significant influence on the resolutions of the shareholders' meetings, or controlling shareholder as defined by the securities regulatory rules of the place where the Company's shares are listed.
- (II) a de facto controller means a natural person, legal person or other organization that can effectively control the activities of the Company through investment, agreement or other arrangements.
- (III) associated relationship is the relationship between the Company's controlling shareholder, de facto controller, directors or senior management, and enterprises directly or indirectly controlled by them, as well as other relationships which may possibly cause the transfer of the Company's interests. However, enterprises owned by the State will not be regarded as having associated relationships among themselves only because they are owned by the State.
- (IV) The meaning of "accounting firm" in the Articles of Association is consistent with the meaning of "auditor" in the Hong Kong Listing Rules, the meaning of "independent director" is consistent with the meaning of "independent non-executive director" in the Hong Kong Listing Rules, and the meaning of "audit committee" is consistent with the meaning of "audit committee" in the Hong Kong Listing Rules.

Article 231 The board of directors may formulate by-laws in accordance with the provisions of the Articles of Association, provided that such by-laws shall not be in violation of the Articles of Association.

Article 232 Any matters not provided in the Articles of Association shall be implemented in accordance with relevant national laws, regulations, regulatory documents, and securities regulatory rules of the place where the Company's shares are listed. In the event of any inconsistency between the Articles of Association and the relevant provisions of the laws, regulations, regulatory documents and the securities regulatory rules of the place where the Company's shares are listed, the relevant laws, regulations, regulatory documents and the securities regulatory rules of the place where the Company's shares are listed shall prevail.

Article 233 The Articles of Association are written in Chinese. In case of any inconsistency between the articles of association in any other language or of different version and the Articles of Association, the latest Chinese version of the Articles of Association approved by and registered with the Shandong Administration for Market Regulation shall prevail.

Article 234 The term "above", "within", as stated in the Articles of Association shall all include the given figure; the term "over", "except", "lower", "more" shall all exclude the given figure.

Article 235 The board of directors shall be responsible for the interpretation of the Articles of Association.

Article 236 Annexes to the Articles of Association include the Rules of Procedure for Shareholders' Meetings and the Rules of Procedure for Meetings of the Board of Directors.

Article 237 The Articles of Association shall be considered and approved at a shareholders' meeting, and shall take effect from such date. From the effective date of the Articles of Association, the Company's original Articles of Association (amended in August 2025) will automatically become invalid.