



中国通号

中國鐵路通信信號股份有限公司

China Railway Signal & Communication Corporation Limited*

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

(Stock Code: 3969)

**ARTICLES OF ASSOCIATION
OF
CHINA RAILWAY SIGNAL & COMMUNICATION
CORPORATION LIMITED**

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These Articles of Association are written in Chinese and English. If there is any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

CHAPTER 1 GENERAL PROVISIONS

Article 1

In order to protect the legal rights and interests of China Railway Signal & Communication Corporation Limited* (hereinafter referred to as the “**Company**”), its shareholders, employees and creditors, and to regulate the organization and activities of the Company, these Articles of Association are hereby enacted in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “**Company Law**”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “**Securities Law**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Rules Governing the Listing of Shares on the Sci-tech Innovation Board of the Shanghai Stock Exchange, the Guidelines for the Articles of Association of Listed Companies, the Corporate Governance Standards for Listed Companies and other relevant regulations.

Article 2

The Company is a joint stock limited company incorporated pursuant to the Company Law, the Securities Law and other relevant laws and regulations of China.

Following approval by the State-owned Assets Supervision and Administration Commission of the State Council by issuing the Reply on the Establishment of China Railway Signal & Communication Corporation Limited* (Guo Zi Gai Ge [2010] No.1492), the Company was jointly established by China Railway Signal & Communication Corporation Limited, China National Machinery Industry Corporation, China Chengtong Holdings Group Ltd., China Reform Holdings Corporation Ltd. and CICC Jiacheng Investment Management Co., Ltd. by way of promotion. The Company was registered with the State Administration for Industry & Commerce of the People’s Republic of China and obtained a business license on 29 December 2010. Currently, the Uniform Social Credit Code of the Company is: 911100007178285938.

Article 3

Registered name of the Company:

Chinese: 中國鐵路通信信號股份有限公司

English: China Railway Signal & Communication Corporation Limited English

Abbreviation: CRSC

- Article 4** The Company's domicile: 20/F CRSC Building A, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing; Postal code: 100070.
- Article 5** The Company has a registered capital of RMB10,589,819,000. Upon issuance of new shares, the Company's registered capital will be adjusted accordingly based on actual issuance conditions and the Company should proceed with the procedure of registered capital change.
- Article 6** The Company is a joint stock limited company in perpetual existence.
- Article 7** The legal representative of the Company shall be the chairman of the Board. Upon resignation of the chairman, he or she shall be deemed to have simultaneously resigned as the legal representative. The Company shall appoint a new legal representative within thirty days from the date of resignation of the legal representative.
- Article 8** 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 powers of the legal representative imposed by these Articles of Association or by the shareholders' meeting shall not be enforceable against bona fide third parties.
- Where the legal representative causes damage to others in the performance of his or her duties, the Company shall bear civil liability. After bearing such civil liability, the Company may, in accordance with the law or these Articles of Association, seek compensation from the legal representative who is at fault.
- Article 9** These Articles of Association shall take effect upon approval by a special resolution of the shareholders' meeting of the Company. These Articles of Association shall become a legally binding document that regulates the organization and acts of the Company and the rights and obligations between the Company and the shareholders and between shareholders inter se from the date on which they become effective.

- Article 10** These Articles of Association shall be binding upon the Company and its shareholders, directors, the president and other senior management members.
- According to these Articles of Association, shareholders may sue the Company; the Company may sue shareholders, directors, the president and other senior management members; shareholders may sue shareholders; and shareholders may sue directors, the president and other senior management members of the Company.
- Article 11** Shareholders shall be liable to the Company to the extent of the shares they subscribed for. The Company shall be liable for its debts to the extent of all of its properties.
- Article 12** The Company may invest in other enterprises. Where laws stipulate that a company shall not be a contributor who assumes joint and several responsibilities for the liabilities of the investee, such provisions shall prevail.
- Article 13** According to the Constitution of the Communist Party of China, the Company shall establish an organization under the Communist Party of China and conduct the Party's activities. The Party organization will play a leadership role, managing the general situation and ensuring the implementation. The Company shall establish the related working organs of the Party which shall be equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization. The Company provides the necessary conditions for the activities of the Party.

CHAPTER 2 PURPOSE AND SCOPE OF BUSINESS

Article 14

The business purpose of the Company is: conducting honest operation and serving the customers both at home and abroad with safe and applicable railway traffic control technology; striving for excellence and building a world-class high and new technology enterprise in the railway traffic control field.

Upholding the philosophy of innovation, coordination, green, openness and sharing, the Company makes concrete efforts to increase its overall value by safeguarding the legal rights and interests of the shareholders and ensuring that their rights and interests are treated in a fair way, actively fulfilling the social responsibilities including environmental protection, product safety, protection of employees' rights and interests, and respecting the basic rights and interests of stakeholders.

Article 15

Subject to the registration based on laws, the business scope of the Company includes: Dispatching expatriate labour required to undertake overseas projects that are compatible with the Company's strength, scale, and performance; general freight (only for Tianjin Engineering Branch); contracting overseas engineering projects that are compatible with its strength, scale, and performance; production of railway (including subway) equipment used in communications, signals, electricity, and automatic control; scientific research, survey, design, installation, construction and construction supporting projects of the afore-said projects; import and export businesses; contracting overseas railways and electricity projects and international tender projects in PRC; contracting survey, consultation, design and supervision of the afore-said overseas projects; survey, design, installation, construction and ancillary building construction of communication, signal, electricity, and automatic control projects of roadway traffic, airport, port, industrial and mining enterprises; technical consultation and technical services related to the afore-said projects; leasing of the equipment and self-owned building; rail transit operations management. (Market entities can freely choose the operating projects and carry out business activities according to laws; projects subject to approval according to laws shall be launched to carry out business activities with approval of the competent authorities and based on the content of the approval; business activities of the forbidden and restricted projects as required by the national and municipal industry policies are not allowed.)

CHAPTER 3 SHARES AND REGISTERED CAPITAL

Section 1 Issuance of Shares

Article 16 The shares of the Company shall take the form of share certificates. The par value shares issued by the Company are denominated in Renminbi, with par value of RMB1 for each.

Article 17 The shares of the Company shall be issued in accordance with the principles of openness, equitability and fairness. Each share of the same class shall carry the same rights.

Shares of the same class and the same issue shall be issued on the same conditions and at the same price. Any entity or individual shall pay the same price for the same class of shares subscribed for by it/him/her.

Article 18 The Company may, in accordance with laws, administrative regulations, rules, and normative documents, issue shares to domestic and foreign investors.

The foreign investors referred to in the preceding paragraph mean those investors from foreign countries and from the regions of Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company. Domestic investors mean those investors within the territory of the PRC, excluding the afore-said regions, who subscribe for the shares issued by the Company.

Article 19 Shares issued by the Company to domestic investors and other qualified investors for subscription in Renminbi shall be referred to as domestic shares (also known as A Shares). Shares issued by the Company to overseas investors and other qualified investors for subscription in foreign currency shall be referred to as foreign shares. Foreign shares which are listed outside the PRC shall be referred to as overseas-listed foreign shares.

For the purposes of the preceding paragraph, the term “foreign currency” means the legal tender, other than Renminbi, of another country or region that can be used to pay subscription moneys to the Company and which is recognized by the competent state foreign exchange control authority.

With the approval of the securities regulatory authority under the State Council, domestic shareholders of the Company may transfer their shares to overseas investors and list them for trading overseas. The transferred shares listed for trading on an overseas securities exchange shall also comply with the regulatory procedures, rules, and requirements of the overseas securities market. In cases where the transferred shares are listed for trading on an overseas securities exchange, it is not necessary to convene a class meeting of shareholders for voting.

Overseas-listed foreign shares issued by the Company and listed in Hong Kong are referred to as H shares. H shares are shares listed on the Hong Kong Stock Exchange, denominated in Renminbi and subscribed for and traded in Hong Kong dollars.

Holders of domestic shares and overseas-listed foreign shares are holders of ordinary shares and are entitled to the same rights and undertake the same obligations. Domestic shares and foreign shares listed overseas are both ordinary shares and are not considered different classes of shares.

Article 20

The domestic shares issued by the Company shall be centrally registered with and deposited at China Securities Depository and Clearing Corporation Limited. Overseas-listed foreign shares issued by the Company in Hong Kong are mainly deposited at securities clearing companies in Hong Kong and such shares may also be held under the personal names of shareholders.

Article 21

Upon approval from the approval authority authorized by the State Council, the Company issued 4,500,000,000 shares to its promoters upon its establishment on 29 December 2010, representing 100% of the total issuable ordinary shares of the Company. Among the promoters, China Railway Signal & Communication Corporation Limited held 4,357,540,000 shares (96.8343%), China National Machinery Industry Corporation held 41,900,000 shares (0.9311%), China Chengtong Holdings Group Ltd. held 41,900,000 shares (0.9311%), China Reform Holdings Corporation Ltd. held 41,900,000 shares (0.9311%) and CICC Jiacheng Investment Management Co., Ltd. held 16,760,000 shares (0.3724%).

On 6 December 2013, the Company issued 2,500,000,000 ordinary shares to its original shareholders by way of capital increase on a pro-rata basis, whereby the Company's total number of shares was changed to 7,000,000,000 ordinary shares. Among the promoters, China Railway Signal & Communication Corporation Limited held 6,778,390,000 shares (96.8343%), China National Machinery Industry Corporation held 65,180,000 shares (0.9311%), China Chengtong Holdings Group Ltd. held 65,180,000 shares (0.9311%), China Reform Holdings Corporation Ltd. held 65,180,000 shares (0.9311%) and CICC Jiacheng Investment Management Co., Ltd. held 26,070,000 shares (0.3724%).

Article 22

Upon approval by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) under Zheng Jian Xu Ke (2015) No.1630 (證 監 許 可[2015]1630 號 文), the Company initially issued to foreign investors 1,789,819,000 overseas-listed foreign ordinary shares (including an over-allotment of 39,819,000 overseas-listed foreign ordinary shares), which were listed on the Hong Kong Stock Exchange in 2015. Pursuant to the *Provisional Measures for the Administration of the Reduction of the Holding of State-Owned Shares in Order to Raise Social Security Funds* (《減持國有股籌集社會保障資金管理暫行辦法》) and relevant regulations of the State Council, the Company's state-owned shareholders, simultaneously with the issuance of the overseas-listed foreign shares, transferred 178,982,000 state-owned shares held by it into the possession of the National Council for Social Security Fund, which were converted into overseas-listed foreign shares. Upon completion of the afore-said issuances, the Company had total share capital of 8,789,819,000 shares, comprising a total of 8,789,819,000 ordinary shares, of which 6,821,018,000 shares were domestic shares, accounting for 77.6% of the Company's total ordinary shares in issue; and 1,968,801,000 shares were overseas-listed foreign shares the shareholders of which include National Council for Social Security Fund, accounting for 22.4% of the Company's total ordinary shares in issue.

Approved by the Shanghai Stock Exchange and registered with the CSRC, the Company issued 1,800,000,000 domestic shares to be listed in PRC to the public for the first time in July 2019, and was listed on the Shanghai Stock Exchange on 22 July 2019. After the completion of the above-mentioned issuance, the Company's total share capital is 10,589.819 million shares, and the share capital structure is: 10,589.819 million ordinary shares, of which shareholders of listed domestic shares hold 8,621.018 million shares, accounting for 81.4% of the total ordinary shares in issue; shareholders of listed foreign shares hold 1,968.801 million shares, accounting for 18.6% of the total ordinary shares in issue.

Section 2 Change in and Repurchase of Shares

Article 23

According to its business and development requirements, the Company may increase its capital in the following manners in accordance with the provisions of the laws and regulations and subject to the passing of resolutions at a shareholders' meeting:

- (1) offering of shares to non-specific targets;
- (2) placement of shares to specific targets;
- (3) allotting new shares to existing shareholders;
- (4) conversion of common reserve funds into share capital;
- (5) other methods prescribed by laws and regulations and the CSRC.

After approval is obtained in accordance with the provisions of these Articles of Association, the Company's increase of share capital through issuance of new shares shall be implemented in accordance with the procedures set out in the relevant laws and regulations of the PRC.

Article 24

The Company may reduce its registered capital in accordance with the procedures set out in the Company Law, other relevant regulations and these Articles of Association.

Article 25

If the Company reduces its registered capital, it will prepare a balance sheet and a list of its property.

The Company shall notify its creditors within 10 days by the shareholders' meeting from the date of adoption of the resolution to reduce its registered capital and publish a public announcement in newspapers or National Enterprise Credit Information Publicity System within 30 days. Creditors shall, within 30 days of receiving written notice, or within 45 days of the date of the public announcement for those who have not received written notice, be entitled to require the Company to pay its debts in full or to provide a corresponding security for repayment.

When a company reduces its registered capital, the amount of capital contribution or the number of shares held by shareholders shall be reduced in proportion to their respective holdings, unless otherwise provided by law or this Articles of Association.

Article 26

Where a company still incurs losses upon offsetting losses in accordance with the provisions of these Articles of Association, it may reduce its registered capital to offset such losses. Where registered capital is reduced to offset losses, the company shall not distribute dividends to shareholders nor exempt shareholders from their obligations to contribute capital or pay capital contributions.

Where registered capital is reduced pursuant to the preceding paragraph, the provisions of Article 25, Paragraph 2 of these Articles of Association shall not apply; however, an announcement shall be published in newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the date the shareholders' meeting resolves to reduce the registered capital.

Upon reducing its registered capital in accordance with the preceding two paragraphs, the Company shall not distribute profits until the combined amount of its statutory reserve fund and discretionary reserve fund reaches 50% of its registered capital.

Article 27

Where registered capital is reduced for violation of the Company Law or other relevant provisions, shareholders shall return the funds they have received, and any reduction in shareholder contributions shall be restored to its original state. Where losses are caused to the company, the shareholders and directors or senior management personnel who bear responsibility shall be liable for compensation.

Article 28

When the Company issues new shares to increase its registered capital, shareholders shall not be entitled to preemptive subscription rights, unless otherwise provided in these Articles of Association or as determined by a resolution of the shareholders' meeting.

Article 29

Subject to the provisions and procedures set out in the laws, administrative regulations, departmental rules, securities regulatory rules of the places where the shares are listed and these Articles of Association, the Company may repurchase its shares under the following circumstances:

- (1) to reduce the registered capital of the Company;
- (2) to merge with another company that holds shares in the Company;
- (3) to use the shares for employee shareholding scheme or share option incentive scheme;
- (4) to acquire shares held by shareholders (upon their request) who vote against any resolution proposed in any shareholders' meeting on the merger or division of the Company;
- (5) to use the shares for the conversion of convertible corporate bonds issued by the listed company;
- (6) other circumstances where the Company need to maintain the Company's value and shareholders' rights and interests.

Save as aforementioned, the Company shall not trade in its shares.

Article 30

The Company may lawfully acquire its shares in any of the following manners in accordance with the provisions set out in paragraphs (1), (2) and (4) of Clause 1 of the Article 29 of Articles of Association:

- (1) to make an offer to all shareholders in proportion to their respective shareholdings;
- (2) to repurchase shares through open transactions on a stock exchange;
- (3) to repurchase by way of agreement outside the stock exchange;
- (4) to repurchase by any other way permitted by the laws, administrative regulations, department rules, securities regulatory rules of the places on which the Company's shares are listed and approval authority authorized by the State Council.

Where the Company acquires its own shares in the circumstances as stipulated in paragraphs (3), (5) and (6) of Clause 1 of Article 29 of Articles of Association, such acquisition shall be proceeded with an open and centralized manner.

The Company's acquisition of its own shares shall be subject to information disclosure obligations in accordance with laws, administrative regulations, departmental rules and securities regulatory rules of the places on which the Company's shares are listed.

Article 31

Any repurchase by the Company of its own shares for the purpose of clauses (1) to (2) of Clause 1 of Article 29 shall be resolved at the shareholders' meeting. The Company's acquisition of its domestic shares for the reasons set out in paragraphs (3), (5) and (6) of Clause 1 of Article 29 of these Articles of Association shall be subject to the resolutions of the Board attended by more than two-thirds of the directors without approval at the shareholders' meeting.

After the Company has acquired its shares in accordance with Article 29 under the circumstance set out in clause (1), such shares shall be cancelled within 10 days from the date of repurchase, and for circumstances set out in clauses (2) and (4), such shares shall be transferred or cancelled within 6 months, and if under the circumstance set out in paragraphs (3), (5) and (6), the shares held by the Company shall not exceed 10% of its total issued shares in aggregate and shall be transferred or cancelled within 3 years.

If matters of the above-mentioned repurchase of shares are otherwise required under relevant laws, administrative regulations, departmental rules, other regulatory documents, and the relevant provisions of securities regulatory authority of the places on which the Company's shares are listed, such provisions shall prevail.

Article 32

In case of cancellation of shares, the Company shall apply to the original company registration authority for registration of changes in registered capital.

Aggregate nominal value of the cancelled shares shall be deducted from the registered capital of the Company.

Section 3 Transfer of Shares

Article 33

The shares of the Company shall be lawfully transferrable.

Article 34

All paid-up overseas-listed foreign shares listed in Hong Kong are free to be transferred pursuant to these Articles of Association, provided that the Board may refuse to recognize any instrument of transfer without assigning any reason unless the following conditions are satisfied:

- (1) the fees required by the Hong Kong Stock Exchange in the Listing Rules or higher fees agreed by the Hong Kong Stock Exchange at that time have been paid, and the instrument of transfer and other documents which are relevant to or would affect the ownership of the shares have been registered;
- (2) the instrument of transfer only relates to the overseas-listed foreign shares listed on the Hong Kong Stock Exchange;
- (3) the stamp duty on the instrument of transfer payable according to laws in Hong Kong has been paid;

- (4) the relevant share certificates and the evidences as may be reasonably required by the Board to prove the transferor's right to transfer the shares shall be provided;
- (5) if the shares are to be transferred to joint holders, the number of joint holders shall not exceed 4;
- (6) the relevant shares are not subject to any lien of companies.

Where the Board refuses to register the transfer of shares, the Company shall, within two months from the date of the application for transfer, deliver a notification to the transferor and transferee informing them of such refusal of registration of share transfer.

Where the holders of the Company's overseas listed foreign invested shares listed in Hong Kong are to transfer all or part of such shares, the transfer shall be effected by instruments of transfer in the usual or common form or in a form prescribed by the designated stock exchange or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.

Article 35

The Company shall not accept any shares of the Company as the subject of a pledge.

Article 36

Shares issued prior to the initial public offering of the Company shall not be transferred within one year from the date of listing of the Company's shares on any stock exchange.

Directors and the senior management members of the Company shall report to the Company their shareholdings and changes therein. The shares transferred in each year during their terms of office determined upon taking office shall not exceed 25% of the total number of shares in the Company held by them; shares held in the Company shall not be transferred within one year from the date of listing of the shares of the Company. The aforesaid persons shall not transfer the shares in the Company held by them within six months from the termination of their services.

If matters of the above-mentioned transfer of shares are otherwise required under relevant laws, administrative regulations, departmental rules, other regulatory documents, and the relevant provisions of securities regulatory authority of the places on which the Company's shares are listed, such provisions shall prevail.

Article 37

Any gains from sale of shares in the Company by any directors and the senior management members or shareholders holding more than 5% of the shares in the Company within six months after their purchase of the same, and any gains from purchase of shares in the Company by any of the aforesaid parties within six months after sale of the same, shall belong to the Company. The Board shall recover such gains from the aforesaid parties. However, this shall not apply where a securities company holds more than 5% of the shares due to purchasing the remaining shares following a block sale, or where other circumstances specified by the CSRC exist.

The shares or other equity securities held by directors, senior management and natural person shareholders referred to in the preceding paragraph shall include those held by their spouses, parents, children, or those held through accounts of others.

If the Board does not act in accordance with the provisions of the first paragraph of this Article, shareholders shall be entitled to request the Board to affect the same within thirty days. If the Board fails to do so within the aforesaid deadline, the shareholders are entitled to bring a lawsuit at the court in their own names for the interests of the Company.

Where the Board does not act in accordance with the provisions of the first paragraph of this Article, the responsible directors shall assume joint liability in accordance with the law.

Article 38

Neither the Company nor its subsidiaries (including affiliated companies of the Company) shall at any time provide any financial assistance in any form, including gift, advance, guarantee, borrowings to others for the purpose of acquiring shares of the Company or its parent company, except where the Company implements an employee stock ownership plan.

For the benefit of the Company, upon resolution of the resolution of the Board, the Company or its subsidiaries (including affiliated companies of the Company) may provide financial assistance to others for acquiring shares of the Company or its parent company. However, the accumulated total amount of such financial assistance shall not exceed ten percent of the total issued share capital. A resolution made by the Board shall be approved by a majority of two-thirds or more of all directors.

CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Section 1 General Provisions of Shareholders

- Article 39** The Company shall establish a shareholder register based on certificates provided by the securities registration and settlement institution. The shareholder register shall serve as conclusive evidence of a shareholder's ownership of shares in the Company. Shareholders shall be entitled to rights and subject to obligations according to the class of shares they hold. Shareholders holding shares of the same class shall have the same rights and bear the same obligations.
- Article 40** If it is otherwise required under relevant laws, administrative regulations, departmental rules, other regulatory documents, and the relevant provisions of securities regulatory authorities of the places on which the Company's shares are listed on periods during which transfers may not be entered in the register of shareholders prior to the date of a shareholders' meeting or prior to the record date(s) set by the Company for the purpose of distribution of dividends, such provisions shall prevail.
- Article 41** When the Company intends to convene a shareholders' meeting, distribute dividends, liquidate and engage in other activities that involve determination of shareholder's identity, the Board or the convener of the shareholders' meeting shall appoint a record date for the registration of shareholdings, and shareholders whose names appear on the register of shareholders at the close of business of the record date shall be shareholders for their entitlements.

Article 42

The Company shall protect the rights of shareholders in accordance with the laws and focus on protecting the legitimate rights and interests of minority shareholders. Articles of Association, resolutions of shareholders' meetings or resolutions of meetings of the Board shall be in compliance with laws and regulations, and shall not deprive or restrict the legal rights of shareholders. The Company shall establish an effective communication channel with shareholders to safeguard shareholders' rights to be informed, participate in decision-making and supervision of major matters of the Company. Shareholders are entitled to protect their legal rights through civil litigation or other legal means in accordance with the provisions of laws and administrative regulations.

In accordance with laws and regulations and the Company's Articles of Association, institutional investors exercise voting rights, inquiry rights, advisory rights and other relevant shareholders' rights. They participate in corporate governance reasonably and play an active role in participating in the decision-making of material matters, recommending candidates of directors and supervising the performance of duties by directors.

For the purpose of holders of overseas listed foreign shares, when two or more persons are registered as joint holders of any shares, they shall be deemed to be joint owners of such shares and subject to constraints of the following terms:

- (1) the Company should not register more than four persons as joint holders for any shares;
- (2) all the joint holders of any shares shall jointly assume the liability to pay for all amounts payable for the relevant shares;
- (3) in case one of the joint holders has deceased, only the surviving joint holders shall be deemed by the Company to be such persons as having the ownership of the relevant shares. But the Board shall have the right, for the purpose of making amendments to the register of shareholders, to demand a death certificate of such shareholder where it deems appropriate to do so;

- (4) with respect to the joint holders of any share, only the joint shareholder listed first on the register of shareholders shall have the right to receive the certificate for the relevant share from the Company, receive notices from the Company, attend the shareholders' meeting of the Company and exercise the voting rights attaching to the relevant share; furthermore, any notices served on the aforementioned person shall be deemed served on all of the joint holders of the relevant share. If any one of the joint shareholders issues the Company a receipt in respect of any dividends, bonus or capital returns payable to such joint shareholders, the same shall be deemed a valid receipt issued to the Company by the joint shareholders.

Article 43

The shareholders of the Company shall be entitled to the following rights:

- (1) the right to dividends and other distributions in proportion to the number of shares held;
- (2) the right to request, hold, convene, chair, attend or appoint a proxy to attend shareholders' meetings, to exercise the voting right and to speak thereat in accordance with the laws, regulations and provisions of these Articles of Association;
- (3) the right to supervise and manage the business activities of the Company and to put forward proposals and raise inquiries;
- (4) the right to transfer, give or pledge shares held in accordance with the laws, administrative regulations and provisions of these Articles of Association;
- (5) shareholders who meet the requirements may inspect and copy these Articles of Association, the shareholder register, minutes of shareholder meetings, resolutions of Board meetings, and financial accounting reports; they may also inspect the accounting books and accounting certificates of the Company;
- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in proportion to the number of shares held;

- (7) to request the company to acquire shares held by shareholders who vote against any resolution proposed in any shareholders' meeting on the merger or division of the Company;
- (8) other rights conferred by laws and administrative regulations, departmental rules, or these Articles of Association.

Article 44

Shareholders requesting to inspect or copy relevant company materials shall comply with the provisions of laws and administrative regulations such as the Company Law and the Securities Law.

Shareholders requesting to inspect accounting books and accounting certificates shall follow the procedures below:

- (1) Qualified shareholders. Shareholders who hold, individually or collectively, more than 3% of the shares of the Company for a consecutive period of 180 days or more shall have the right to apply to the Company to inspect the accounting books and accounting certificates of the Company.
- (2) Written Application. Qualified shareholders shall submit a written request to the Company 15 days in advance, stating the purpose and undertaking to comply with the relevant systems of the Company, as well as undertaking that the information and materials provided to the Company are true, accurate, and complete.
- (3) Confidentiality and Non-Competition. Prior to inspection, Qualified shareholders must sign a written confidentiality and non-compete agreement and provide the Company with employment and investment details for themselves and their immediate family members over the past three years. The Company shall not accept inspection requests from Qualified Shareholders who have held positions or invested in enterprises related to the principal business of the Company (hereinafter referred to as “**Related Enterprises**”) within the preceding three years. The Company reserves the right to disclose the aforementioned information of Qualified Shareholders to all shareholders as deemed appropriate.

- (4) Intermediary Institutions. Qualified shareholders may engage intermediary institutions such as accounting firms or law firms recognized by the Company that possess relevant securities-related professional qualifications.

Such intermediary institutions must sign a written confidentiality agreement and provide the Company with a statement detailing their service history with relevant enterprises over the past three years. The Company will not permit intermediary institutions that have provided services to relevant enterprises within the past three years or currently do so to inspect the accounting books and certificates of the Company. The Company reserves the right to disclose the aforementioned information regarding intermediaries to all shareholders as appropriate.

- (5) Company verification. If the Company has reasonable grounds to believe that a shareholder's request to inspect accounting books and certificates is for improper purposes and may harm the Company's legitimate interests, it may refuse access. The Company shall provide a written response to the shareholder within 15 days of receiving the written request, stating the reasons. The Company reserves the right to reject any inspection request by a qualified shareholder or intermediary institution that violates confidentiality commitments or other obligations.
- (6) Inspection. Qualified shareholders shall inspect accounting books and certificates not involving state secrets or trade secrets during working hours agreed upon with the Company, at locations designated by the Company, and under the supervision of Company staff. Qualified shareholders may only inspect the materials and shall not photocopy, photograph, videotape, or otherwise reproduce the same.
- (7) Qualified shareholders and intermediaries shall comply with the Company's then-effective shareholder inspection policies.

Article 45

If a resolution passed at a shareholders' meeting or Board meeting of the Company violates the laws and regulations, the shareholders shall have the right to submit a petition to a People's Court to render the same as invalid.

Where the procedures for convening or the means of voting at a shareholders' meeting or Board meeting violate the laws, regulations or these Articles of Association, or the contents of a resolution violates these Articles of Association, shareholders shall be entitled to submit a petition to a People's Court to rescind such resolutions within 60 days from the date on which such resolution is made. However, except where the procedures for convening shareholders' meetings or Board meetings, or the voting methods, contain only minor defects that do not materially affect the resolutions.

Where the Board, shareholders, or other relevant parties dispute the validity of a shareholders' meeting resolution, they shall promptly file a lawsuit with the People's Court. Prior to the People's Court issuing a judgment or ruling to revoke the resolution, the relevant parties shall implement the shareholders' meeting resolution. The Company, directors, and senior management shall diligently perform their duties to ensure the Company's normal operations.

Where a People's Court renders a judgment or ruling on relevant matters, the Company shall fulfill its information disclosure obligations in accordance with laws, administrative regulations, and the rules of the CSRC and the stock exchange, fully explain the impact, and actively cooperate with enforcement after the judgment or ruling takes effect. Where matters require correction of prior actions, the Company shall promptly address the same and fulfill corresponding information disclosure obligations.

Article 46

Resolutions of the shareholders' meeting or Board shall be invalid under any of the following circumstances:

- (1) The resolution was adopted without convening a shareholders' meeting or Board meeting;
- (2) The resolution matter was not put to a vote at the shareholders' meeting or Board meeting;

- (3) The number of attendees or the number of votes cast at the meeting did not meet the quorum or voting rights requirements stipulated in the Company Law or these Articles of Association;
- (4) The number of attendees or the number of votes cast in favor of the resolution matter did not meet the quorum or voting rights requirements stipulated in the Company Law or these Articles of Association.

Article 47

Where the Company incurs losses as a result of violation by directors, president and other senior management members who are not members of the audit and risk management committee of the laws, regulations or these Articles of Association in the course of performing their duties with the Company, shareholders individually or jointly holding 1% or more of the Company's shares for more than 180 consecutive days shall be entitled to request in writing the audit and risk management committee to initiate proceedings in a People's Court. Where the Company incurs losses as a result of the audit and risk management committee's violation of the laws, regulations or these Articles of Association in the course of performing its duties with the Company, the above-mentioned shareholders shall be entitled to make a request in writing to the Board to initiate proceedings in a People's Court.

In the event that the audit and risk management committee or the Board refuses to initiate proceedings after receiving the written request of shareholders stated in the foregoing paragraph, or fails to initiate such proceedings within 30 days from the date on which such request is received, or in case of emergency where failure to initiate such proceedings immediately will result in irreparable damage to the Company's interests, shareholders described in the preceding paragraph shall have the right to initiate proceedings in a People's Court directly in their own names in the interest of the Company.

Shareholders described in the first paragraph of this article may also initiate proceedings in a People's Court in accordance with the preceding two paragraphs in the event that the lawful interests of the Company are infringed upon by any third parties.

If directors or senior management of a wholly-owned subsidiary violate laws, administrative regulations, or the provisions of these Articles of Association in the performance of their duties, thereby resulting in losses to the Company, or if others infringe upon the lawful rights and interests of the wholly-owned subsidiary causing losses, Shareholders who individually or collectively hold more than 1% of the shares of the Company for a consecutive period of 180 days or more may, in accordance with the first three preceding paragraphs of Article 189 of the Company Law, submit a written request to the Board of the wholly-owned subsidiary to file a lawsuit with the People's Court or directly file a lawsuit with the People's Court in their own name.

Article 48

Shareholders may initiate proceedings in the People's Court in the event that a director, president or a senior management member has violated the laws or these Articles of Association, thereby infringing the interests of shareholders.

Article 49

The shareholders of the Company shall assume the following obligations:

- (1) to abide by the laws, administrative regulations and these Articles of Association;
- (2) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) not to withdraw share capital unless required by the laws and regulations;
- (4) not to abuse the shareholders' rights to impair the interests of the Company or other shareholders; not to abuse the independent legal person position of the Company and the limited liability of shareholders to impair the interests of any creditor of the Company;

Shareholders of the Company who abuse their shareholder's rights and thereby cause losses to the Company or other shareholders shall be liable for indemnity according to the law;

Where shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly liable for the debts owed by the Company;

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

Section 2 Controlling Shareholder and de facto Controller

Article 50

Controlling shareholders and De Facto controllers of the Company shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, and the rules of the CSRC and stock exchanges, safeguarding the interests of the listed company.

Controlling shareholders, de facto controllers, and their affiliates shall not interfere with the Company's normal decision-making procedures in violation of laws, administrative regulations, departmental rules, normative documents, or these Articles of Association. When a controlling shareholder nominates candidates for directors of the Company, it shall strictly comply with the conditions and procedures stipulated by laws, administrative regulations, and these Articles of Association. Director candidates nominated by the controlling shareholder shall possess relevant professional knowledge and decisionmaking and supervisory capabilities.

In the event of a change in control of the Company, all relevant parties shall take effective measures to maintain the Company's stable operation during the transition period. Should any significant issues arise, the Company shall report to the CSRC and its local offices, as well as the stock exchange.

Article 51

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

- (1) to exercise shareholder rights in accordance with the law, and not to abuse control rights or exploit related party relationships to harm the lawful rights and interests of the Company or other shareholders;

- (2) to strictly fulfill publicly statements and commitments, and not to alter or waive them without authorization;
- (3) to strictly fulfill information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in its information disclosure work, and promptly notify the Company of any material events that have occurred or are expected to occur;
- (4) to refrain from occupying company funds in any manner;
- (5) to refrain from compelling, directing, or requiring the company or relevant personnel to provide guarantees in violation of laws or regulations;
- (6) not to use undisclosed material information of the company for personal gain, not to disclose undisclosed material information related to the company in any manner, and not to engage in illegal or non-compliant activities such as insider trading, short-term trading, or market manipulation;
- (7) not to impair the lawful rights and interests of the Company and other shareholders through any means, including unfair related-party transactions, profit distribution, asset restructuring, or external investment;
- (8) to ensure the integrity of the Company's assets, personnel independence, financial independence, organizational independence, and operational independence, and not to compromise the Company's independence in any manner;
- (9) to comply with laws, administrative regulations, provisions of the CSRC, business rules of the stock exchange, and other provisions of these Articles of Association.

Where the controlling shareholder or de facto controller of the Company does not serve as a director but actually manages the affairs of the Company, the provisions of these Articles of Association concerning the fiduciary duty and duty of diligence of directors shall apply.

Where the controlling shareholder or de facto controller of the Company instructs directors or senior management to engage in conduct detrimental to the interests of the Company or its shareholders, such controlling shareholder or de facto controller shall bear joint and several liability with such directors or senior management.

Article 52

Where a controlling shareholder or de facto controller pledges shares of the Company held or actually controlled by them, they shall maintain the Company's control and the stability of its production and operations.

Article 53

Where a controlling shareholder or de facto controller transfers shares of the Company held by them, they shall comply with the restrictive provisions on share transfers stipulated in laws, administrative regulations, and the rules of the CSRC and the stock exchange, as well as any commitments made by them regarding restrictions on share transfers.

Section 3 General Provisions of Shareholders' Meetings

Article 54

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

- (1) to elect and replace directors who are not staff representatives and to determine the remuneration of the relevant directors;
- (2) to consider and approve the reports of the Board;
- (3) to consider and approve the profit distribution plans and loss recovery plans of the Company;
- (4) to resolve on any increase or reduction of registered capital of the Company;
- (5) to resolve on the issue of bonds, any class of shares, warrants and other similar securities of the Company;
- (6) to resolve on matters such as merger, division, dissolution, liquidation or conversion of corporate form of the Company;

- (7) to amend these Articles of Association, to consider and approve rules of procedures of the shareholders' meeting, rules of procedures of meetings of the Board;
- (8) to resolve on the engagement and termination of accounting firms handling the audit of the Company, and to determine their remuneration or the method of remuneration determination;
- (9) to consider and approve matters relating to external guarantees as provided in Article 55;
- (10) to consider and approve matters relating to the purchase, sales material assets by the Company within one year with an aggregate value more than 30% of the Company's latest audited total assets;
- (11) to consider and approve matters relating to change of the use of proceeds for A shares;
- (12) to consider and approve the share incentive plan(s) and employee stock ownership plan(s);
- (13) to decide on the Company's donation and sponsorship plans with a single amount in excess of RMB10 million (exclusive);
- (14) to consider and approve the annual reports of the Company;
- (15) to consider other matters to be resolved at the shareholders' meetings as required by the laws, regulations and securities regulatory rules in the places where the Company's shares are listed or the provisions of these Articles of Association.

The shareholders' meeting may, in accordance with laws, regulations, and the securities regulatory rules of the places where the Company's shares are listed, authorize the Board to adopt resolutions on matters such as issuing corporate bonds, issuing any class of shares, and other similar securities.

Article 55

The following external guarantees provided by the Company are subject to the consideration and approval of the shareholders' meeting:

- (1) a single guarantee amount in excess of 10% of the latest audited net assets of the Company;
- (2) any guarantee provided after the total amount of external guarantees of the Company and its subsidiaries has exceeded 50% of the latest audited net assets of the Company;
- (3) Any guarantee provided by the company and its controlled subsidiaries after the aggregate amount of external guarantees exceeds 30% of the most recent audited total assets;
- (4) a guarantee provided for other parties with an asset-liability ratio in excess of 70%;
- (5) the amount of a guarantee exceeds 30% of the latest audited total assets of the Company in accordance with the principle of cumulative calculation of the guarantee amount for 12 consecutive months;
- (6) a guarantee to be provided in favor of shareholders, de facto controllers and their related parties.
- (7) other guarantees subject to consideration at the shareholders' meeting as stipulated by laws, administrative regulations and securities regulatory rules of the places where the Company's shares are listed.

The guarantee in paragraph (5) above shall be passed by more than two-thirds of votes cast by the shareholders attending the shareholders' meeting. If the Company provides guarantees for wholly-owned subsidiaries, or for a controlling subsidiary and other shareholders of such controlling subsidiary provide the same proportion of guarantee in accordance with their rights and interests, without prejudice to the interests of the Company, the Company may be exempted from the application of the preceding paragraphs (1), (2) and (4). The Company shall disclose a summary of the above guarantees in the annual report and interim report.

Matters concerning external guarantees not covered by this clause shall be approved by the Board.

Where external guarantees provided by the Company violate approval authorities or deliberation procedures, resulting in losses to the Company, the responsible parties shall bear liability for compensation. Furthermore, the Company shall impose corresponding disciplinary actions on the responsible parties based on the extent of economic losses suffered by the Company and the severity of the circumstances.

Article 56

The shareholders' meetings may authorize the Board to handle or to delegate to the Board such matters as the shareholders' meeting so authorizes and delegates.

Matters which, in accordance with the provisions of the laws, administrative regulations, the rules of the CSRC, or the rules of the securities exchange where the Company's shares are listed and these Articles of Association, are required to be decided at the shareholders' meeting, shall be considered at the shareholders' meeting so as to protect the decision-making power of the shareholders of the Company on such matters. Under necessary and reasonable circumstances, the shareholders' meeting may authorize the Board and its authorized person to determine, within the scope of authorization granted by such shareholders' meeting, specific issues relating to matters which shall be resolved but cannot be decided upon immediately at such shareholders' meeting.

An authorization to the Board and its authorized person by the shareholders' meeting in relation to matters to be decided by ordinary resolutions shall be passed by shareholders(including their proxies) representing majority of the voting rights present at the shareholders' meeting; an authorization to the Board in relation to matters to be decided by special resolutions shall be passed by shareholders(including their proxies) representing more than two-thirds of the voting rights present at the shareholders' meeting. The contents of the authorization shall be clear and specific.

Article 57

Unless under special circumstances, such as the Company is in crisis etc., without being approved by the shareholders' meeting through special resolution, the Company shall not settle a contract that grants the management of all or important business of the Company to a person other than directors, the president and other senior management members.

Article 58

Shareholders' meetings shall be in the form of annual shareholders' meetings and extraordinary shareholders' meetings. Shareholders' meeting shall be convened by the Board. The annual shareholders' meeting shall be held once every year within six months after the end of the previous accounting year.

Extraordinary shareholders' meeting shall be held by the Company within two months upon occurrence of the following situations:

- (1) the number of directors is less than the number required by the Company Law or less than two-thirds of the number required by these Articles of Association;
- (2) the uncovered losses are in excess of one third of the Company's total paid-up share capital;
- (3) shareholders individually or jointly holding 10% or more of the Company's shares request in writing;
- (4) the Board considers it necessary;
- (5) the audit and risk management committee proposes to hold such meeting;
- (6) other circumstances as required by laws, administrative regulations, departmental rules, regulatory rules in the place where the Company's shares are listed or these Articles of Association.

Article 59

The place for holding the shareholders' meeting of the Company shall be the domicile of the Company or other premises specified in the notice of the shareholders' meeting. After the notice of the shareholders' meeting is issued, if the venue of the shareholders' meeting indeed needs to be changed, the convener shall make an announcement and explain the reasons at least two working days before the onsite meeting.

The shareholders' meeting shall be held in the form of on-site meeting. The Company will also offer online platform, telephone, video or other means (including but not limited to other electronic facilities) to facilitate shareholders' participation in the shareholders' meeting and the exercise of their voting rights by means of electronic voting. If a shareholder participates in a shareholders' meeting in the above manner, it shall be deemed to be present.

When the Company convenes a shareholders' meeting, it will engage a lawyer to issue legal opinions and will announce on the following issues:

- (1) whether the convening and holding procedures of the shareholders' meeting are in compliance with laws, administrative regulations and the provisions of these Articles of Association;
- (2) whether the qualifications of the attendees and the convener are legal and valid;
- (3) whether the voting procedures and voting results of the shareholders' meeting are legal and valid;
- (4) legal opinions issued on the relevant issues at the request of the Company.

Section 4 Convening of Shareholders' Meeting

Article 60 A shareholders' meeting shall be convened by the Board within the time frame as required.

Article 61 With the consent of a majority of all independent non-executive directors, the independent non-executive directors shall be entitled to make a proposal to the Board on holding an extraordinary shareholders' meeting. Such a proposal shall be made in writing form. For such a proposal, the Board shall give a written reply on whether to agree or not to hold such meeting within ten days upon receipt of the proposal in accordance with the laws, regulations and these Articles of Association.

Where the Board agrees to hold such meeting, a notice of the shareholders' meeting shall be given within five days after the resolution of the Board is made. Where the Board does not agree to hold such meeting, its reasons shall be given in writing and an announcement be made.

Article 62 The audit and risk management committee shall be entitled to make a proposal to the Board on holding an extraordinary shareholders' meeting and shall make such proposal in written form. The Board shall give a written reply on whether to agree or not to hold such meeting within ten days upon receipt of the proposal in accordance with the laws, regulations and these Articles of Association.

Where the Board agrees to hold such meeting, a notice of the shareholders' meeting shall be given within five days after the resolution of the Board is made. Any change to the original proposal in the notice shall be subject to the approval from the audit and risk management committee.

Where the Board does not agree to hold such meeting or fails to give a written reply within ten days upon receipt of the proposal, it shall be deemed that the Board is unable or fails to perform its duty of convening a shareholders' meeting. In such a case, the audit and risk management committee may convene and preside over the meeting.

Article 63

Shareholders who individually or collectively hold 10% or more of the Company's total shares have the right to request the Board to convene an extraordinary shareholders' meeting and shall submit the request in writing to the Board. The above shareholders shall guarantee that the contents of the proposal shall be in compliance with the laws, administrative regulations and these Articles of Association. The Board shall, in accordance with the provisions of laws, administrative regulations and these Articles of Association, submit written feedback on the agreement or disagreement to convene an extraordinary shareholders' meeting within 10 days after receiving the above written request, without undue delay. The aforesaid number of shares shall be calculated as of the close of the date or, if it falls on a non-trading date, the prior trading date on which such shareholders request to convene the meeting in writing;

Where the Board agrees to convene the extraordinary shareholders' meeting, it shall, within 5 days after adopting the resolution of the Board, issue a notice of a shareholders' meeting, and any change to the original request in the notice shall be subject to the consent of the relevant shareholders.

Where the Board does not agree to convene an extraordinary shareholders' meeting, or if it does not give any feedback within 10 days after receiving the request, shareholders who individually or collectively hold more than 10% of the shares of the Company are entitled to propose an extraordinary shareholders' meeting with the audit and risk management committee, and shall make a request to the audit and risk management committee in writing.

If the audit and risk management committee agrees to convene an extraordinary shareholders' meeting, it shall, within 5 days of receiving the request, issue a notice of a shareholders' meeting, and any change to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the audit and risk management committee fails to issue a notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the audit and risk management committee does not convene and preside over the shareholders' meeting, and shareholders who individually or collectively hold more than 10% of the shares of the Company for more than 90 consecutive days may independently convene and preside over such meeting.

Article 64

If the audit and risk management committee or shareholders decide(s) to independently convene a shareholders' meeting, it or they must notify the Board in writing and report the stock exchange.

The shareholding percentages of the convening shareholders shall not be less than 10% prior to the announcement of the resolution(s) of the shareholders' meeting.

When giving the notice of the shareholders' meeting to audit and risk management committee or convening shareholders and making the announcement on the resolutions thereof, the Company shall submit relevant certification materials to the stock exchanges where the Company's shares are listed.

Article 65

When the audit and risk management committee or shareholders independently convene a shareholders' meeting, the Board and the Secretary to the Board shall give their cooperation after receiving notice. The Board shall provide the register of shareholders as of the record date.

Article 66

When the audit and risk management committee or shareholders independently convene a shareholders' meeting, the necessary expenses incurred for the meeting shall be borne by the Company.

Section 5 Proposals and Notice of Shareholders' Meetings

Article 67 Contents of the proposals at the shareholders' meeting shall fall within the scope of the functions and powers of the shareholders' meeting, contain a clear topic and a specific resolution, and comply with relevant laws, administrative regulations and these Articles of Association.

Article 68 In the event the Company holds an annual shareholders' meeting, the Convener shall issue a written notice at least 20 days before the annual shareholders' meeting is held, and in the event the Company holds an extraordinary shareholders' meeting, the Convener shall issue a written notice at least 15 days before the extraordinary shareholders' meeting is held. The written notice shall inform all the registered shareholders of the matters to be considered at and the date and place of the meeting. Shareholders who intend to attend the shareholders' meeting shall, within the time specified in the notice, serve a written reply on the Company stating that they will attend the meeting.

Article 69 In the event the Company convenes a shareholders' meeting, the Board, the audit and risk management committee or shareholders individually or jointly holding an aggregate of 1% or more of the Company's shares are entitled to submit proposals in writing to the Company.

Shareholders individually or jointly holding 1% or more of the Company's shares may submit ad hoc proposals to the convener of a shareholders' meeting in writing ten days prior to the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting, announce the content of such ad hoc proposals and submit such proposals to the shareholders' meeting for consideration within two days after receipt thereof. However, ad hoc proposals that violate laws, administrative regulations or these Articles of Association of the Company, or do not fall into the scope of the shareholders' meeting, are excluded.

Except as provided in the preceding paragraph, the convener of a shareholders' meeting shall not amend the proposals set out in the notice of the shareholders' meeting or add any new proposals subsequent to the issue of the notice of the shareholders' meeting.

The shareholders' meeting shall not carry out the voting and adopt resolutions on the proposals that are not stated in the notice of the shareholders' meeting or fail to meet the requirements under these Articles of Association.

Article 70

The annual shareholders' meeting and extraordinary shareholders' meeting shall not resolve on any issues not specified in the notice of meeting.

In the event that the Company is unable to convene the shareholders' meeting within the prescribed period, it should disclose the reasons thereof and the follow-up solutions before the expiration of the prescribed period.

Article 71

The notice of a shareholders' meeting shall:

- (1) be made in writing;
- (2) specify the time, place and duration of the meeting;
- (3) state the issues and proposals to be considered and approved at the meeting;
- (4) provide to the shareholders the information and explanations necessary to make decisions on the matters to be discussed. Without limiting the generality of the foregoing, when the Company proposes a merger, repurchase of shares, restructuring of share capital or other reorganization, it shall provide the specific conditions and contract (if any) of the transactions contemplated and duly explain the reason and effect of the transactions;
- (5) contain a disclosure of the nature and extent of the material interests, if any, of any directors, the president or other senior management members in any matter to be discussed; and an explanation of the difference, if any, between the way in which the matter to be discussed would affect such directors, the president or other senior management members in his or her capacity as shareholder and the way in which such matter would affect other shareholders of the same class;

- (6) contain the full text of any special resolution to be put forward at the meeting;
- (7) contain conspicuously a statement that all shareholders are entitled to attend and vote at the shareholders' meeting, that they may appoint proxy(ies) in writing to attend and vote at such meeting on their behalves and that such proxies need not be shareholders of the Company;
- (8) state the time and place for serving the instruments of proxy for voting at the meeting;
- (9) set out the record date for the shareholders who are entitled to attend the meeting;
- (10) contain the name and contact information of the contact person for the meeting;
- (11) voting time and procedures via the Internet or other means (if applicable).

Notice and supplementary notice of shareholders' meetings should sufficiently and comprehensively disclose all the specific contents of all proposals.

Where the shareholders' meeting is held online or by other means, the notice of shareholders' meeting shall clearly state the voting time and voting procedure of the meeting held online or by other means. The shareholders' meeting held online or by other means shall not be earlier than 3:00 p.m. on the day before the on-site shareholders' meeting, and shall not be later than 9:30 p.m. on the day of the on-site shareholders' meeting. The closing time shall not be earlier than 3:00 p.m. on the day of the end of the on-site shareholders' meeting.

The interval between the equity registration date and the shareholders' meeting date shall be no more than seven business days. Once confirmed, the equity registration date cannot be changed.

Article 72

For the proposed election of directors who are not employees to be discussed at the shareholders' meeting, the following information of candidates for directors who are not employees shall be fully disclosed in the notice of shareholders' meeting which shall at least include the following:

- (1) personal particulars such as education background, work experience and part-time occupations;
- (2) whether any connected relationship with the Company or the controlling shareholder or the de facto controller of the Company exists;
- (3) shareholdings in the Company;
- (4) whether they are subject to the punishment of the CSRC or other relevant departments and the penalty of stock exchanges;
- (5) the content as required by the securities regulatory rules of the places where the Company's shares are listed.

In addition to adopting the cumulative voting system in the election of directors, the nomination of each candidate for directors shall be proposed as an individual proposal.

Article 73

Unless otherwise provided by laws and administrative regulations, the securities regulatory rules of the places where the Company's shares are listed and these Articles of Association, a notice of shareholders' meeting shall be dispatched to shareholders (regardless of their voting rights at the shareholders' meeting) by hand or by prepaid mail. The addresses of the recipients shall be such addresses as shown in the register of shareholders. For holders of domestic shares, a notice of shareholders' meeting may also be made by way of announcement.

The “announcement” referred in the preceding paragraph shall be published prior to the date of the shareholders’ meeting on the website of the stock exchanges and the media that meets the conditions prescribed by the securities regulatory authority of the State Council. Once an announcement is published, all holders of the domestic shares are deemed to have received the relevant notice of the shareholders’ meeting. For holders of overseas listed foreign shares, a notice of shareholders’ meeting may be made or provided by other means as permitted by Chapter 12 of these Articles of Association, subject to the securities regulatory rules of the places where the Company’s shares are listed.

Article 74

The accidental omission to give a notice of a meeting to or the non-receipt of notice of a meeting by any person who is entitled to receive the notice shall not invalidate the meeting and the resolutions passed at such meeting.

Article 75

After the notice of shareholders’ meeting is issued, the shareholders’ meeting shall not be postponed or cancelled without a proper reason and the proposals stated in the notice of shareholders’ meeting shall not be cancelled. In the event of any postponement or cancellation, the convener shall issue an announcement and state the reasons therein at least two working days prior to the original date of the shareholders’ meeting.

Section 6 Holding of Shareholders’ Meetings

Article 76

The Board and other conveners will take necessary measures to ensure the normal order of a shareholders’ meeting. It/they will take measures to halt acts that disrupt the shareholders’ meeting, seek to cause trouble or infringe upon the lawful rights and interests of shareholders and promptly report the same to the relevant authorities to investigate and deal with the matter.

Article 77

All ordinary shareholders, shareholders holding special voting rights shares (if any) registered on the record date or their proxies shall be entitled to attend shareholders’ meetings, and shall exercise their voting rights in accordance with relevant laws, regulations and these Articles of Association.

Shareholders may attend shareholders' meetings in person or, alternatively, they may appoint proxy(ies) to attend and vote at the meeting on their behalves.

An individual shareholder attending the shareholders' meeting in person shall produce his/her identity card or other effective documents or proof of identity; in the case of attendance by proxy, the proxy shall produce proof of identity and the power of attorney from the shareholders.

A corporate shareholder should attend the meeting by its legal representative or the proxy appointed by the legal representative. Legal representative who attends the meeting should produce his/her own identity card and valid documents evidencing his/her capacity as a legal representative; if a corporate shareholder appoints a proxy to attend the meeting, the proxy should produce his/her identity card and the written power of attorney issued by the corporate shareholder's legal representative according to law.

Article 78

Shareholders appoint their proxies to attend and vote at the meeting on their behalves, the proxies so appointed by the shareholders may exercise the following rights:

- (1) have the same rights as the shareholder to speak at the shareholders' meeting;
- (2) have the right to demand at their own discretion or, jointly with others, a poll;
- (3) exercise the voting right at a poll.

Article 79

Shareholders shall appoint their proxies by written instruments, which shall be signed by the principals or their agents appointed in writing. If the principal is a legal person, the instrument shall be under the seal of the legal person or signed by its director(s) or duly authorized agent(s).

Article 80

The instrument of appointment by which a shareholder appoints another person to attend a shareholders' meeting shall specify the following particulars:

- (1) the names of the principal, the classes and number of shares held in the Company;
- (2) the names of the proxy;
- (3) the specific instructions from shareholders, including instructions as to whether to vote for, vote against, or abstain from voting on, each item included on the agenda of the shareholders' meeting as an item for consideration thereat;
- (4) whether the proxy has the right to vote on ad hoc proposals that may be added to the agenda of the meeting and the specific instructions as to what vote to cast if he or she has such right to vote;
- (5) the date of issuance and term of validity of the instrument of appointment;
- (6) the signature (or seal) of the principal; if the principal is a legal person, the power of attorney shall bear the seal of the legal person.

Article 81

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

Where the shareholder is a recognized clearing house recognized under the relevant laws and regulations of the places where the shares of the Company are listed, including Hong Kong Securities Clearing Company Limited or its nominee(s), the representative of the Company or one or more individuals that it deems suitable may be appointed by it to act as its representative(s) at any shareholders' meeting or any class shareholders' meeting; however, if two or more individuals are appointed as representatives, their powers of attorney

shall specify the number and class of shares involved in the appointment of each such individual. The individual(s) so appointed may exercise the rights (including the right to speak and vote) of the recognized clearing house (or its proxy) as if he, she or they was or were(an) individual shareholder(s) of the Company.

Article 82

When the shareholders' meeting requires directors and senior management members to attend the meeting, such directors and senior management members shall be present at the meeting and accept inquiries from shareholders.

The meeting register of the meeting attendees shall be prepared by the Company. The meeting register shall state the names (or names of the corporations), identification card numbers, the number of voting shares held or represented, names of the principal (or names of the corporations) and so on.

The convener and the lawyer appointed by the Company shall jointly verify the legitimacy of the shareholders' qualifications based on the shareholders' register provided by the securities registration and clearing institution, and shall register the names of the shareholders as well as the amount of voting shares held by them. The registration for a meeting shall be completed before the meeting presider announces the number of shareholders and proxies that attend the meeting onsite and the total amount of their voting shares.

Article 83

If a shareholders' meeting is convened by the Board, the Chairman of the Board shall serve as chairman and preside over the meeting. If the Chairman of the Board is unable to or fails to perform his or her duties, the meeting shall be presided over by the vice chairman of the Board. If the vice chairman of the Board is unable to or fails to perform his or her duties, the meeting shall be presided over by the director jointly elected by a majority of the directors.

At a shareholders' meeting convened in accordance with the statutory procedure by the audit and risk management committee, chairman of the audit and risk management committee shall preside. If the chairman of the audit and risk management committee is unable to or fails to perform his or her duties, the meeting shall be presided over by the member jointly elected by a majority of the members of audit and risk management committee.

If a shareholders' meeting is convened by a shareholder himself or shareholders themselves in accordance with the statutory procedure, the meeting shall be presided over by the convener(s) or the representative selected by the convener(s).

When a shareholders' meeting is held, if the chairman of the meeting violates the rules of procedure, making continuance of the shareholders' meeting impossible, with the consent of shareholders holding a majority of the voting rights present at the meeting, the shareholders' meeting may elect a person to serve as chairman of the meeting and the meeting shall continue. If, for any reason, the shareholders are unable to elect a meeting chairman, the shareholder (including his or her proxy) present who holds the greatest number of voting shares shall serve as the meeting chairman and preside over the meeting.

Article 84

The Company shall formulate the Rules of Procedure for Shareholders' Meetings which shall specify in detail the procedures for convening, calling and voting at shareholders' meetings, and cover notification, registration, the consideration of proposals, voting, vote counting, announcement of voting results, the adoption of meeting resolutions, the keeping and signing of meeting minutes, announcement, etc., as well as the principles for the authorization of the Board by the shareholders' meeting, and the authorized content shall be clear and specific. The Rules of Procedure for Shareholders' Meetings shall serve as an Appendix to these Articles of Association, be drafted by the Board and adopted by the shareholders' meeting.

Article 85

At annual shareholders' meetings, the Board shall report their work in the preceding year to the shareholders' meeting. Each independent non-executive director shall also give a report on the performance of his or her duties.

Article 86

The directors and senior management members shall give explanations and statements on shareholders' enquiries and recommendations at a shareholders' meeting, unless a matter involves trade secrets of the Company that cannot be disclosed at a shareholders' meeting.

Article 87

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

Article 88

Minutes of shareholders' meetings shall be taken by the Secretary to the Board and include the following information:

- (1) time, place and agenda of meetings, and the name of the convener;
- (2) names of the chairman of the meeting, the directors, president and other senior management members attending or present at the meeting;
- (3) number of shareholders and proxies attending the meeting, total number of the shares carrying voting rights held by them, and the percentage of shares carrying voting rights held by them in relation to the total number of shares of the Company;
- (4) process of consideration, key points of the speech and voting results for each proposal;
- (5) shareholders' enquiries or recommendations and corresponding answers or explanations;
- (6) names of the lawyers, vote counter and the scrutineer;
- (7) other matters which shall be recorded in the meeting minutes pursuant to these Articles of Association.

Article 89

The convener of the meeting shall ensure the truthfulness, accuracy and completeness of the meeting minutes. The directors present at the meeting, the secretary to the Board, the convener of the meeting or his representative and the chairman of the meeting shall sign on the meeting minutes. The meeting minutes should be maintained together with the signature book of attending shareholders and letters of attorney of their proxies and valid information online and by other forms of voting as the Company's files for a period of at least ten years.

Article 90

The convener shall ensure that the shareholders' meeting is conducted continually until final resolutions are received and considered. In the event of special reasons such as force majeure resulting in the termination of a shareholders' meeting or the failure to receive and consider any resolutions, necessary measures shall be taken to resume the shareholders' meeting as soon as practicable; alternatively, the meeting may be terminated in such circumstances with an announcement timely made. Meanwhile, the convener shall report to the local branch of the CSRC and the stock exchanges.

Section 7 Resolutions and Voting of Shareholders' Meetings**Article 91**

Resolutions of shareholders' meetings are in the form of ordinary resolutions and special resolutions.

An ordinary resolution of a shareholders' meeting shall be passed with the approval of a majority of the voting rights held or represented by all the shareholders (including those attending the meeting by proxy) attending the meeting.

A special resolution of a shareholders' meeting shall be passed with the approval of more than two thirds of the voting rights held or represented by all the shareholders (including those attending the meeting by proxy) attending the meeting.

Article 92

The following matters shall be adopted by way of ordinary resolutions at shareholders' meetings:

- (1) appointment and dismissal of directors who are not employees' representatives, and their remuneration and the payment thereof;
- (2) work reports of the Board;
- (3) profit distribution plans and loss recovery plans prepared by the Board;
- (4) appointment, dismissal of accounting firms that undertake the Company's audit and determine its remuneration or the method of determining such remuneration;
- (5) matters relating to the changes in the use of proceeds for A shares;

- (6) the Company's donation and sponsorship plans in the amount of more than RMB10 million (exclusive) at a single time;
- (7) annual reports of the Company;
- (8) other matters other than those required by the laws and administrative regulations, the regulatory rules of the places where the Company's shares are listed or these Articles of Association to be adopted by special resolutions.

Article 93

The following matters shall be adopted by way of special resolutions at shareholders' meetings:

- (1) increase or reduction in the registered capital of the Company;
- (2) the division, merger, dissolution, liquidation or change in the corporate form of the Company;
- (3) amendments to these Articles of Association;
- (4) the purchases and disposals of material assets or provide guarantees to others within one year, which exceed 30% of the latest audited total assets of the Company;
- (5) the share incentive schemes;
- (6) any other matters required by the laws and administrative regulations, the regulatory rules of the places where the Company's shares are listed or these Articles of Association, and matters considered in an ordinary resolution adopted at a shareholders' meeting having a material impact on the Company, and thus in need of approval by a special resolution.

Article 94

Shareholders of ordinary shares (including those attending the meeting by proxy) shall exercise their voting rights according to the number of shares carrying voting rights they represent, with one vote for each share.

When a shareholders' meeting considers a material event affecting the interests of small and medium investors, voting for small and medium investors shall be counted separately. The results of separate counting shall be publicly disclosed in a timely manner.

The shares of the Company held by itself do not have voting rights, and such shares are not included in the total number of shares with voting rights attending the shareholders' meeting.

Where a shareholder's purchase of the Company's voting shares violates the provisions of item 1 and item 2 of Article 63 of the Securities Law, such shares exceeding the prescribed proportion shall not exercise the voting right within 36 months after the purchase and shall not be included in the total number of voting shares present at the shareholders' meeting.

The Company's Board, independent non-executive directors and shareholders holding more than 1% of voting shares or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC can publicly solicit shareholders' voting rights. The solicitation of shareholders' voting rights shall fully disclose the specific voting intentions and other information to the solicited persons. It is forbidden to solicit shareholders' voting rights in a paid or disguised paid form. The Company shall not impose restriction of minimum shareholding ratio on the solicitation of voting rights except for the statutory rules.

Article 95

Voting at a shareholders' meeting shall be in the form of registered poll or other methods required by the securities regulatory rules of the places where the Company's shares are listed.

Article 96

Under the precondition that the shareholders' meetings are legal and effective, the Company shall give priority to providing modern information technology means such as online voting platforms using various methods and means to facilitate the participation of shareholders in the shareholders' meetings.

Article 97

When connected transactions are being considered at a shareholders' meeting, the connected shareholders shall abstain from voting, and the number of shares carrying voting rights represented by them shall not be counted in the total number of valid votes. The announcement on the resolutions of a shareholders' meeting shall fully disclose the voting results of non-connected shareholders.

If any shareholder shall abstain from voting on other resolutions in accordance with the regulatory rules of the places where the Company's shares are listed, or such rules limit any shareholder to vote in favor of or against certain resolution, the voting which violates such requirement or limitation by such shareholder or his or her proxy shall not be included in the voting results.

Article 98

List of candidates for directors who are not employees' representatives shall be submitted in the form of proposals to the shareholders' meeting for vote. The election of directors who are not employees shall fully reflect the opinions of small and medium shareholders.

The shareholders' meeting shall adopt a cumulative voting system when voting on the election of more than two non-independent directors or more than two independent non-executive directors. The Board shall make announcement on the resumes and basic information of the director candidates to the shareholders.

The cumulative voting system mentioned in the preceding paragraph means that when directors are elected at the shareholders' meeting, each share held by shareholders has the same number of voting rights as the number of directors to be elected and the shareholder can vote by concentrating the number of shares held.

The implementation rules for the cumulative voting system are:

Prior to voting for the candidates for directors at the shareholders' meeting, the chairman of the shareholders' meeting shall inform the shareholders present at the meeting expressly that the cumulative voting is applied for the candidates for directors and the Board must prepare votes applicable to the cumulative voting. The secretary of the Board shall explain and describe the cumulative voting method and vote filling method, to ensure that the shareholders correctly exercise their right to cast votes.

When electing directors by way of exercising the cumulative voting system, independent non-executive directors and other directors should be elected separately to ensure the proportion of independent non-executive directors on the Board.

A shareholder may freely allocate its or his or her votes among the candidates for directors, either to allocate to a number of persons, or to vote all in favor of one person. Where a shareholder exercises more voting rights than all the voting rights it or he or she holds, such voting shall be invalid; if a shareholder exercises fewer voting rights than all the voting rights it or he or she holds, such voting shall be valid and the difference shall be regarded as abstention.

The methods and procedures for nomination of directors who are not staff representatives are as follows:

- (1) a shareholder alone or shareholders together holding at least 1% of the total voting shares of the Company may propose the candidates for directors to the shareholders' meeting in a written form, provided that the number of persons nominated complies with these Articles of Association and is not greater than the number of persons to be elected. The written materials including their basic particulars and the résumés shall be enclosed;
- (2) the nomination committee of the Board may, to the extent of the number of persons specified in these Articles of Association, propose a list of recommended director candidates consistent with the number of persons to be elected, and submit the same to the Board, as the case may be, for review. Once the Board has conducted its review and adopted a resolution determining the director, it shall bring the same before the shareholders' meeting in the form of a written proposal;
- (3) the nomination of candidates for independent non-executive directors shall be carried out in accordance with laws and regulations and the securities regulatory rules of the places where the Company's shares are listed;

- (4) the director candidates shall furnish to the Company an undertaking in writing to accept the nomination, give warranty that the information provided is true and complete and pledge to discharge duties as directors upon election. The Board shall provide to the shareholders the résumés of the director candidates;
- (5) when an additional director shall be temporarily nominated, the nomination committee of the Board or the shareholders satisfying the conditions for making such nomination may propose a candidate to the Board for consideration, and to the shareholders' meeting for election or replacement.

Article 99

The shareholders' meeting shall vote on each proposal individually except cumulative voting. Where there are different proposals on the same issue, voting should be carried out in the chronological order of the proposals raised. Except in case of special reasons such as force majeure, resulting to suspension of the shareholders' meeting or incapability of voting on resolutions, the shareholders' meeting will not suspend or reject to vote.

When the proposal is being considered at the shareholders' meeting, no amendment to the proposal shall be made, otherwise such amendment shall be considered as a new proposal which cannot be voted in such shareholders' meeting.

A vote can only be cast by one of the following methods: on site, online or by other voting means. If one vote is cast more than once, the first vote shall prevail.

Shareholders' meetings shall adopt voting by open ballot.

Before the relevant proposal is voted on at a shareholders' meeting, two representatives of the shareholders shall be elected for counting the votes and scrutinizing the poll. Any shareholder who is interested in the matter under consideration and his or her proxy shall not take part in counting the votes or scrutinizing the poll.

When the relevant proposal is being voted on at the shareholders' meeting, the representatives of shareholders and lawyers shall be jointly responsible for counting the votes and scrutinizing the poll, and the voting result shall be announced at the meeting. The voting results relating to such proposed resolution shall be recorded in the minutes of meeting.

The shareholders or their proxies who vote through the online platform or other means have the right to check their voting results in the corresponding voting system.

Article 100

The on-site shareholders' meeting shall not be terminated ahead of that held via online or other means, and the chairman of the shareholders' meeting shall announce the voting status and voting result for each proposal and announce whether a resolution is passed according to the voting result.

Before the voting result is officially announced, the listed company, counter, scrutineer, shareholders, online services provider and other related parties involved in the on-site shareholders' meeting, on the Internet or held via other means shall keep the voting result in confidential.

Shareholders present at the meeting shall provide one of following comments on motions to be voted: for, against or abstain. Except for the securities registration and settlement institutions which, being the nominal holders of shares subject to the interconnection mechanism of the Mainland and Hong Kong stock market transactions, shall make declaration according to the intentions of actual holders.

Unfilled, wrongly filled or illegible votes are regarded as the voters giving up their voting rights and the voting results of their shares shall be "abstained".

Article 101

Where the chairman of the meeting has any doubt as to the voting result of a resolution proposed for voting, he or she may request the votes to be counted. If the chairman of the meeting fails to have the votes counted, any shareholder or proxy attending the meeting who objects to the result announced by the chairman of the meeting may require immediately after the declaration that the votes be counted, the chairman of the meeting shall have the votes counted immediately.

- Article 102** The announcement of the resolutions passed at the shareholders' meeting shall be timely published and specify the number of the shareholders and proxies attending the meeting, the number of shares carrying voting rights held by them and the percentage of such shares in relation to the total number of shares of the Company, the means of voting, the voting result of each resolution and the details of the resolutions passed.
- Article 103** Where the proposed resolution is not passed, or the shareholders' meeting alters the resolution(s) passed at the previous shareholders' meeting, a special note shall be made in the announcement of the resolutions of the shareholders' meeting.
- Article 104** Where proposed resolutions in relation to the election of directors are passed at a shareholders' meeting, the appointment of the new directors shall become effective on the date when the relevant proposals on the election are passed at the shareholders' meeting, unless otherwise expressly specified in the resolutions of the shareholders' meeting.
- Article 105** Where a proposed resolution in relation to the payment of cash dividends, the issue of bonus shares or the capitalization of capital reserves has been passed at a shareholders' meeting, the Company shall implement the specific plans within two months after the conclusion of such shareholders' meeting.

CHAPTER 5 PARTY COMMITTEE

- Article 106** In accordance with the Constitution of the Communist Party of China, the Regulations on the Work of Primary-level Organizations of State-owned Enterprises of the Communist Party of China (for Trial), and other intra-Party regulations, the Company shall establish the Party Committee of the Company upon approval by the higher-level Party organization. The Party Committee consisting of one secretary and several other members. The chairman of the Board and the secretary of the Party Committee shall, in principle, be assumed by the same person, and the Party member president serves as the deputy secretary of the Party Committee. The deputy secretary shall be designated to mainly carry out the Party building work, and the full-time deputy secretary shall generally serve on the Board and not hold a position in the management team. Eligible members of the Party Committee may take seats in the Board

and the senior management through statutory procedures, while eligible members of the Board and the senior management may take seats in the Party Committee in accordance with relevant rules and procedures. Meanwhile, a discipline inspection committee shall be established in accordance with relevant regulations.

Article 107

In accordance with the Constitution of the Communist Party of China, the Regulations on the Work of Primary-level Organizations of State-owned Enterprises of the Communist Party of China (for Trial) and other intra-Party regulations, the Company's Party Committee plays a leading role in guiding the orientation, overseeing the overall situation, and ensuring implementation. It discusses and decides on major corporate matters in accordance with regulations, with the following main responsibilities:

- (1) to strengthen the political building of the Party within the company, uphold and implement the fundamental, basic, and important systems of socialism with Chinese characteristics, and educate and guide all Party members to always maintain a high degree of consistency with the Party Central Committee with Comrade Xi Jinping at its core in terms of political stance, direction, principles, and path;
- (2) to conduct in-depth study and implementation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, publicize the Party's theories, implement the Party's lines, principles, and policies, and supervise and ensure the implementation of the major decisions and arrangements of the Party Central Committee and the resolutions of higher-level Party organizations within the Company;
- (3) to deliberate on and discuss major business management matters of the company, and support the shareholders' meeting, Board, and management team in exercising their functions and powers in accordance with the law;
- (4) to strengthen the Party's leadership and oversight in the selection and appointment of personnel in the Company, and improve the construction of the Company's leading group, cadre team, and talent team;

- (5) to fulfill the primary responsibility for the Party's work style and clean government construction in the Company, lead and support the internal disciplinary inspection organization in performing its duties of supervision, discipline enforcement, and accountability, strictly enforce political discipline and rules, and promote comprehensive and strict governance of the Party to extend to the primary level;
- (6) to strengthen the construction of primary-level Party organizations and Party member teams, and unite and lead the staff and workers to actively engage in the Company's reform and development;
- (7) to lead the Company's ideological and political work, spiritual civilization construction, and united front work, and lead the Company's mass organizations such as trade unions, the Communist Youth League, and women's organizations;
- (8) to conduct inspection work and establish inspection institutions as required. In principle, conduct inspection and supervision on Party organizations at the next level in accordance with the subordinate relationship of Party organizations and the authority of cadre management;
- (9) to deliberate on and decide on other important matters within the scope of the Party Committee's responsibilities.

CHAPTER 6 DIRECTORS AND BOARD OF DIRECTORS

Section 1 Directors

Article 108

The directors of the Company shall be natural persons. directors need not hold shares of the Company. The Company's directors shall include executive directors, non- executive directors and independent non-executive directors. The term "executive director" means a director who serves in an operational/ management position in the Company. The term "non-executive director" means a director who does not serve in an operational/ management position with the Company. The term "independent non-executive director" means a director who satisfies the provisions of Article 115 of these Articles of Association. In the event of any contravention set out in the Article 159 of these Articles of Association during their terms of office, such directors shall be dismissed by the Company.

Article 109

Non-employee directors shall be elected or replaced by the shareholders' meeting, and employee directors shall be elected or recalled through democratic procedures such as the employees' representative meeting, employees' shareholders' meeting, or other forms. Each term of a director shall be three years. At the expiration of their terms, directors may continue to serve as such if re-elected.

The term of office of a director shall count from the date on which the resolution is passed at the shareholders' meeting, the employees' representative congress, the employees' shareholders' meeting, or other forms of democratic election until the expiration of the term of the incumbent Board. If an election is not timely held at the expiration of the term of service of a director, the incumbent director shall continue to perform his or her duties as a director in accordance with laws, administrative regulations, departmental rules and these Articles of Association until the incoming director assumes his or her position.

The shareholders' meeting may not remove a director from office without cause before the expiration of his or her term of office. However, subject to relevant laws and regulations, the shareholders' meeting may remove any director by an ordinary resolution (without prejudice to any claim for damages that such director may have under any contract) before the end of his or her term of office and the removal shall take effect on the date the resolution is made. If there are no justifiable grounds for removing a director prior to the expiration of their term, the director may request compensation from the Company.

The president and other senior management members may concurrently serve as directors provided that the number of directors concurrently serving as the president and in other senior management positions and directors who are employee representatives does not exceed one-half of the total number of directors of the Company.

Article 110

If a director fails to personally attend a Board meeting and to appoint another director to attend the meetings on his or her behalf on two consecutive occasions, he or she shall be deemed unable to perform his or her duties and the Board shall propose to the shareholders' meeting to replace such director.

Article 111

Directors may resign before the expiration of their term of office. To resign, a director shall submit a written resignation to the Company, and the resignation shall take effect on the date on which the Company receives the resignation report. The Company shall disclose the relevant circumstances within 2 trading days.

If the resignation of a director causes the number of occupied seats on the Board to fall below the statutory minimum, the incumbent director shall continue to perform his or her duties as a director in accordance with laws, regulations, rules and these Articles of Association until the incoming director assumes his or her position.

Article 112

The Company shall establish a director resignation management system, specifying safeguard measures for pursuing liability and claiming compensation for unfulfilled public commitments and other outstanding matters. When a director's resignation becomes effective or his or her term of office expires, he or she shall duly carry out all handover procedures with the Board, his or her obligation to keep the Company's trade secrets confidential shall remain valid until such secrets become public information. His or her fiduciary duty to the Company and the shareholders shall survive for two years after their resignation takes effect or the end of his or her term of office. A director's liability incurred in performing their duties during their term of office shall not be exempted or terminated due to their departure.

Article 113

No director may act on behalf of the Company or the Board in his or her own name unless these Articles of Association specify that he or she may do so or he or she is lawfully authorized to do so by the Board. A director shall declare his position and capacity in advance if, when such director is acting in his or her private capacity, a third party would reasonably assume him or her to be acting on behalf of the Company or the Board.

Article 114

The Company shall enter into contracts with the directors to specify the rights and obligations of the Company and the directors, the term of office of the directors, the responsibility of the directors for violating laws and administrative regulations and these Articles of Association, and the compensation if such contracts are terminated by the Company in advance for reasons, as well as the content such as the director's obligations after resignation and the pursuit of liability and compensation.

A director who falls under any of the circumstances listed in the first paragraph of Article 159 during their term of office shall immediately cease performing his or her duty, and the board of directors shall immediately remove him or her from office in accordance with regulations after becoming aware or having reason to be aware of the occurrence of such fact.

Members of the Board should have the knowledge, skills and qualities necessary to perform their duties. Directors shall abide by the relevant provisions of laws and regulations and these Articles of Association, performing their duties in a faithful, diligent, and cautious manner, and fulfill their commitments.

If a director who causes damage to others while performing the Company's duties, the Company shall be liable for compensation; if the director acts with intent or gross negligence, he or she shall also be liable for compensation.

A director who causes the Company to sustain a loss as a result of a violation of a law, administrative regulations, departmental rules, or a breach of these Articles of Association by him or her during the performance of his or her Company duties shall be liable for damages.

Section 2 Independent Non-Executive Directors

Article 115

The term "independent non-executive director of the Company" means a director who does not hold any position in the Company other than a director (including special committees of the Board) and who has no direct or indirect interest relationship with the Company, its major shareholder(s) (meaning a shareholder who alone holds or shareholders who together hold at least 5% of the total voting shares of the Company, or a shareholder who holds less than 5% of the Company's shares but has a significant impact on the Company) and actual controllers or other relationship that could affect his or her making independent and objective judgments, and who is in compliance with independence provisions of the securities regulatory rules in the places where shares of the Company are listed.

Article 116

Independent non-executive directors shall conscientiously perform their duties in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where shares of the Company are listed and these Articles of Association, play the roles of participating in decision-making, supervising and balancing, and providing professional consultation in the board of directors, safeguard the overall interests of the Company, and particularly pay attention to protecting the legitimate rights and interests of minority shareholders from being impaired.

Article 117

Independent non-executive directors must maintain their independence. The following persons shall not serve as independent non-executive directors:

- (1) Persons employed by the Company or its affiliated enterprises, as well as their immediate family members and major social relations;
- (2) Natural persons who directly or indirectly hold more than 1% of the Company's issued shares or are among the Company's top ten shareholders, as well as their immediate family members;
- (3) Persons employed by shareholder units that directly or indirectly hold more than 5% of the Company's issued shares or among the Company's top five shareholder units, as well as their immediate family members;
- (4) Persons employed by the Company's controlling shareholders, actual controllers and their affiliated enterprises, as well as their immediate family members;
- (5) Persons who have major business transactions with the Company, its controlling shareholders, actual controllers or their respective affiliated enterprises, or persons employed by units with major business transactions and their controlling shareholders and actual controllers;
- (6) Persons who have significant interests in any major business activities of the Company, its holding companies or their respective affiliated enterprises; or who are involved in major commercial transactions with the Company, its holding companies or their respective affiliated enterprises, or with any core connected persons of the Company;

- (7) Persons who have had any of the circumstances listed in the preceding six items within the most recent year;
- (8) Persons who, at the time of or within two years prior to the proposed date of appointment as independent non-executive directors, have provided financial, legal, consulting, sponsorship or other services to the Company, its controlling shareholders, actual controllers, or their respective affiliated enterprises, or their directors, supervisors, senior executives, major shareholders, or close associates of any such persons. This includes all members of the project team of the intermediary institutions providing the services, reviewers at all levels, signatories to the reports, partners, directors, senior management personnel, and key responsible persons;
- (9) Persons whose purpose of serving as members of the board of directors is to protect an entity whose interests are different from those of the shareholders as a whole;
- (10) Persons who, at the time of or within two years prior to the proposed date of appointment as independent non-executive directors, have had an association with the Company's directors, senior executives, or major shareholders;
- (11) Persons who are (or have been within two years prior to the proposed date of their appointment as directors) executives or directors (excluding independent non-executive directors) of the Company, its holding companies, any of their respective subsidiaries, or any core connected persons of the Company;
- (12) Persons who are financially dependent on the Company, its holding companies, any of their respective subsidiaries, or core connected persons of the Company;
- (13) Other persons as stipulated by laws and regulations, the securities regulatory rules of the place where shares of the Company are listed, and these Articles of Association.

For the purposes of the preceding paragraph, the affiliated enterprises of the Company's controlling shareholders and actual controllers do not include enterprises that are controlled by the same state-owned asset management institution as the Company and do not constitute an associated relationship with the Company in accordance with relevant provisions. The term "employment" as mentioned in the preceding paragraph refers to serving as directors, supervisors, senior management personnel, and other staff; "major business transactions" refer to matters that need to be submitted to the shareholders' meeting for consideration in accordance with the listing rules of the place where shares of the Company are listed or these Articles of Association of the Company, or other major matters recognized by the securities regulatory rules of the place where shares of the Company are listed; "immediate family members" refer to spouses, parents, and children; "major social relations" refer to siblings, spouses of siblings, parents of spouses, siblings of spouses, spouses of children, and parents of spouses of children, among others.

Independent non-executive directors shall conduct a self-assessment of their independence annually and submit the self-assessment results to the Board. The Board shall assess the independence of the incumbent independent non-executive directors annually, issue a special opinion, and disclose it together with the annual report.

Article 118

To serve as an independent non-executive director of the Company, one shall meet the following conditions:

- (1) Possess the qualifications for serving as a director of a listed Company in accordance with laws, administrative regulations, the listing rules of the place where shares of the Company are listed and other relevant provisions;
- (2) Have the independence required by laws, regulations, the listing rules of the place where shares of the Company are listed, relevant provisions and these Articles of Association;
- (3) Possess basic knowledge of the operation of listed companies and be familiar with relevant laws, administrative regulations, rules and norms;

- (4) Have more than five years of work experience in law, accounting, economics or other fields necessary for performing the duties of an independent non-executive director;
- (5) Have good personal morality and no adverse records such as major dishonesty;
- (6) Ensure sufficient time and energy to effectively perform the duties of an independent non-executive director;
- (7) Other conditions stipulated by laws, administrative regulations, the listing rules of the place where shares of the Company are listed, relevant provisions and these Articles of Association.

Article 119

Independent non-executive directors, as members of the Board, owe fiduciary duties and duties of care and diligence to the company and all shareholders, and shall prudently perform the following responsibilities:

- (1) Maintain independence, ensure sufficient time and energy to perform their duties conscientiously and effectively, continuously pay attention to the Company's situation, carefully review various documents, and express opinions objectively;
- (2) Participate in the decision-making of the Board and express clear opinions on the matters under discussion;
- (3) Supervise potential major conflicts of interest between the company and its controlling shareholders, de facto controllers, directors and senior management personnel, promote the board of directors to make decisions in the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders;
- (4) Provide professional and objective suggestions for the Company's operation and development, and promote the improvement of the decision-making level of the board of directors;

- (5) Other responsibilities stipulated by laws, administrative regulations, the regulatory rules of the place where shares of the Company are listed, the business rules of the stock exchange and these Articles of Association.

Article 120

Independent non-executive directors shall exercise the following special powers:

- (1) To propose to the Board the convening of an extraordinary shareholders' meeting;
- (2) To propose the convening of a Board meeting;
- (3) To independently engage intermediary institutions to conduct audits, provide consulting services, or carry out verifications on specific matters of the Company;
- (4) To publicly solicit shareholder rights in accordance with the law;
- (5) To express independent opinions on matters that may harm the interests of the Company or minority shareholders;
- (6) Other powers as prescribed by laws, administrative regulations, the regulatory provisions of the listing venue, the business rules of the stock exchange, and these Articles of Association.

The exercise of the powers listed in items (1) to (3) of the preceding paragraph by independent non-executive directors shall require the consent of a majority of all independent non-executive directors.

Where independent non-executive directors exercise the power listed in items (3) above, the Company shall make timely disclosure thereof.

If the aforesaid proposals are not adopted or the aforesaid powers cannot be exercised normally, the Company shall disclose the relevant circumstances and reasons.

Article 121

The following matters shall, upon obtaining the consent of a majority of all the Company's independent non-executive directors, be submitted to the Board for deliberation:

- (1) Connected transactions that are required to be disclosed;
- (2) Plans for the Company and relevant parties to modify or be exempted from commitments;
- (3) Decisions made and measures taken by the Company's Board in response to a takeover when the Company is being acquired;
- (4) Other matters as prescribed by laws, administrative regulations, the CSRC, and these Articles of Association.

Article 122

The Company shall establish a special meeting mechanism attended exclusively by independent non-executive directors. When the Board considers matters such as related-party transactions, prior approval by the special meetings of independent directors shall be required.

The Company shall convene special meetings of independent non-executive directors on a regular or ad hoc basis. Matters listed in items (1) to (3) of the first paragraph of Article 120 and Article 121 of these Articles of Association shall be deliberated at such special meetings.

Special meetings of independent non-executive directors may discuss and deliberate on other matters of the Company as necessary.

A special meeting of independent non-executive directors shall be convened and presided over by one independent non-executive director jointly nominated by a majority of the independent non-executive directors. If the convener fails or is unable to perform their duties, two or more independent non-executive directors may convene the meeting on their own initiative and nominate a representative to preside over it.

Minutes of special meetings of independent non-executive directors shall be prepared in accordance with regulations, and the opinions of independent non-executive directors shall be clearly recorded therein. Independent non-executive directors shall sign the meeting minutes to confirm their contents. The Company shall provide facilities and support for the convening of such special meetings.

Article 123

At least one-third of the members of the Board shall be independent non- executive directors, with the number not less than three, of whom at least one shall be an accounting professional and at least one is ordinarily resident in Hong Kong.

If an independent non-executive director fails to meet the conditions of independence or another circumstance arises which makes it inappropriate for him or her to perform his or her duties and responsibilities as an independent non-executive director, thereby causing the failure of the Company to meet the requirements of these Articles of Association concerning the number of independent non-executive directors, the Company shall make up the number of independent non-executive directors in accordance with regulations.

Article 124

The term of office of independent non-executive directors shall be the same as that of the other directors of the Company. At the expiration of their terms, they may continue to serve if re-elected, but they may not serve more than 6 years in succession. The Company shall formulate working rules of independent non-executive directors, which shall specify the qualification, nomination, election and replacement and rights and obligations, and liabilities of independent non-executive directors and shall come into effect upon approval by the shareholders' meeting.

Section 3 Board of Directors

Article 125

The Company shall have a Board. The Board shall consist of 7 to 11 directors, with one chairman, one vice chairman who may be appointed, and one employee director included among the Board members. The chairman of the Board and the vice chairman of the Board shall be elected and removed by more than half of all the directors with a term of three years and may serve consecutive terms if re-elected.

Article 126

The Board shall exercise the following functions and powers:

- (1) to convene shareholders' meetings and to report on its work to the shareholders' meeting;
- (2) to implement the resolutions of the shareholders' meeting;
- (3) to decide on the business plans and investment plans of the Company;
- (4) to enact the annual financial budgets and final accounts of the Company;
- (5) to formulate the profit distribution plans and plans for making up losses of the Company;
- (6) to formulate plans for the increase or reduction of the registered capital of the Company;
- (7) to formulate plans for the issuance of corporate bonds, any class of shares, warrants and other similar securities and listing;
- (8) to formulate plans for significant acquisition by the Company, repurchase of shares of the Company or merger, division, reorganization or dissolution of the Company and changes in the corporate form of the Company;
- (9) to decide on the provision by the Company of any external guarantee other than those to be approved by the shareholders' meeting as required by Article 55 of these Articles of Association;

- (10) to decide on significant acquisition or disposal within one year by the Company of assets not more than 30% of the latest audited total assets of the Company;
- (11) to decide on connected transactions that are subject to the consideration and approval by the Board but not required for consideration at the shareholders' meeting in accordance with laws and regulations and regulatory rules in the places where shares of the Company are listed;
- (12) to decide on significant investment projects of the Company with the single amount not more than 30% of the latest audited net assets of the Company;
- (13) to decide on entrusted wealth management and asset mortgages or pledges with the accumulated amount not more than 30% of the latest audited net assets of the Company;
- (14) to decide on extra costs and expenses with the single amount not more than 10% of the latest audited net assets of the Company;
- (15) to decide on plans of external donation and sponsorship of the Company with the single amount not more than RMB10 million;
- (16) to formulate amendments to these Articles of Association, the Rules of Procedure for Shareholders' Meetings and the Rules of Procedure for the Board;
- (17) to engage or dismiss the Company's president and Secretary to the Board; to engage or dismiss Vice Presidents and the Chief Accountant, general counsel and other senior management members of the Company, as proposed by the president, and decide on matters relating to their remuneration, rewards and punishments;
- (18) to decide on the establishment of the Company's internal management organization;
- (19) to decide on the establishment of special committees under the Board and to consider and approve resolutions proposed by each special committee under the Board;

- (20) to formulate the basic management systems of the Company;
- (21) to formulate development strategies, long and medium-term development plans and corporate culture development plans, and to monitor the implementation of such plans;
- (22) to establish and improve the internal supervision, management and risk control systems, and strengthen internal compliance management; to decide on the Company's risk management system, the internal control system, the responsibility investigation system for illegal business operations and investments, and the legal compliance management system, and to conduct overall supervision and evaluation on the Company's risk management, internal control, and legal compliance management systems as well as their effective implementation;
- (23) to propose to the shareholders' meeting the appointment or removal of an accounting firm;
- (24) to listen to the work reports of the Company's president and inspect the work of the president and other senior management members;
- (25) to perform duties of corporate governance and to evaluate and improve the corporate governance of the Company regularly in accordance with the securities regulatory rules in the place where shares of the Company are listed;
- (26) to formulate share option incentive scheme;
- (27) to manage the Company's information disclosure matters; and
- (28) other functions and powers provided for in laws and regulations, securities regulatory rules in the places where shares of the Company are listed or these Articles of Association or granted by the shareholders' meeting.

Resolutions by the Board on the matters referred to in the preceding paragraph shall, be passed by the affirmative vote of more than one half of all of the directors with the exception of resolutions on the matters referred to in items (6), (8), (16) and (26), which shall require the affirmative vote of at least two-thirds of all of the directors for adoption. When considering matters referred to in item (9), in addition to the affirmative vote of more than one half of all of the directors, the affirmative vote of at least two-thirds of all the directors present is required for adoption.

The abovementioned functions and powers of the Board as well as any transaction or arrangement of the Company shall be proposed to the shareholders' meeting for approval as prescribed by the securities regulatory rules in the place where shares of the Company are listed or if it's beyond the authorization granted by the shareholders' meeting.

When necessary, reasonable and legal, the Board may authorize the chairman and other persons authorized by the chairman to decide on specific matters that relate to the matters to be resolved and that cannot or need not be promptly decided on by the Board.

With the authorization made by the Board, the chairman of the Board may exercise part of functions and powers of the Board when the Board is not in session. The content of the authorization made by the Board shall be clear and specific.

Prior to making decisions on material issues of the Company, the Board shall seek advice from the Party Committee of the Company.

Article 127

The Board shall give explanations to the shareholders' meeting in respect of audit reports with non-standard audit opinions issued by certified public accountants in respect of financial reports of the Company.

Article 128

The Board shall formulate the rules of procedures of Board meetings to ensure the Board to implement the resolutions approved at the shareholders' meeting, work efficiently and be scientific in decision making.

Article 129

The Board shall determine the scope of authority for external investment, asset acquisition and disposal, pledge of asset, external guarantee, entrusted wealth management, connected transaction and external donation, and establish strict review and decision-making procedures. Specialists or professional personnel shall be engaged to assess and examine any material investment projects, and such investment projects shall be submitted to the shareholders' meeting for approval.

Article 130

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

- (1) to preside over shareholders' meetings and to convene and preside over Board meetings;
- (2) to supervise and check on the implementation of resolutions of the Board;
- (3) to supervise and check on the work of each special committee;
- (4) listen to the regular or non-regular work reports of the president and other senior management members of the Company and provide guidance on the execution of the resolutions of the Board;
- (5) to exercise special rights over the Company's affairs that are in line with the requirements under the laws and the interests of the Company when the chairman of the Board is unable to convene a Board meeting in time in the event of force majeure, critical crisis or situations resulting in significant effect to the production and operation of the Company and report to the Board and the shareholders' meeting afterwards;
- (6) to nominate candidates for secretary to the Board;
- (7) to sign the share certificates, corporate bonds and other securities certificates issued by the Company;
- (8) to sign the significant documents of the Board and to represent the Company in signing with third parties important documents that are legally-binding;

- (9) to organize the formulation of various rules and regulations for the operation of the Board and coordinate the Board's work;
- (10) to review and approve the plan for using funds of the Board;
- (11) to exercise the duties and powers as the legal representative; and
- (12) to exercise other duties and powers provided for in laws and administrative regulations or these Articles of Association and those granted by the Board.

Article 131

Vice chairman of the Board shall provide assistance to the work of the chairman of the Board. Should the chairman of the Board be unable or fails to exercise his duties or powers, the vice chairman of the Board shall exercise such duties or powers; should the vice chairman of the Board is unable or fails to exercise his duties or powers, a director elected by a majority of the directors shall exercise such duties or powers.

Article 132

Board meetings shall be in the form of either regular meetings or extraordinary meetings. At least four regular meetings of the Board shall be convened each year by the Chairman of the Board.

In the event of any of the following circumstances, chairman of the Board shall convene and preside over the extraordinary meetings within ten days upon receiving the proposal:

- (1) when proposed by shareholders representing more than one tenth of the total number of shares carrying voting rights of the Company;
- (2) when proposed by a majority of the independent non-executive directors;
- (3) when jointly proposed by more than one third of the directors or the president of the Company;
- (4) when proposed by the audit and risk management committee;
- (5) when the chairman of the Board thinks necessary;

- (6) other circumstances that are required by the laws, administrative regulations, regulatory rules in the places where the Company's shares are listed and these Articles of Association.

Article 133

When the Board calls a regular meeting or extraordinary meeting, the secretariat of the Company shall deliver a written meeting notice to all of the directors of the Company by hand, mail, fax or other means permitted by the securities regulatory rules in the place where shares of the Company are listed 14 days prior to the date of a regular meeting or 5 days prior to an extraordinary meeting. If service is made indirectly, confirmation shall additionally be made by telephone and the appropriate record thereof shall be made.

In the event of emergencies where an extraordinary Board meeting needs to be convened as soon as possible, such notice may be served via telephone or by other verbal means, provided that an explanation shall be made at the meeting by the convener and the same is entered into the meeting minutes.

Article 134

The notice of a Board meeting shall include the following:

- (1) the date, place and duration of the meeting;
- (2) the means by which the meeting will be held;
- (3) matters and proposals to be considered;
- (4) the names of the meeting convener and chairman, the name of the person who proposed the interim meeting and his or her written proposal;
- (5) the meeting materials necessary for the vote by the directors, including the background materials related to the topics to be discussed at the meeting and the information and data that would be of assistance to the directors in understanding the development of the Company's business;
- (6) a request that the director attend in person or that he or she appoint another director to attend the meeting on his or her behalf;

- (7) the contact person and contact details;
- (8) the date of the notice; and
- (9) other content as required by laws and administrative regulations and the securities regulatory rules in the place where shares of the Company are listed.

The oral notice of a Board meeting shall, at least, include items (1) and (2) above and the explanation for holding the extraordinary Board meeting at an emergency.

The Board shall notify all directors in advance based on the prescribed time limit and provide sufficient information. If two or more independent non-executive directors view that the information is incomplete, the argument is insufficient or not provided in a timely manner, they may adjourn the meeting or to defer the consideration of the subject matters by jointly proposing to the Board in writing. The Board shall accept and the Company shall promptly disclose the relevant information.

Article 135

The Board meeting may not be held unless not less than a half of the directors are present. In the event that a quorum for holding a meeting cannot be satisfied due to the refusal or failure by a director or directors to attend, the chairman of the Board and the secretary to the Board shall promptly report the same to regulatory authorities.

The president and the secretary to the Board, if they do not concurrently serve as directors, shall attend Board meetings in a non-voting capacity. When he or she deems it necessary, the meeting convener may notify other relevant persons to attend a Board meeting in a non-voting capacity.

Article 136

Board meetings shall be attended by the directors in person. If a director is unable to attend a meeting for any reason, he or she shall review the meeting materials in advance, form a clear opinion thereon and appoint another director in writing to attend the meeting on his or her behalf. A letter of attorney shall indicate the names of the proxy, matters of entrustment, the scope of authorization and its valid term, and shall be signed and sealed by the appointer.

The appointed director attending the meeting shall exercise the rights of a director within the scope of authorization. If a director does not attend a Board meeting in person, and does not authorize any proxy to attend the meeting, he/she shall be deemed to have waived the voting right in the meeting.

Article 137

Resolutions of the Board shall be passed by more than a half of all the directors. If laws or these Articles of Association require the consent of a larger number of directors for the adoption of a resolution, such provisions shall prevail.

Each director shall have one vote on the resolutions at the Board meeting, and elaborate on the reasons if the director votes against or abstains from voting.

Article 138

Resolutions of the Board meetings shall be voted by way of open ballot, electronic communication or other voting method as permitted by the laws and regulations and the regulatory rules in the place where the shares of the Company are listed.

Upon approval by the convener or chairman, an extraordinary Board meeting may be convened and resolutions may be adopted at the meeting via video, telephone or written communication, provided that directors are able to fully express their opinions, and the resolution adopted at the meeting shall be signed by the attending directors. Board meetings may also be convened on site and by other means simultaneously. So long as the directors attending the meeting in person can clearly hear what he or she says and communicate with him or her, all the directors in attendance shall be deemed to have attended the meeting in person.

Article 139

If any director has connection with or significant interest in the enterprise involved in the resolution made at a Board meeting, such director shall submit a written report to the board of directors. The directors who have associated relations or significant interest shall not vote on the said resolution for himself/herself or on behalf of other director. The said Board meeting may be held when more than half of the directors without connection or significant interest attend the meeting. The resolution of the said Board meeting shall be passed by more than half of the non-connected or non-interested directors. If the number of non-connected or non-interested directors attending the meetings is less than three, the matter shall be submitted to the shareholders' meeting for consideration.

Article 140

The Board shall keep minutes of resolutions on matters discussed at meetings. The minutes shall be signed by the directors present at the meeting, Secretary to the Board and the person who recorded the minutes. The directors shall be liable for the resolutions of the Board. If a resolution of the Board violates laws and regulations, these Articles of Association or the resolutions proposed at the shareholders' meetings resulting in material loss of the Company, the directors who voted for the resolution shall be directly liable to the Company; if it can be proved that a director expressly objected to the resolution when the resolution was voted on and the objections were recorded in the meeting minutes, such director shall be waived from such liability.

Article 141

The minutes of the Board meetings shall be kept as corporate documents for at least 10 years. The minutes of Board meetings shall consist of the following:

- (1) the session of the Board to hold the meeting, the date, venue and method for the convening of meeting;
- (2) the issue of the notice of the meeting;
- (3) the convener and the chairman of the meeting;
- (4) the name of the director present and name of director (proxy) being appointed to attend on the other's behalf;
- (5) the agenda of the meeting;
- (6) the proposals considered at the meeting and the highlights of speeches and key opinions made by each director;
- (7) the voting method of each agenda and the voting result (the voting result shall state the number of votes of "for", "against" or "abstain");
- (8) other matters required to be included in the meeting minutes by the directors present.

Section 4 Special Committees of the Board of Directors

- Article 142** The Board consists of a strategy and investment committee, an audit and risk management committee, a nomination committee, a remuneration and appraisal committee and a quality and safety committee to provide suggestions and advisory opinions on major decisions of the Board. The Board may establish other committees and adjust existing committees as needed. Each special committee is responsible to the Board, and its members are all composed of directors.
- Article 143** The strategy and investment committee is mainly responsible for studying the Company's development strategy and planning, and making suggestions on major investment and capital operation decisions. The strategy and investment committee consists of at least five directors.
- Article 144** The audit and risk management committee is mainly responsible for proposing the selection and replacement of the Company's external audit institution; supervision of the Company's internal audit; communication, supervision and verification of internal and external audits of the Company; review of financial information and its disclosure; review of risk management and internal systems; review of the Company's risk management strategies and solutions; risk control, management, supervision and evaluation of major decisions, major events and important business processes, and exercises the functions and powers of the board of supervisors stipulated in the Company Law. The audit and risk management committee shall consist of at least three non-executive directors, of whom a majority are independent non-executive directors, and the chairman shall be an accounting professional among independent non-executive directors. The audit and risk management committee meets at least once a quarter.
- Article 145** The nomination committee is mainly responsible for selecting and making suggestions on candidates, selection criteria and procedures for directors and senior managers of the Company. The nomination committee shall consist of at least three directors, of whom a majority shall be independent non-executive directors, and the chairman shall be independent non-executive directors.

Article 146

The remuneration and appraisal committee is mainly responsible for formulating and conducting the appraisal standards of the Company's directors and senior managers; responsible for formulating and reviewing the remuneration policies and plans of the Company's directors and senior managers. The remuneration and appraisal committee shall be composed of at least three directors, of whom a majority shall be independent non-executive directors, and the chairman shall be independent non-executive directors.

Article 147

The quality and safety committee shall be mainly responsible for studying the Company's major quality and safety decisions, studying the construction of the Company's long-term quality and safety mechanism, and reviewing the Company's annual key quality and safety tasks. The quality and safety committee consists of at least three directors.

Article 148

Each special committee may hire intermediary agencies to provide independent professional advice, and the relevant expenses shall be borne by the Company. The rules of procedure of the special committees of the Board shall be formulated separately with regard to the composition, duties and procedures of each special committee.

Section 5 Secretary to the Board**Article 149**

The Company shall have a Secretary to the Board, who shall be appointed or dismissed by the Board. The Company shall dismiss the Secretary to the Board base on sufficient reasons, and shall not dismiss without any reason.

The secretary to the Board shall be a senior management member of the Company and be accountable to the Company and the Board, and perform his or her duties in a faithful and diligent manner.

During the vacancy of the Secretary to the Board, the Company shall promptly designate a director or senior management member to perform the duties of the Secretary to the Board. If the vacancy exceeds 3 months, the legal representative of the Company shall perform the duties of the Secretary to the Board, and complete the appointment of the Secretary to the Board within 6 months after acting in the role.

The Board has the right to appoint a securities affairs representative to assist the Secretary to the Board. The securities affairs representative shall be appointed and dismissed by the Board.

Article 150

Secretary to the Board shall be a natural person with the requisite professional knowledge and experience, and shall be nominated by the chairman of the Board and appointed by the Board. His/her primary responsibilities are:

- (1) to be responsible for the preparation of the shareholders' meetings and Board meetings, document maintenance and management of information of the shareholders of the Company;
- (2) to ensure that the Company has a complete set of organizational documents and records;
- (3) to handle with the information disclosure;
- (4) to ensure that the Company prepares and submits required reports and documents to the authorities;
- (5) to ensure that the register of members of the Company is properly set up, and to assure that persons entitled to access relevant records and documents of the Company may obtain such records and documents in a timely manner; and
- (6) to fulfill other duties specified in laws and regulations, these Articles of Association and other duties required by the securities regulatory authorities in the place where the shares of the Company are listed.

The Company shall facilitate the performance of duties by the Secretary to the Board. Directors, other senior management members and relevant staff shall cooperate with the work of the Secretary to the Board. No institution or individual may interfere with the normal duty performance of the Secretary to the Board.

The Secretary of the Board is entitled to know the Company's operation and financial situation, attend relevant meetings, consult relevant documents, and request relevant departments and personnel to provide materials and information.

Article 151

Directors or other senior management members of the Company may also act as the Secretary to the Board. The accountant(s) of the certified public accounting firm appointed by the Company shall not act as the Secretary to the Board.

Provided that where the office of the secretary to the Board is held concurrently by a director, and an act is required to be made by a director and the secretary to the Board separately, the person who concurrently holds the offices of director and secretary to the Board shall not perform the act in dual capacity.

CHAPTER 7 PRESIDENT AND OTHER SENIOR MANAGEMENT MEMBERS**Article 152**

The Company shall have one president, several vice presidents and one chief accountant, one secretary to the Board and one general counsel, all of whom shall be appointed or dismissed by the Board, to assist the work of the president.

The Company shall enter into employment contracts with senior management members to specify the rights and obligations of both parties, the liabilities of senior management members for violating laws and regulations and these Articles of Association, as well as their obligations after resignation and the relevant accountability and compensation recovery provisions.

A director may be appointed to serve as the president or other senior management members of the Company.

If a senior management member encounters the circumstances listed in the first paragraph of Article 159 during his/her tenure, he/she shall immediately stop performing his/her duties and resign; if a senior manager fails to resign, the Board shall immediately dismiss his/her post according to the regulations after knowing or should know the fact. The nomination committee of the Board shall evaluate the qualifications of senior managers, and if it is found that they do not meet the qualifications, it shall promptly make dismissal suggestions to the Board.

Article 153

Unless otherwise waived and approved by the CSRC, senior management members of the Company shall not hold any other administrative posts other than directors in any entity of the controlling shareholder or de facto controller.

Article 154

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

- (1) to lead the Company's production, operation and management, to organize the implementation of the resolution of the Board and report to the Board;
- (2) to organize the implementation of the Company's annual plan and investment plan;
- (3) to draft plans for the establishment of the Company's internal management structure;
- (4) to draft the Company's basic management system;
- (5) to formulate the specific rules and regulations of the Company;
- (6) other functions and powers prescribed by the laws, regulations, securities regulatory rules in the place where the Company's shares are listed and these Articles of Association, or authorized by the Board.

Article 155

The president shall attend Board meetings. The president who is not a director shall have no voting rights at the meetings.

Article 156

The president of the Company shall formulate the detailed working rules of the president, which shall be submitted to the Board for approval before implementation.

The working rules of the president shall include the following:

- (1) Specifying conditions, procedures and participants of the President meeting;
- (2) Specifying responsibilities and work allocation of the president and the senior management members;
- (3) Considering use of funds and use of assets of the Company, scope of authorization to enter into material contracts and reporting policies of the Board; and
- (4) Other matters which the Board considers it necessary.

Article 157 The president may resign prior to the expiry of his term of office. The specific procedures and methods of resignation of the president shall be governed by his employment contract with the Company.

Article 158 The president and the senior management members of the Company shall comply with the applicable laws, administrative regulations, departmental rules and these Articles of Association, act honestly and diligently and shall be liable for any losses incurred as a result of violating such provisions in the course of performing their duties with the Company.

CHAPTER 8 QUALIFICATIONS AND DUTIES OF THE DIRECTORS, PRESIDENT AND OTHER MEMBERS OF SENIOR MANAGEMENT

Article 159 A person may not serve as a director, the president or other senior management members of the Company if any of the following circumstances applies:

- (1) a person without legal or with restricted legal capacity for civil conduct;
- (2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; who has been deprived of his political rights, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation; or who has been given a probation, and less than two years have elapsed since the end of the probationary period;
- (3) a person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and he is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date the completion of the insolvency and liquidation of the company or enterprise;

- (4) a person who is a former legal representative of a company or enterprise which had its business license revoked due to a violation of the law and who incurred personal liability, where less than three years has elapsed since the date of the revocation of the business license and order to close;
- (5) a person who has a relatively large amount of debts due and outstanding and has been listed as a person subject to enforcement for breach of trust by the People's Court;
- (6) a person who is penalised by the CSRC to be banned from the securities market and the penalty has not expired;
- (7) a person who is publicly determined by a securities exchange as unsuitable to serve as directors or senior management members of listed companies, where the designated period has not yet expired;
- (8) other contents stipulated by laws, administrative regulations or departmental rules.

Any election, appointment or engagement of any directors, the president or other members of senior management in violation of the provision of these Articles shall be invalid. If directors or senior management personnel engage in any of the conduct described in this Article during their tenure, the Company shall terminate their positions and suspend their duties.

Article 160

The directors, president and other senior management members of the Company shall abide by the provisions of laws, administrative regulations and these Articles of Association, and have the obligation to be diligent to the Company. When performing their duties, they shall exercise the reasonable care that shall be generally possessed by a manager for the best interests of the Company, and have the following obligations to the Company:

- (1) to prudently, carefully and diligently exercise the rights granted by the Company, so as to ensure that the commercial operations of the Company comply with the laws, administrative regulations of the state and the requirements of the various economic policies of the state, and that the commercial activities of the Company shall not fall beyond the scope of business specified on the business license;

- (2) to ensure that they have sufficient time and energy to participate in the affairs of the Company, and exercise caution to judge the risks and benefits that may arise from the subject matters to be considered;
- (3) to treat all shareholders impartially;
- (4) to keep abreast of the business operation and management of the Company;
- (5) to sign written confirmation on the Company's periodic reports to assure that the information disclosed by the Company is true, accurate, and complete;
- (6) to honestly provide the audit and risk management committee with relevant circumstances and information, and not to prevent the audit and risk management committee from performing their duties and powers;
- (7) to actively advance the Company's regular operation, to urge the Company to fulfill its information disclosure obligations, to promptly rectify and report the Company's violations, and to support the Company in fulfilling its social responsibilities;
- (8) to fulfill other diligence duties as stipulated in laws, administrative regulations, departmental rules, rules of stock exchanges and these Articles of Association.

Article 161

Each of the directors, president and other members of senior management of the Company shall exercise his powers or carry on his duties in accordance with the principle of good faith and shall not put himself in a position where his/her interest may conflict with the obligations he/she undertakes, shall take measures to avoid conflicts between their own interests and the interests of the Company, shall not use their powers to seek illegitimate interests and shall have duty of loyalty to safeguard the best interests of the Company and all shareholders. This principle includes but not limited to discharging the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to exercise powers within the scope of his powers and not to exceed those powers;

- (3) to exercise the discretion vested in him personally and not to allow himself to act under the control of another and, unless and to the extent permitted by laws or with the informed consent of shareholders given in a shareholders' meeting, not to delegate the exercise of his discretion;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) without reporting to the Board or the shareholders' meeting and passing resolutions by the Board or the shareholders' meeting in accordance with these Articles of Association, not to directly or indirectly enter into any contract or transaction with the Company;
- (6) to safeguard the interests of listed company and the shareholders as a whole, and not to impair the interests of the listed company for the interests of de facto controllers, shareholders, employees, themselves or other third parties;
- (7) without the informed consent of shareholders given in shareholders' meeting, not to use the property of the Company for his own benefit by any means;
- (8) not to exploit his position to accept bribes or other illegal income, expropriate the property of the Company by any means, including but not limited to opportunities advantageous to the Company;
- (9) not to accept commissions from other people's transactions with the Company for himself/herself;
- (10) to abide by these Articles of Association of the Company, faithfully execute his official duties and protect the interests of the Company, and not to exploit his position and power in the Company to advance his own private interests;

- (11) not to take advantage of his/her position to seek for himself/herself any business opportunities that should have been made available to the Company, except where such business opportunities have been reported to the Board or the shareholders' meeting and been approved by the shareholders' meeting, or where the Company cannot take advantage of business opportunities in accordance with laws, administrative regulations or the provisions of these Articles of Association;
- (12) without reporting to the Board or the shareholders' meeting and being approved by the resolution of the shareholders' meeting, not to operate business similar to that of the Company by itself or for others;
- (13) not to misappropriate the funds of the Company, not to open accounts in his own name or other names for the deposit of the assets or funds of the Company;
- (14) without the consent obtained at the shareholders' meeting or approval of the Board, not to lend the monies of the Company to others, and not to use the assets of the Company to provide guarantee for any shareholder or other individual;
- (15) not to prejudice the interests of the Company using its connections;
- (16) to keep in confidence information relating to the Company acquired by him in the course of and during his tenure and not to use such information in purposes other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental authorities is permitted if:
 - 1. disclosure is made under compulsion of law;
 - 2. the interests of the public require disclosure;
 - 3. the interests of the relevant directors, president or other members of senior management require disclosure.

- (17) not to disclose Company secrets without authorization, not to divulge any undisclosed material information, and not to use any insider information to obtain illegal interests and after leaving office of the Company, not to be engaged in the competition business as agreed with the Company;
- (18) other loyalty obligations stipulated in laws, administrative regulations, departmental rules and those Articles of Association.

The income obtained by the directors, the president and other senior management members arising from violating the provisions of this article shall be attributable to the Company; if losses are caused to the Company, they shall be liable for compensation.

With respect to the Company's conclusion of contracts or transactions with close relatives of directors, presidents and other senior managers, enterprises directly or indirectly controlled by directors, presidents and other senior managers or their close relatives, and related parties who have other related relationships with directors, presidents and other senior managers, the provisions of item (5) of Paragraph 1 of this Article shall apply.

Article 162

Where a director, president and other members of senior management of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, (other than his contract of service with the Company), he shall declare the nature and extent of his interests to the Board at the earliest opportunity, whether or not the event concerned is otherwise subject to the approval of the Board.

Unless the interested director, president or other members of senior management discloses his interests in accordance with the preceding paragraphs of this article and the contract, transaction or arrangement is approved by the Board at a meeting in which the interested director, president or members of senior management is not counted in the quorum and refrained from voting, a contract, transaction or arrangement in which that director, president or other members of senior management is materially interested is voidable at the instance of the Company except as against a bona fide party thereto acting without notice of the breach of duty by the interested director, president or other members of senior management.

A director, president or other members of senior management of the Company is deemed to be interested in a contract, transaction or arrangement in which relevant persons or associates of him are interested.

Article 163

Where a director, president or other members of senior management of the Company gives to the Board a general notice in writing stating that, by reason of the facts specified in the notice, he is interested in contracts, transactions or arrangements of any description which may subsequently be made by the Company, such notice shall be deemed for the purposes of the foregoing provisions of this chapter to be a sufficient disclosure, so far as the content stated in such notice is concerned, provided that such general notice shall have been given before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company.

Article 164

The Company shall not pay taxes in any manner for or on behalf of its directors, the president or other members of senior management.

Article 165

The Company shall not directly or indirectly make a loan to a director, president or other members of senior management of the Company or of the parent company of the Company.

Article 166

The Company shall, with the prior approval of shareholders in shareholders' meeting, enter into a contract in writing with a director with respect to his remunerations. The aforementioned remunerations shall include:

- (1) emoluments in respect of his service as director or senior management member of the Company;
- (2) emoluments in respect of his service as director or senior management member of any subsidiary of the Company;
- (3) emoluments in respect of the provision of other services in connection with the management of the affairs of the Company or any of its subsidiaries;
- (4) compensation for loss of office, or as consideration for or in connection with his retirement from office.

Except under a contract entered into in accordance with the foregoing, no proceedings may be brought by a director against the Company for any benefits in respect of the matters mentioned in this Article.

The compensation solution of early dismissal of directors and senior management members as set out in these Articles of Association or related contracts shall conform to the principle of fairness without causing prejudice to the legitimate rights and interests of the Company or delivery of benefits.

CHAPTER 9 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT AND LEGAL COUNSEL SYSTEM

Section 1 Financial and Accounting System

Article 167 The Company shall establish its financial and accounting system in accordance with the laws, regulations and the PRC accounting standards formulated by the relevant authorities in the PRC.

Article 168 The fiscal year of the Company shall adopt the calendar year, i.e. starting from the 1 January of every calendar year and ending on 31 December of every calendar year. The Company shall adopt Renminbi as its denominated currency for booking and accounting purposes, and the account books shall be recorded in Chinese.

At the end of each fiscal year, the Company shall prepare a financial report which shall be audited by its auditors in compliance with the laws.

Article 169 The Company shall submit and disclose annual financial accounting reports to the local branches of CSRC and relevant stock exchanges within four months from the end of each financial year, and submit and disclose interim financial accounting reports to the local branches of CSRC and relevant stock exchanges within two months from the end of the first six months of each financial year, and submit and disclose quarterly financial accounting reports to the local branches of CSRC and relevant stock exchanges within one month from the end of the first three months and the first nine months of each financial year. The above financial accounting reports shall be prepared in accordance with the relevant laws, administrative regulations, departmental rules and the rules governing the administration of securities in the places where the Company's shares are listed.

- Article 170** The Board shall place before the shareholders at every annual shareholders' meeting such financial reports as are required by any laws to be prepared by the Company.
- Article 171** The Company shall provide each shareholder of overseas listed foreign shares by means permitted by the regulatory rules of the place where the shares of the Company are listed a copy of the aforesaid reports together with the directors' report and the balance sheet(including every document required to be attached as required by the applicable laws) and the statement of profit and loss or statement of income of the Company not later than 21 days before the date of convening the annual shareholders' meeting.
- Article 172** The Company shall not keep accounts other than those mandatorily required according to law. Funds of the Company shall not be deposited in an account maintained in the name of any individual.
- Article 173** When distributing each year's profit after taxation, the Company shall set aside 10% of its profit for the statutory surplus reserve fund of the Company.
- When the aggregate balance in the statutory surplus reserve fund has reached 50% or more of the registered capital of the Company, the Company need not make any further allocations to that fund.
- Where the statutory surplus reserve fund of the Company is not enough to make up losses of the Company for the preceding year, the current year's profits shall be applied firstly to make up the losses before being allocated to the statutory surplus reserve fund in accordance with the preceding paragraph.
- Subject to a resolution of the shareholders' meeting, after allocation has been made to the Company's statutory surplus reserve fund from its profit after taxation, the Company may set aside funds for the discretionary reserve fund.
- After the Company has made up its losses and made allocations to its common reserves, the remaining profits of the Company shall be distributed in proportion to the shareholdings of its shareholders, unless these Articles of Association provide that distributions are to be made otherwise than proportionally.

If a shareholders' meeting violates the Company Law and profits are distributed to the shareholders, shareholders shall return the profits distributed in violation of the provisions to the Company. If losses are caused to the Company, shareholders, responsible directors and senior management members shall be liable for compensation.

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

Article 174

The Company's profit distribution policy is as follows:

(1) Principle of profit distribution

1. The Company fully considers the return to investors and distributes dividends to shareholders according to a certain percentage of the distributable profits realized in the consolidated statements of the Company in the current year;
2. The Company's profit distribution policy maintains continuity and stability, while taking into account the Company's long-term interests, the overall interests of all shareholders and the sustainable development of the Company;
3. The Company prefers the distribution of profits by cash dividends.

(2) Specific policies of profit distribution

1. Form of profit distribution: Under the premise of complying with the relevant laws and regulations, the relevant provisions and conditions of the normative documents, and maintaining the continuity and stability of the profit distribution policy, the Company may distribute profit by distributing cash dividends, distributing stock dividends or both. The Board may formulate annual or interim dividend distribution plans according to the Company's current size of profit, cash flow, stage of development and capital demand.

2. Specific conditions and proportions of the Company's cash dividends: Except for special circumstances, if the Company's profit in the current year and the accumulated undistributed profit are positive, the Company will prefer the cash distribution of dividends after the full withdrawal of the statutory surplus reserve fund and any discretionary reserve fund. Under the condition of cash dividends, the annual profit distributed in cash is not less than 25% of the distributable profits realized in the current year.

Special circumstances mean:

- (i) Affected by force majeure events (such as wars, natural disasters, etc.), the Company's production and operation are greatly affected;
- (ii) The net cash flow from operating activities in the current year is negative, and the implementation of cash dividends will affect the Company's subsequent sustainable operations;
- (iii) The audit institution did not issue a standard unqualified audit report on the Company's financial report for the year;
- (iv) The Company has a major investment plan or other significant cash expenditures (except for funding projects).

A major investment plan or significant cash expenditure means that the cumulative amount of the Company's proposed external investment, acquisition of assets or purchase of equipment in the next 12 months reaches or exceeds 30% of the Company's latest audited net assets.

3. The specific conditions for the Company to distribute stock dividends: The Company is in good operating condition, and the Board believes that the Company's stock price does not match the Company's share capital, and the distribution of stock dividends is in the overall interests of all shareholders of the Company as a whole. Provided that the conditions for cash dividends set out above have been met, the stock dividend distribution plan may be proposed. When the Company adopts stock dividends for profit distribution, it should be based on the premise of giving shareholders reasonable cash dividends and maintaining the appropriate share capital, taking into account the real and reasonable factors such as the Company's growth and the dilution of net assets per share.

(3) Differentiated cash dividend distribution policy

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

1. Where the Company is in a developed stage with no substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution when distributing its profits;
2. Where the Company is in a developed stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 40% of the total profit distribution when distributing its profits;
3. Where the Company is in a developing stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution when distributing its profits.

Where it is difficult to identify the development stage of the Company but there is substantial capital expenditure arrangement, dividend distribution may be dealt with in accordance with the item 3 of the preceding provision. The specific stage in which the Company conducts profit distribution shall be determined by the Board according to the specific circumstances.

(4) Decision-making procedures and mechanisms for the Company's profit distribution

1. The Company's profit distribution plan shall be prepared by the management and shall be submitted to the Board for consideration. The Board fully discusses the rationality of the profit distribution plan, and submits a special proposal to the shareholders' meeting for deliberation. When the Company achieved profitability in the previous financial year, but the Board does not make cash dividends or distribute profits at the percentage of cash dividend lower than that stipulated in the Company's Articles of Association, the Board will make a special explanation on the specific reasons for not paying cash dividends, the exact use of the Company's retained earnings and the expected investment income, submit it to the shareholders' meeting for review, and disclose it in the Company's designated media. When holding the meeting, the Company should provide online voting methods to facilitate the public Shareholders to participate in the shareholders' meeting to vote;
2. When the Company formulates a specific plan for cash dividends, the Board should seriously study and demonstrate the timing, conditions and minimum proportion of the Company's cash dividends, the conditions for adjustment and the requirements for decision-making procedures. Independent non-executive directors may collect opinions from minority shareholders, propose dividends, and submit them directly to the Board for consideration;

3. Before the shareholders' meeting deliberates on the specific plan for cash dividends, the Company shall communicate and exchange opinion with shareholders (especially small and medium shareholders) through various channels (including but not limited to telephone, fax, email, onsite reception, etc.), and fully listen to the opinions and appeals of the small and medium shareholders and promptly reply to the concerns of the small and medium shareholders;

(5) Adjustment of the Company's profit distribution policy

If there is force majeure such as war or natural disaster, or changes in the Company's external business environment (such as change of national policies and regulations), which have a material impact on the Company's production and operation, or when the Company's own business conditions change greatly, the Company may adjust its policy on profit distribution.

The Company's adjustment to the profit distribution policy shall be specially discussed by the Board, and the reasons for the adjustment shall be discussed in detail, and the written argumentation report shall be submitted to the shareholders' meeting for approval by way of special resolution. When considering changes to the profit distribution policy, the Company shall provide shareholders with an online voting channel. When the shareholders' meeting considers the changes in the profit distribution plan policy, the opinions of the small and medium shareholders should be fully considered.

Article 175

Reserve funds of the Company are used for recovering losses of the Company, expanding scale of operation or are capitalized to increase its registered capital. Any discretionary reserves and statutory reserves shall be utilized first; in the event of a shortfall, capital reserves fund may be used in accordance with regulations.

In the event that the Company transfers the statutory reserve funds to its increased registered capital, the remaining balance of such reserve fund must not be less than 25% of the registered capital before the transfer.

Article 176

The Company may distribute dividends through the following methods: cash, stock or other means permitted by laws, regulations and the regulatory rules of the place where the shares of the Company are listed.

Article 177

Cash dividends and other monies paid by the Company to holders of domestic shares shall be paid in RMB. Cash dividends and other monies paid by the Company to holders of overseas listed foreign shares shall be stated and announced in RMB and paid in foreign currency. Foreign currency needed by the Company to pay cash dividends and other monies to holders of overseas listed foreign shares shall be obtained pursuant to relevant State regulations on foreign exchange.

In distributing dividends to shareholders, the Company shall withhold the taxes payable by shareholders from the amount of their dividend income in accordance with the PRC tax law.

Monies paid by shareholders for any shares before calling shall bear interest, but such shareholders are not entitled to dividends announced subsequent to the calling for such monies.

Article 178

The Company shall appoint receiving agents on behalf of the holders of foreign shares. The receiving agents shall receive and hold on behalf of such shareholders dividends declared and all other monies owing by the Company in respect of such shares pending payment to them.

The receiving agents appointed by the Company shall satisfy the relevant requirements of the laws of the place where the shares of the Company are listed or the relevant regulations of the stock exchange.

The receiving agents appointed by the Company on behalf of holders of overseas listed foreign shares listed on the Hong Kong Stock Exchange shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

In respect of dividends payable to shareholders, subject to the rules of the relevant stock exchanges, the Company has the right to forfeit unclaimed dividends, which shall not be exercised prior to the expiry of the applicable period for claiming dividends.

If the Company has the power to cease sending dividend warrants by post, it shall satisfy the following conditions:

- (1) such dividend warrants have been left uncashed on two consecutive occasions; or
- (2) after the first occasion on which such a warrant is returned undelivered.

When permitted by laws, the Company has the power to sell the shares of a member who is untraceable under the following circumstances:

- (1) during a period of 12 years at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and
- (2) on expiry of the 12 years, the Company gives notice of its intention to sell the shares by way of an advertisement published in the newspapers and notifies the Hong Kong Stock Exchange of such intention.

Article 179

After the profit distribution plan has been resolved at a shareholders' meeting, or after the approval of the Board based on the interim dividend conditions and upper limit, the Company shall complete the dividend (or share) distribution within two months after the annual shareholders' meeting.

Section 2 Internal Audit System

Article 180

The Company shall implement its internal audit system, specifying the leadership structure, responsibilities and authorities, staffing, funding assurance, utilization of audit results, and accountability mechanisms for internal audit work.

Article 181

The internal audit system and the duties of the auditors shall be implemented after approval by the Board. The person in charge of the audit is responsible to the Board for reporting work. The internal audit department of the Company is responsible to the Audit and Risk Management Committee and reports to the Audit and Risk Management Committee.

The internal audit agency shall conduct supervision and inspection of the Company's business activities, risk management, internal controls, financial information, and other related matters.

In conducting supervision and inspection of the Company's business activities, risk management, internal controls, and financial information, the internal audit agency shall accept the supervision and guidance of the audit and risk management committee. Upon discovering major related problems or leads, the internal audit agency shall immediately report directly to the audit and risk management committee.

Article 182

The specific organization and implementation of the Company's internal control evaluation shall be the responsibility of the internal audit agency. Based on the evaluation report issued by the internal audit agency and reviewed by the audit and risk management committee, along with relevant supporting materials, the Company shall issue an annual internal control evaluation report.

Article 183

When the audit and risk management committee communicates with external auditing entities such as accounting firms, national audit agency, the internal audit agency shall actively cooperate and provide necessary support and coordination.

Article 184

The audit and risk management committee members shall participate in the appraisal of the head of internal audit.

Section 3 Appointment of Accounting Firms

Article 185

The Company shall employ accounting firms that meet the requirements of the Securities Law to carry out auditing of the account statements, verification of net assets and other related advisory services.

The engagement and dismissal of an accounting firm by the Company shall be decided by shareholders at the shareholders' meeting by ordinary resolution. The Board must not appoint an accounting firm before the decision of the shareholders' meeting.

The Company guarantees to provide real and complete accounting documents, accounting books, financial accounting reports and other accounting materials to the accounting firm, and shall not refuse to, conceal or lie in providing such materials.

Article 186

The accounting firm appointed by the Company shall hold office from the conclusion of the annual shareholders' meeting at which they were appointed until the conclusion of the next annual shareholders' meeting. The Company can renew the appointment upon expiry.

Article 187

Prior to the removal of an accounting firm, 15 days' notice in advance of such removal or non-renewal shall be given to the accounting firm concerned and such firm shall be entitled to make representation at the shareholders' meeting. Where the accounting firm resigns from its post, it shall make clear to the shareholders' meeting whether there has been any impropriety on the part of the Company.

Section 4 General Legal Adviser System

Article 188

The Company shall implement the general counsel system: one general counsel shall be appointed to leverage general counsel role in the legal review and oversight of business operations, thereby, promoting the Company's lawful operation and compliance management.

CHAPTER 10 MERGER, DIVISION, DISSOLUTION AND LIQUIDATION

Article 189

The Company may carry out merger or division in accordance with the law. The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

Where one company is absorbed by another in a merger by absorption, the absorbed company is dissolved. When two or more companies merge to establish a new company, the parties to the merger dissolve.

Article 190

A merger may be conducted without approval by a resolution of a shareholders' meeting if the price paid for the merger does not exceed 10% of the Company's net assets, unless otherwise provided for in those Articles of Association and the listing rules of the stock exchange of the jurisdiction(s) where the Company's shares are listed.

Where the Company's merger conducted in accordance with the preceding paragraph is not resolved by a shareholders' meeting, it shall be resolved by the Board.

Article 191

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days as of the date of the Company's resolution on merger and shall make newspaper or National Enterprise Credit Information Publicity System announcement within 30 days as of the date of the Company's resolution on merger. Creditors may, within 30 days after receipt of such notice from the Company, or within 45 days as of the date of the announcement for those who do not receive such notice, demand that the Company repay their debts to that creditor or provide a corresponding guarantee for such debts.

In the event of a merger, the claims and debts of each party involved in the merger shall be assumed by the surviving company or the newly incorporated company.

Article 192

When the Company is divided, its assets shall be split up accordingly. When the Company is divided, the parties to the division shall enter into a division agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days as of the date of the Company's resolution on division and shall make newspapers or the National Enterprise Credit Information Publicity System announcements within 30 days as of the date of the Company's resolution on division.

Unless otherwise agreed by the Company and creditors on settling liabilities in writing prior to the division, debts incurred by the Company before its division shall be jointly borne by the companies after the division.

Article 193

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

Article 194

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

- (1) a resolution for dissolution is passed at a shareholders' meeting;
- (2) dissolution as a result of a merger or division of the Company;
- (3) the business license of the Company is revoked, or the Company is ordered to close down or is rescinded in accordance with laws;
- (4) Shareholders holding not less than 10% of all the voting rights of the Company apply to the People's Court for dissolution when the Company experiences severe difficulties in its operations and management and continual operation of the Company will bring significant losses to the interest of shareholders while there are no other ways to resolve the difficulties.

Where the Company encounters any dissolution cause stipulated in the preceding paragraph, it shall publicize the cause of dissolution through the National Enterprise Credit Information Publicity System within 10 days.

Article 195

Should the Company dissolve due to reasons stipulated in the items (1), (3) and (4) of Article 194, it shall be liquidated. Directors shall be the liquidation obligor of the Company and they shall set up a liquidation committee to begin liquidation within 15 days after the occurrence of the dissolution event.

The liquidation team shall be composed of directors unless otherwise stipulated in these Articles of Association or it is resolved by a shareholders' meeting to appoint other persons.

If the liquidation obligor fails to perform his/her liquidation obligations in a timely manner, thereby causing losses to the Company or its creditors, he/she shall be liable for compensation.

Article 196

The Liquidation Committee shall notify creditors within 10 days from the date of its establishment and make newspaper or the National Enterprise Credit Information Publicity System announcement within 60 days commencing from that date. Creditors shall, within 30 days after receipt of the notice, or for those who do not receive the notice, within 45 days from the date of the announcement, declare their claims to the Liquidation Committee.

In reporting claims, a creditor shall explain the relevant particulars of the claims with supporting materials. The Liquidation Committee shall register the creditor's claims.

During the period of declaration of claims, the Liquidation Committee shall not repay any debts to the creditors.

Article 197

During the liquidation period, the Liquidation Committee shall exercise the following functions and powers:

- (1) to notify creditors by sending notice and by making announcement;
- (2) to ascertain the Company's assets and prepare a balance sheet and an inventory of assets;

- (3) to deal with and settle the Company's outstanding business deals in relation to the liquidation;
- (4) to settle outstanding taxes and taxes incurred in the course of liquidation;
- (5) to ascertain all claims and debts;
- (6) to distribute the remaining assets of the Company after the repayment of debts;
- (7) to represent the Company in any civil proceedings.

Article 198

After ascertaining the Company's assets and preparing a balance sheet and an inventory of assets, the Liquidation Committee shall formulate a liquidation plan and submit the same at the shareholders' meeting or to the People's Court for confirmation.

The remaining assets of the Company after payment of liquidation expenses, wages due to staff and workers, social insurance expenses and statutory compensation, taxes due and settlement of the Company's indebtedness shall be distributed to the shareholders on pro rata basis.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities not relating to liquidation. No assets of the Company shall be distributed to the shareholders before repayment of debts in accordance with the aforesaid items.

Article 199

If the Liquidation Committee, after ascertaining the Company's assets and preparing a balance sheet and an inventory of assets in connection with the liquidation of the Company due to dissolution discovers that the Company's assets are insufficient to repay its debts, it shall immediately apply to the People's Court for bankruptcy liquidation.

After a ruling of the People's Court accepts a bankruptcy application, the Liquidation Committee shall transfer the liquidation matters to the bankruptcy administrator designated by the People's Court.

Article 200 Following the completion of liquidation, the Liquidation Committee shall present a report on liquidation, submit to the shareholders' meeting or the People's Court for confirmation, and submit to the company registration authority and apply for cancellation of registration of the Company.

Article 201 The members of the Liquidation Committee shall perform their liquidation duties and owe the duty of loyalty and diligence. Members of the Liquidation Committee who fail to perform liquidation duties shall be responsible for compensation should he cause losses to the Company.

Whoever deliberately or through material negligence cause losses to creditors shall be responsible for compensation.

Article 202 If the Company is declared insolvent pursuant to law, insolvent liquidation shall be proceeded in accordance with laws regarding enterprise insolvency.

CHAPTER 11 AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION

Article 203 The Company may amend these Articles of Association under the requirements of laws, regulations and these Articles of Association.

The Company will make amendments to these Articles of Association upon occurrence of any of the following events:

- (1) The Company Law or the relevant laws or administrative regulations are amended and the provisions under these Articles of Association are contradictory to those under the amended laws or regulations;
- (2) Any change of the Company's conditions is contradictory to what is stated in these Articles of Association;
- (3) The shareholders' meeting has decided to make amendments to these Articles of Association.

- Article 204** Any amendment to these Articles of Association which shall be reviewed and approved by the competent authority, it shall be reported to the competent authority for approval. If there is any change relating to the registered particulars of the Company, application shall be made for the changes in registration in accordance with the laws.
- Article 205** The Board shall amend these Articles of Association in accordance with the resolution on amendments to these Articles of Association passed at the shareholders' meeting and the approval opinions of the relevant competent authorities.
- Article 206** Any amendment to these Articles of Association shall be subject to announcement if so required by the laws and regulations.

CHAPTER 12 NOTICES AND ANNOUNCEMENTS

- Article 207** Notices of the Company shall be given or provided by one or more of the following means:
- (1) by hand;
 - (2) by post;
 - (3) by email, fax or other electronic means or information carrier;
 - (4) by announcement published on newspaper;
 - (5) by publishing on the Company's website or websites designated by the securities regulatory authorities in the places where the Company's shares are listed, subject to applicable laws, regulations and relevant requirements of the securities regulatory authorities in the places where the Company's shares are listed;
 - (6) by other means previously agreed by the Company or the parties to be notified or accepted by the parties to be notified upon receiving the notice;
 - (7) by other means approved by relevant securities regulatory authorities in the places where the Company's shares are listed or provided by these Articles of Association.

Notwithstanding any other provision contained in these Articles of Association in respect of the giving of any notices, communications or other written materials, the Company may choose to announce such corporate communications by means provided under item (5) paragraph (1) of this Article, subject to relevant provisions of the securities regulatory authorities in the places where the Company's shares are listed.

The aforesaid corporate communications refer to any documents issued or to be issued by the Company for the information or action of any holders of overseas listed foreign shares, including but not limited to (1) annual reports, including reports of the Board, annual accounts of the Company, auditors' reports and summary financial reports(if applicable); (2) interim reports and summary interim reports(if applicable); (3) notices of meetings; (4) listing documents; (5) circulars; (6) proxy forms; and (7) other documents as required by the laws, regulations and listing rules in the places where the Company's shares are listed.

Article 208

Where a notice of the Company is delivered by hand, the addressee shall sign (or stamp) on the receipt of the delivery and the date of acknowledgement of receipt signed by the addressee shall be deemed as the date of delivery;

Where a notice of the Company is sent by post, 48 hours after the date on which the notice is delivered to post office shall be deemed as the date of delivery;

Where a notice of the Company is made by facsimile or email, or on websites, the date of issue shall be deemed as the date of delivery;

Where a notice of the Company is made via announcement, the date on which the announcement is published for the first time shall be deemed as the date of delivery. Once the announcement is made, all relevant parties shall be deemed to have been notified.

Article 209

If the regulatory rules in the places where the Company's shares are listed require the Company to send, mail, issue, dispatch, publish or otherwise provide the relevant documents of the Company in both English and Chinese versions, the Company may, to the extent permitted by laws and regulations and in accordance with applicable laws and regulations, (if a shareholder has so indicated) only send him or her the English versions or Chinese versions of documents if the Company has made sufficient arrangements to ascertain whether its shareholders wish to only receive English versions or Chinese versions of documents.

CHAPTER 13 SUPPLEMENTARY PROVISIONS**Article 210**

These Articles of Association are written in Chinese. In the event that there is a discrepancy between any other language version or different version hereof and these Articles of Association, the most recent Chinese version hereof registered with the company registration authority shall prevail.

Article 211

The meaning of accounting firms referred to in these Articles of Association is the same as the "auditor" referred to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Article 212

Unless otherwise required by the context, the following terms used in these Articles of Association shall have the meanings assigned to them below:

- (1) "all the directors" means all of the members of the Board specified in these Articles of Association;
- (2) "other senior management members" means the Company's Vice Presidents, Chief Accountant, Secretary to the Board, general counsel and other management members confirmed by the Company.
- (3) "RMB" means the lawful currency of the People's Republic of China;

- (4) “laws” means the applicable laws, administrative regulations, ministerial level rules and regulations, local regulations, local government rules and regulations and legally binding government regulatory documents current in the PRC on the effective date of these Articles of Association and those as issued or amended from time to time;
- (5) “administrative regulations” means legal norms formulated by the State Council pursuant to the Constitution and laws, and promulgated in the form of Orders of the State Council;
- (6) “subsidiary” means a company that is directly or indirectly controlled by the Company, that has legal person status and that independently bears civil liability;
- (7) “controlling shareholder” means a person that satisfies any of the following conditions:
 - 1. he or she, acting alone or in concert with others, has the power to elect a majority of the directors;
 - 2. he or she, acting alone or in concert with others, has the power to exercise or to control the exercise of at least 30% of the Company’s voting rights;
 - 3. he or she, acting alone or in concert with others, holds at least 30% of the outstanding shares of the Company;
 - 4. he or she, acting alone or in concert with others, actually controls the Company in any other manner.
- (8) “acting in concert” means two or more persons who, by way of agreement (whether verbal or in writing) or other arrangements enlarge the proportion of the shares in the Company which are under their control or consolidate their control over the Company, so that when a vote is taken, the same expression of opinions will be made.

- (9) “de facto controller” means natural person, legal person or other organizations who are able to actually direct the acts of the Company by virtue of an investment relationship, agreement or other arrangement. The Company shall objectively and cautiously determine the ownership of control according to the shareholding structure, the nomination, appointment and dismissal of directors and senior management members, and other internal governance.
- (10) “related relationship” means the relationship between the Company’s controlling shareholder, de facto controller, a director, Chief Executive Officer and other senior management members on the one hand and an enterprise he or she directly or indirectly controls on the other hand, as well as any other relationship that may result in a diversion of the Company’s interests; however, enterprises controlled by the state shall not be deemed to have a related relationship merely by virtue the fact that such enterprises are under the common control of the state.

The terms “related”, “related party”, “related transaction” and “related relationship”, etc. as used in these Articles of Association have the definitions as stipulated in the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange. The terms “connected”, “connected transaction”, “connected relationship” and “core connected person”, etc. as used in these Articles of Association have the definitions as stipulated in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Article 213

Unless otherwise provided in these Articles of Association, for the purposes of these Articles of Association, the terms “at least”, “within”, “not less than” and “no more than” shall include the number itself; and the terms “less than”, “other than”, “more than”, “before” and “after” shall not include the number itself.

Article 214

The Board shall be responsible for the interpretation of these Articles of Association.

The matters not covered in these Articles of Association shall be dealt with in accordance with the laws, administrative regulations and the securities supervision and management rules of the places where the Company's shares are listed, in conjunction with the actual circumstances of the Company. In the event that these Articles of Association is in conflict with the newly promulgated laws, administrative regulations and the securities supervision and management rules of the places where the Company's shares are listed, such newly promulgated laws, administrative regulations or the securities supervision and management rules of the places where the Company's shares are listed shall prevail.

Otherwise stipulated by those Articles of Association, the term "regulations" as used herein refers to administrative regulations.

Article 215

The appendices to these Articles of Association include rules of procedure of the shareholders' meeting and the Board.