

Jiangsu Lopal Tech. Group Co., Ltd.

ARTICLES OF ASSOCIATION

**Jiangsu Lopal Tech. Group Co., Ltd.
March 2026**

Note: The Articles of Association of Jiangsu Lopal Tech. Group Co., Ltd. are prepared in Chinese and the English version is therefore a translation only. In the event of any discrepancy between the English translation and the Chinese version, the Chinese version shall prevail.

CONTENTS

	<i>Page</i>
CHAPTER I	GENERAL PROVISIONS 4
CHAPTER II	OBJECTIVES AND SCOPE OF BUSINESS 6
CHAPTER III	SHARES 7
	SECTION 1 ISSUANCE OF SHARES 7
	SECTION 2 INCREASE, REDUCTION AND REPURCHASE OF SHARES 8
	SECTION 3 TRANSFER OF SHARES 10
CHAPTER IV	SHAREHOLDERS AND GENERAL MEETINGS 12
	SECTION 1 GENERAL PROVISIONS FOR SHAREHOLDERS 12
	SECTION 2 CONTROLLING SHAREHOLDER(S) AND DE FACTO CONTROLLER(S) .. 17
	SECTION 3 GENERAL PROVISIONS FOR GENERAL MEETING 18
	SECTION 4 SUMMONING OF GENERAL MEETINGS 22
	SECTION 5 PROPOSALS AND NOTICES OF GENERAL MEETINGS 24
	SECTION 6 CONVENING OF GENERAL MEETINGS 26
	SECTION 7 VOTING AND RESOLUTIONS OF GENERAL MEETINGS 31
CHAPTER V	DIRECTORS AND BOARD OF DIRECTORS 37
	SECTION 1 GENERAL PROVISIONS FOR DIRECTORS 37
	SECTION 2 BOARD OF DIRECTORS 43
	SECTION 3 INDEPENDENT DIRECTORS..... 53
	SECTION 4 SPECIAL COMMITTEES OF THE BOARD 57

	<i>Page</i>
CHAPTER VI	SENIOR MANAGEMENT 60
CHAPTER VII	FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT 62
	SECTION 1 FINANCIAL AND ACCOUNTING SYSTEM 62
	SECTION 2 PROFIT DISTRIBUTION 63
	SECTION 3 INTERNAL AUDIT 69
	SECTION 4 APPOINTMENT OF ACCOUNTING FIRM 70
CHAPTER VIII	NOTICES AND ANNOUNCEMENTS 71
	SECTION 1 NOTICES 71
	SECTION 2 ANNOUNCEMENTS 72
CHAPTER IX	MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION 73
	SECTION 1 MERGER, DIVISION, CAPITAL INCREASE AND CAPITAL REDUCTION 73
	SECTION 2 DISSOLUTION AND LIQUIDATION ... 76
CHAPTER X	AMENDMENTS TO THE ARTICLES OF ASSOCIATION 79
CHAPTER XI	SUPPLEMENTARY PROVISIONS 79

CHAPTER I GENERAL PROVISIONS

- Article 1** These Articles of Association have been formulated 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 (hereinafter referred to as the “Hong Kong Listing Rules”), the Guidelines for the Articles of Association of Listed Companies and other relevant provisions, in order to protect the legal rights and interests of Jiangsu Lopal Tech. Group Co., Ltd. (hereinafter referred to as the “Company”), its shareholders, employees and creditors, and regulate the organization and acts of the Company.
- Article 2** The Company is a joint stock company with limited liabilities incorporated pursuant to the Company Law and other relevant regulations.
- The Company was incorporated by Jiangsu Lopal Petrochemical Co., Ltd. as the promoter by means of entire reorganization on January 23, 2014. The Company is registered with and has obtained its business license from the Nanjing Administration for Market Regulation, with the unified social credit code: 913201927453848380.
- Article 3** Upon approval by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) on March 10, 2017, the Company initially issued 52,000,000 ordinary shares (hereinafter referred to as “A Shares”) to the public, which were listed on the Shanghai Stock Exchange on April 10, 2017.
- After filing with the CSRC on January 17, 2024 and approval by The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”, and together with “Shanghai Stock Exchange”, collectively the “Stock Exchanges”) on October 29, 2024, the Company initially issued to the public 100,000,000 overseas listed shares (hereinafter referred to as the “H Shares”). The aforesaid H Shares were listed on the Main Board of the Hong Kong Stock Exchange on October 30, 2024.
- Article 4** Registered name of the Company:
Chinese name: 江蘇龍蟠科技集團股份有限公司
English name: Jiangsu Lopal Tech. Group Co., Ltd.
Group name: Jiangsu Lopal Tech. Group
- Article 5** Domicile of the Company: No. 6 Hengtong Avenue, Nanjing Economic and Technological Development Zone, PRC; Postal code: 210038.

Article 6 The registered capital of the Company is RMB682,996,503.

Where there is a change in the total registered capital of the Company due to the increase or reduction of registered capital, upon approval at a general meeting for a resolution on increase or reduction of registered capital, the Articles of Association shall be amended accordingly, with arrangements for the registration of the change in registered capital by the Board.

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

Article 8 The chairperson (hereinafter referred to as the “Chairperson”) of the board of directors (hereinafter referred to as the “Board”) shall be the director acting on behalf of the Company. The Company’s legal representative is the Chairperson of the Board. Where the Chairperson resigns, he shall be deemed to have resigned from the position of the legal representative simultaneously. Where the legal representative resigns, the Company shall determine a new legal representative within thirty days from the date of the resignation of the legal representative.

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

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

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

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

Article 11 From the date on which they come into effect, these Articles of Association shall constitute a legally binding document regulating the Company’s organization and acts, and the rights and obligations between the Company and its shareholders, and among shareholders, and shall be legally binding upon the Company, its shareholders, directors and senior management.

Pursuant to these Articles of Association, a shareholder may sue another shareholder, or the Company's directors and senior management. A shareholder may sue the Company, and the Company may sue its shareholders, directors and senior management.

Article 12 The term "senior management" as mentioned herein shall refer to the general manager, the deputy general manager(s), the financial officer, the secretary to the Board and other personnel as stipulated in these Articles of Association.

Article 13 The Company shall establish the organization of the Communist Party and carry out Party activities in accordance with the regulations of the Constitution of the Communist Party of China. The Company shall provide necessary conditions for the activities of the Party organization.

CHAPTER II OBJECTIVES AND SCOPE OF BUSINESS

Article 14 The business objectives of the Company are to share brand value taking LOPAL as a bridge.

Article 15 As approved by the company registration authorities, the Company's scope of business comprises: general projects: sales of lubricating oil; sales of special chemical products (excluding hazardous chemicals); sales of petroleum products (excluding hazardous chemicals); wholesales of auto parts; auto parts retail; sales of chemical products (excluding licensed chemical products); technical services, technology development, technical consultation, technology exchange, technology transfer, technology promotion; sales of disinfectants (excluding hazardous chemicals); technology import and export; import and export of goods; and licensed projects: production of disinfectants (excluding hazardous chemicals); road cargo transport (excluding dangerous goods) (save as licensed business, projects that are not prohibited or restricted by laws or regulations may be independently operated in accordance with laws).

The Company may make adjustments to its scope of business and way of operation in light of market changes and business development needs of the Company. In case of any adjustment to the scope of business and way of operation, the Articles of Association shall be amended in accordance with the provisions hereof and registered with the company registration authorities. If the adjusted scope of business involves projects restricted by the laws and administrative regulations of the PRC, such adjustments shall be subject to the approval of the competent authorities in accordance with laws.

CHAPTER III SHARES

SECTION 1 ISSUANCE OF SHARES

Article 16 Shares of the Company shall take the form of share certificates.

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

Shares of the same class and the same issuance shall be issued on the same conditions and at the same price. The subscriber shall pay the same price for each of the shares it/he/she subscribes for.

Article 18 The par value of the par value Shares issued by the Company is denominated in RMB and each of the Share has a par value of RMB1. The shares issued by the Company and listed on the Shanghai Stock Exchange are referred to as “A Shares”; the shares issued by the Company and listed on the Hong Kong Stock Exchange are referred to as “H Shares”.

Article 19 The number of shares subscribed for by the promoter shareholders and their percentage of shareholding at the establishment of the Company by way of promotion are as follows:

No.	Name of sponsor shareholder	Number of shares subscribed for (shares)	Percentage of shareholding	Method of contribution
1	Shi Junfeng	105,487,200	67.62%	Shares converted from net assets
2	Jiantou Jiachi (Shanghai) Investment Co., Ltd. (建投嘉馳 (上海)投資有限公司)	25,771,200	16.52%	Shares converted from net assets
3	Nanjing Beili Entrepreneurship Investment Centre (Limited Partnership) (南京貝利投資中心 (有限合夥))	13,026,000	8.35%	Shares converted from net assets
4	Zhu Xianglan	11,715,600	7.51%	Shares converted from net assets
	Total	156,000,000	100.00%	Shares converted from net assets

Article 20 The A Shares issued by the Company are centrally deposited at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, and the H Shares listed in Hong Kong by the Company are mainly under the central depository’s custody, which belongs to Hong Kong Securities Clearing Company Limited and may also be held by shareholder in individual names.

Article 21 The total number of shares of the Company is 682,996,503, all being ordinary shares.

Article 22 The Company or its subsidiaries (including its affiliates) shall not provide financial assistance to others for the acquisition of the shares of the Company or its parent company in the form of gifts, advances, guarantees or loans, except for the employee stock ownership schemes implemented by the Company.

Subject to the securities regulatory rules of the place where the Company's shares are listed, for the benefit of the Company, and upon a resolution of the general meeting, or a resolution of the Board in accordance with these Articles of Association or the authorization of the general meeting, the Company may provide financial assistance to others for the acquisition of the shares of the Company's or its parent company's shares, provided that the cumulative total amount of the financial assistance shall not exceed 10% of the total issued share capital. Resolutions made by the Board shall be passed by more than two-thirds of all the directors.

SECTION 2 INCREASE, REDUCTION AND REPURCHASE OF SHARES

Article 23 Based on its operation and development needs, in accordance with the laws and regulations, and subject to the resolutions of the general meeting, the Company may increase its capital by any of the following ways:

- (i) issuance of shares to non-specific targets;
- (ii) issuance of shares to specific targets;
- (iii) distribution of bonus shares to existing shareholders;
- (iv) conversion of capital reserve into share capital;
- (v) other means stipulated by laws and administrative regulations and approved by the CSRC.

Article 24 The Company may reduce its registered capital. The reduction of registered capital shall comply with the Company Law and other relevant regulations as well as the procedures stipulated in these Articles of Association.

Article 25 The Company shall not buy back its shares, except in one of the following circumstances:

- (i) reduction of the Company's registered capital;

- (ii) mergers with another company holding shares of the Company;
- (iii) use of shares for employee shareholding scheme or equity incentives;
- (iv) shareholders who object to resolutions made at the general meeting on merger or division of the Company requesting the Company to purchase their shares;
- (v) use of shares for conversion of corporate bonds issued by the Company which are convertible into shares;
- (vi) where it is necessary for the Company to preserve its value and shareholders' interest.

In the circumstance referred to in item (vi) of the preceding paragraph, one of the following conditions shall be met: 1. the closing price of the Company's shares is lower than its net assets per share for the most recent period; 2. the closing price of the Company's shares has fallen by an aggregate of 20% within 20 consecutive trading days; 3. the closing price of the Company's shares is lower than 50% of the highest closing price of the shares in the most recent year; 4. other conditions stipulated in the securities regulatory rules of the place where the Company's shares are listed.

Article 26 The Company may purchase its own shares by the public and centralized trading or other ways approved by the laws, administrative regulations, the CSRC and other stock exchanges of the place where the Company's shares are listed.

Where the Company purchases its own shares under the circumstances set forth in items (iii), (v) or (vi) under the first paragraph of Article 25 herein, it shall be conducted by way of public and centralized trading.

Article 27 Where the Company purchases its own shares under the circumstances set forth in items (i) and (ii) under the first paragraph of Article 25 herein, it shall be resolved at a general meeting. Where the Company purchases its own shares under the circumstances set forth in items (iii), (v) or (vi) under the first paragraph of Article 25 herein, a resolution thereon may, pursuant to the securities regulatory rules of the place where the shares of the Company are listed, be resolved at a Board meeting that is attended by more than two-thirds of the directors in accordance with these Articles of Association or the authorization of the general meeting.

Upon the purchase of its A Shares by the Company pursuant to the provisions of the first paragraph of Article 25 herein, under the circumstance set forth in item (i), such shares shall be cancelled within 10 days from the date of purchase; under the circumstances set forth in items (ii) and (iv), such shares shall be transferred or cancelled within six months; under the circumstances set forth in items (iii), (v) and (vi), the total number of A Shares held by the Company shall not exceed 10% of the total issued A Shares of the Company, and shall be transferred or cancelled within three years.

Upon the purchase of its H Shares by the Company pursuant to the provisions in the first paragraph of Article 25 herein, such H Shares may, at the option of the Company, be cancelled immediately or held as treasury shares in accordance with the Hong Kong Listing Rules. In the event that the directors do not specify that the relevant Shares are to be held as treasury shares, such H Shares shall be cancelled. The Company shall hold treasury shares in a clearly identifiable separate account within the Central Clearing and Settlement System. The Company shall not exercise any right in respect of the treasury shares, and no dividend may be declared or paid in respect of a treasury share. Treasury shares may be disposed of by the Company on such terms and conditions as determined by the directors subject to these Articles of Association and the Hong Kong Listing Rules.

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

SECTION 3 TRANSFER OF SHARES

Article 28 Shares of the Company shall be transferred according to the law.

Transfers of H Shares shall be effected with a written instrument of transfer in general or ordinary format or such other format as acceptable to the Board (including the standard transfer format or form of transfer specified from time to time by the Hong Kong Stock Exchange). If the transferor or transferee of the Company's shares is a recognized clearing house as defined by relevant ordinances or regulations enacted and effective in Hong Kong region from time to time (a "Recognized Clearing House") or an agent thereof, the written instrument of transfer may be signed by hand or in mechanically-printed form. All instruments of transfer must be kept at the legal address of the Company or such other places as the Board may designate from time to time.

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

Article 30 Shares issued prior to the public offering of A Shares of the Company shall not be transferred within one year from the date on which the A Shares of the Company are listed and traded on the Stock Exchanges.

Directors and senior management of the Company shall report to the Company their holdings of shares of the Company and the changes thereof. During their term of office determined upon taking office, the shares transferred by any of them each year shall not exceed 25% of the total shares of the Company held by them. The shares of the Company held by the aforesaid persons shall not be transferred within one year from the date on which the shares of the Company are listed and traded. The above personnel shall not transfer the shares of the Company held by them within half a year after their resignation.

If the shares of the Company are pledged during the restricted transfer period stipulated by laws and administrative regulations, the pledgee shall not exercise the pledge right during the restricted transfer period.

Article 31 Where shareholders holding 5% or above shares of the Company, directors and senior management sell the shares of the Company or other securities with an equity nature within 6 months after purchasing the same, or purchase the shares of the Company or other securities with an equity nature as held within 6 months after selling the same, the earnings arising therefrom shall belong to the Company, and the Board shall recover such earnings. However, the restriction shall not be applicable to a securities company holding 5% or above of the shares of the Company as a result of its purchase of the remaining unsold shares underwritten by it and other circumstances stipulated by the CSRC. Where the listing rules of the place where the shares of the Company are listed provide otherwise, such provisions shall prevail.

Shares or other securities with an equity nature held by directors, senior management and individual shareholders as mentioned in the preceding paragraph include shares or other securities with an equity nature held by their spouses, parents or children, or held by them by using other people's accounts.

If the Board fails to comply with the first paragraph of this Article, shareholders are entitled to request the Board to do so within 30 days. If the Board fails to comply within the aforesaid period, shareholders are entitled to initiate legal proceedings directly in the People's Court in their own names for the interest of the Company.

If the Board fails to comply with the provisions set forth in the first paragraph of this Article, the responsible directors shall bear joint and several liabilities in accordance with the law.

CHAPTER IV SHAREHOLDERS AND GENERAL MEETINGS

SECTION 1 GENERAL PROVISIONS FOR SHAREHOLDERS

Article 32 The Company shall establish a register of members with the evidence provided by the securities registration authority. The register of members shall be sufficient evidence of the holding of the shares of the Company by the shareholders.

The original copy of the register of members of H Shares listed in Hong Kong shall be kept in Hong Kong for shareholders' inspection. However, the Company may suspend the registration of shareholders in accordance with the provisions of the applicable laws and regulations and the securities regulatory rules of the place where shares of the Company are listed. If the Company has maintained a copy of the register of members of H Shares while the original and copy of the register of members of H Shares are inconsistent, the original shall prevail. Any shareholder who is registered in, or any person who requests to have his/her name entered in, the register of holders of H Shares may, if his/her share certificates are lost, apply to the Company for a replacement share certificate in respect to such shares. Where holders of H Shares apply to re-issue after losing their share certificates, it shall be dealt with pursuant to the laws and regulations of the place where the original copy of the register of members of H Shares is kept and the provisions of the securities regulatory rules of the place where the Company's shares are listed or other relevant provisions.

Shareholders shall enjoy the rights and assume the obligations according to the class of the shares they hold. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

A controlled subsidiary of the Company shall not acquire the shares of the Company. If the controlled subsidiary of the Company holds the shares of the Company due to company mergers, exercise of pledge rights, etc., it shall not exercise the voting rights corresponding to the shares held by it, and the relevant shares of the Company shall be disposed of in a timely manner.

Article 33 Where the Company convenes a general meeting, distributes dividends, undergoes liquidation and engages in other activities requiring the identification of shareholders, the Board or the convener of the general meeting shall decide the equity registration date. Shareholders whose names appear on the register at the close of trading on the equity registration date shall be shareholders enjoying relevant rights and interests.

Article 34 Shareholders of the Company shall enjoy the following rights:

- (i) to receive dividends and other distributions in proportion to the shares they hold;
- (ii) to request, convene, preside over, attend or appoint a proxy to attend general meetings and exercise the corresponding voting rights in accordance with laws;
- (iii) to supervise, present suggestions on or make inquiries about the operations of the Company;
- (iv) to transfer, gift or pledge the shares they hold in accordance with laws, administrative regulations and regulations of these Articles of Association;
- (v) to inspect and copy these Articles of Association, register of members, minutes of general meetings, resolutions of Board meetings and financial and accounting reports. Shareholders who meet the prescribed conditions may inspect the accounting books and accounting vouchers of the Company;
- (vi) in the event of termination or liquidation of the Company, to participate in the distribution of the remaining property of the Company in proportion to the number of shares held by them;
- (vii) to require the Company to purchase their shares in the event of objection to the resolutions of the general meeting on merger or division of the Company;
- (viii) to enjoy other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or regulations of these Articles of Association.

Article 35 Shareholders who request to inspect and copy relevant materials of the Company shall abide by laws such as the Company Law and the Securities Law, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed.

Where a shareholder requests to inspect or copy, or obtain the relevant information as set forth in the preceding paragraph, such shareholder shall provide the Company with a document in writing proving the class and number of the shares of the Company held by it, and the Company shall provide such information at the request of such shareholder upon verification of its identity. Where shareholders individually or collectively holding more than 3% of the shares of the Company for more than 180

days in succession request to inspect the accounting books and accounting vouchers of the Company, it shall be dealt with in accordance with the relevant requirements of the Company Law.

Article 36 If any resolution of a general meeting or the Board is in violation of the laws or administrative regulations, shareholders shall have the right to request the People's Court to invalidate the said resolution.

If the convening procedures and voting methods of the general meetings or Board meetings are in violation of the laws, administrative regulations or these Articles of Association or if the contents of any resolution are in breach of these Articles of Association, shareholders shall have the right to request the People's Court to revoke such resolution within 60 days from the date on which the resolution is approved. However, if the convening procedures or voting methods of the general meetings or Board meetings are only slightly flawed and have no substantial impact on the resolution, this will be an exception.

If the Board, shareholders or other relevant parties dispute the validity of a resolution of the general meeting, they shall promptly file a lawsuit with the people's court. Until the People's Court issues a judgment or ruling to revoke the resolution, the relevant parties shall implement the resolution of the general meeting. The Company, directors and senior management personnel shall diligently perform their duties to ensure the normal operation of the Company.

When the People's Court issues a judgment or ruling on the relevant matter, the Company shall fulfill its information disclosure obligations in accordance with laws, administrative regulations, and the provisions of the CSRC and the stock exchange, fully explaining the impact. After the judgment or ruling takes effect, the Company shall actively cooperate in its execution. In case of correcting prior matters, the Company shall handle it promptly and fulfill the corresponding information disclosure obligations.

Article 37 The resolutions of the general meeting and the Board of the Company shall be deemed invalid under any of the following circumstances:

- (i) no general meeting or the Board meeting was held to make the resolution;
- (ii) the general meeting and the Board meeting did not vote on the resolution matter;

- (iii) the number of attendees or the voting rights held did not meet the quorum requirements stipulated in the Company Law or these Articles of Association;
- (iv) the number of people or the voting rights held approving the resolution did not meet the approval requirements stipulated in the Company Law or these Articles of Association.

Article 38

Where any director or senior management other than the audit committee violates any law, administrative regulation or these Articles of Association in the course of performing his or her duties with the Company and causes losses to the Company, shareholders individually or collectively holding 1% or more of the shares of the Company for more than 180 consecutive days shall be entitled to request in writing the audit committee to initiate proceedings in the People's Court; where any member of the audit committee violates any law, administrative regulation or these Articles of Association in the course of performing his or her duties with the Company and causes losses to the Company, such shareholders may make a request in writing to the Board to initiate proceedings in the People's Court.

In the event that the audit 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 of receiving such request, 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 the People's Court directly in their own names for the benefit of the Company.

Where the Company incurs losses as a result of infringement upon the legitimate rights and interests of the Company by any other persons, shareholders stated in the first paragraph of this Article may initiate proceedings in the People's Court pursuant to the provisions of the first two paragraphs.

Where any director, supervisor or senior management of a wholly-owned subsidiary of the Company violates any law, administrative regulation or these Articles of Association in the course of performing his or her duties with the Company and causes losses to the Company, or the wholly-owned subsidiary incurs losses as a result of infringement upon the legitimate rights and interests of the subsidiary by any other persons, shareholders individually or collectively holding 1% or more of the shares of the Company for more than 180 consecutive days shall be entitled to request in writing the supervisory committee or the board of directors of

the wholly-owned subsidiary to initiate proceedings in the People's Court, or initiate proceedings in the People's Court directly in their own names pursuant to the provisions of the first three paragraphs.

If the Company's wholly-owned subsidiary has not established a supervisory committee or any supervisor, but established an audit committee, the matter shall be dealt with in accordance with paragraphs one and two of this Article.

Article 39 Shareholders may initiate proceedings in the People's Court in the event that a director or senior management has violated laws, administrative regulations or these Articles of Association, damaging the interests of shareholders.

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

- (i) to abide by the laws, administrative regulations and these Articles of Association;
- (ii) to pay capital contribution as per the shares subscribed for and the method of subscription;
- (iii) not to withdraw share capital unless prescribed otherwise in laws and regulations;
- (iv) not to abuse shareholders' rights to impair the interests of the Company or other shareholders; not to abuse the independent status of legal person or shareholders' limited liabilities to impair the interests of the creditors of the Company;
- (v) to assume other obligations prescribed by the laws, administrative regulations and these Articles of Association.

Article 41 Shareholders of the Company who abuse their shareholders' rights and thereby cause loss on the Company or other shareholders shall be liable for loss compensation according to the laws. Where shareholders of the Company abuse the Company's position as an independent legal person and the limited liabilities 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 and severally liable for the debts owed by the Company; if a shareholder uses two or more companies under his control to carry out the acts set forth in the preceding paragraph, each company shall bear joint and several liability for the debts of any one company.

SECTION 2 CONTROLLING SHAREHOLDER(S) AND DE FACTO CONTROLLER(S)

Article 42 The controlling shareholder or de facto controller of the Company shall exercise their rights and fulfil their obligations in accordance with the laws, administrative regulations, the requirements of the CSRC and the stock exchange, and safeguard the interests of the Company.

Article 43 The controlling shareholder or de facto controller of the Company shall comply with the following provisions:

- (1) to exercise their rights as shareholders in accordance with the law and not abuse their control or use their affiliation to prejudice the legitimate interests of the Company or other shareholders;
- (2) to strictly implement the public statements and undertakings made and shall not change or waive them;
- (3) to fulfil information disclosure obligations in strict accordance with the relevant regulations, to proactively cooperate with the Company in information disclosure and to inform the Company in a timely manner of material events that have occurred or are proposed to occur;
- (4) not to appropriate the Company's funds in any way;
- (5) not to order, instruct or request the Company and relevant personnel to provide guarantees in violation of laws and regulations;
- (6) not to make use of the Company's undisclosed material information to gain benefits, not to divulge in any way undisclosed material information relating to the Company, and not to engage in insider trading, short-swing trading, market manipulation and other illegal and unlawful acts;
- (7) not to prejudice the legitimate rights and interests of the Company and other shareholders through unfair related transactions, profit distribution, asset restructuring, external investment or any other means;
- (8) to ensure the integrity of the Company's assets, and the independence of personnel, finance, organisation and business, and not to affect the independence of the Company in any way;

- (9) other provisions prescribed by laws, administrative regulations, the CSRC, the business rules of the stock exchange and these Articles of Association.

If the controlling shareholder or de facto controller of the Company does not serve as a director of the Company but actually executes the affairs of the Company, the provisions of these Articles of Association regarding the obligations of loyalty and diligence of directors shall apply.

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

Article 44 Where the controlling shareholder or de facto controller pledges the shares of the Company that he/she holds or actually controls, he/she shall maintain the stability of the Company's control and production operations.

Article 45 Where the controlling shareholder or de facto controller transfers the shares of the Company held by him/her, he/she shall comply with the restrictive provisions on the transfer of shares set out in the laws, administrative regulations, the requirements of the CSRC and the stock exchange, as well as his/her undertakings in respect of the restriction on the transfer of shares.

SECTION 3 GENERAL PROVISIONS FOR GENERAL MEETING

Article 46 The general meeting is the organ of authority of the Company and shall exercise the following duties and powers in accordance with laws:

- (i) to elect and replace directors and to determine matters relating to the remuneration of the directors;
- (ii) to consider and approve the reports of the Board;
- (iii) to consider and approve the profit distribution plan and loss recovery plan of the Company;
- (iv) to resolve on the increase or reduction of the registered capital of the Company;
- (v) to resolve on the issuance of corporate bonds;
- (vi) to resolve on the merger, division, dissolution, liquidation or change in corporate form of the Company;

- (vii) to amend these Articles of Association;
- (viii) to resolve on the appointment or dismissal of accounting firms undertaking the Company's audit work by the Company;
- (ix) to consider and approve the guarantee issues specified in Article 47 of these Articles of Association;
- (x) to consider matters relating to the purchase and sale by the Company within one year of material assets valued at more than 30% of the audited total assets of the Company as at the most recent period;
- (xi) to consider and approve matters relating to changes in the use of proceeds;
- (xii) to consider equity incentive scheme and employee shareholding scheme;
- (xiii) where the Company purchases its own shares under the circumstances set forth in items (iii), (v) and (vi) in the first paragraph of Article 25 herein, the general meeting shall authorize the Board to consider;
- (xiv) to consider other matters to be resolved by the general meeting as required by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or these Articles of Association.

The general meeting may authorize Board meeting to make resolutions on the issuance of corporate bonds.

Article 47

The following provision of external guarantees by the Company is subject to the consideration and approval of the general meeting upon the consideration and approval of the Board:

- (i) the total amount of the external guarantees provided by the Company and its holding subsidiaries exceeding 50% of the latest audited net assets;
- (ii) the total amount of the external guarantees provided by the Company exceeding 30% of the latest audited total assets;
- (iii) the amount of the guarantees provided by the Company within one year exceeding 30% of the latest audited total assets;

- (iv) any guarantee to be provided to a recipient of such security whose asset to liability ratio is over 70%;
- (v) any single guarantee with an amount exceeding 10% of the latest audited net assets;
- (vi) any guarantee provided to shareholders, de facto controllers, and their related parties;
- (vii) other guarantees to be considered and approved by the general meeting as required by relevant laws and regulations, listing rules at the place where the shares of the Company are listed and these Articles of Association.

When a guarantee mentioned in item (iii) above is considered at the general meeting, it shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting.

When the general meeting is considering a proposal to provide guarantee for any shareholder, de facto controller and their related parties, the said shareholder or the shareholders controlled by the said de facto controller shall be abstained from voting on the proposal, and the proposal shall be subject to approval by more than half of the voting rights of the other attending shareholders.

The accountability mechanism for violations of approval authority and approval procedures shall be executed in accordance with the Company's management rules for external guarantees and other relevant provisions.

Article 48 General meetings are classified into annual general meetings and extraordinary general meetings. Annual general meetings shall be convened once a year within six months from the end of the previous fiscal year.

Article 49 The Company shall convene an extraordinary general meeting within two months from the date of occurrence of any of the following circumstances:

- (i) when the number of directors is less than the statutory minimum quorum provided for in the Company Law or two-thirds of the number specified in these Articles of Association;
- (ii) when the uncovered loss of the Company reaches one-third of its total paid-up share capital;
- (iii) upon written request(s) by shareholder(s) individually or collectively holding 10% or above of the shares of the Company;

- (iv) when the Board deems it necessary;
- (v) when the audit committee proposes to hold such a meeting;
- (vi) other circumstances required by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed or these Articles of Association.

The number of shares held as referred to in item (iii) above shall be calculated based on the date on which shareholders submit a written request.

Article 50 The venue of the general meeting of the Company shall be the domicile of the Company or other place designated by the convener of the general meeting. General meetings shall be held onsite at the designated venue for meeting. The Company will also provide online or other means for the convenience of participation by the shareholders in general meetings. Shareholders participating in a general meeting by the aforementioned means shall be deemed to have attended such meeting.

Article 51 When holding a general meeting, the Company shall engage lawyers to give legal opinions and make an announcement on the following matters:

- (i) whether the procedures of convening and holding the meeting comply with laws, administrative regulations and these Articles of Association;
- (ii) whether the qualifications of the attendees and the convener of the meeting are lawful and valid;
- (iii) whether the voting procedure and results of the meeting are lawful and valid;
- (iv) issue legal opinions on other relevant matters upon request by the Company.

SECTION 4 SUMMONING OF GENERAL MEETINGS

Article 52 The Board shall convene a general meeting in a timely manner within the prescribed period.

With the consent of more than half of all independent directors, independent directors shall have the right to propose to the Board to convene an extraordinary general meeting. The Board shall, pursuant to relevant laws, administrative regulations and these Articles of Association, give a written response on whether or not it agrees to convene such an extraordinary general meeting within 10 days after receipt of the proposal of the independent director to convene such a meeting. If the Board agrees to convene an extraordinary general meeting, it shall give a notice convening such meeting within 5 days after it has so resolved. If the Board does not agree to convene the extraordinary general meeting, it shall give the reasons and make an announcement.

Article 53 The audit committee shall propose to the Board in writing to convene an extraordinary general meeting. The Board shall, in accordance with relevant laws, administrative regulations and these Articles of Association, give a written response on whether or not it agrees to convene such an extraordinary general meeting within 10 days after the receipt of the proposal.

If the Board agrees to convene an extraordinary general meeting, it shall give a notice convening such meeting within 5 days after it has so resolved. Any changes to be made to the original request in the notice shall be subject to approval of the audit committee.

If the Board does not agree to convene an extraordinary general meeting or fails to give a response within 10 days after the receipt of the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the extraordinary general meeting, and the audit committee may convene and preside over such meeting on its own.

Article 54 Shareholders that hold, individually or collectively, 10% or more of the shares in the Company shall request in writing the Board to convene an extraordinary general meeting. The Board shall, in accordance with the laws, administrative regulations and these Articles of Association, give a written response on whether or not it agrees to convene such an extraordinary general meeting within 10 days after the receipt of the proposal.

If the Board agrees to convene an extraordinary general meeting, it shall give a notice convening such meeting within 5 days after it has so resolved. Any changes to be made to the original request in the notice shall be subject to approval of the relevant shareholders.

If the Board does not agree to convene an extraordinary general meeting or fails to give a response within 10 days after the receipt of the proposal, the shareholders that hold, individually or collectively, 10% or more of the shares of the Company may propose to the audit committee to convene an extraordinary general meeting, and a request shall be made in writing to the audit committee.

If the audit committee agrees to convene an extraordinary general meeting, it shall give a notice convening such meeting within 5 days after it has so resolved. Any changes to be made to the original request in the notice shall be subject to approval of the relevant shareholders.

If the audit committee fails to give the notice convening such meeting within the period specified hereinabove, it shall be deemed to have failed to convene and preside over such meeting. The shareholders that hold, individually or collectively, 10% or more of the shares in the Company for 90 days or more consecutively may convene and preside over such meeting on their own.

Article 55 Where the audit committee or the shareholder(s) decide to convene a general meeting on its or their own, it or they shall notify the Board in writing and file with the Stock Exchanges.

Upon giving the notice of the general meeting and the announcement of the resolutions of the general meeting, the audit committee or the convening shareholder(s) shall submit the relevant supporting materials to the Stock Exchanges.

Before the announcement of the resolutions of the general meeting is made, the shareholding of the convening shareholder(s) shall not be less than 10%.

Article 56 Where the audit committee or the shareholder(s) convene a general meeting on its or their own, the Board and the secretary to the Board will provide assistance. The Board will provide the register of members as of the date of the share registration.

Article 57 Any necessary expenses incurred in connection with the convening and holding of the general meeting by the audit committee or the shareholder(s) on its or their own shall be borne by the Company.

SECTION 5 PROPOSALS AND NOTICES OF GENERAL MEETINGS

Article 58 The content of proposals shall fall within the functions and powers of the general meeting, have clear subject for discussion and specific matters to be resolved and comply with relevant requirements of the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association.

Article 59 When a general meeting is convened by the Company, the Board, the audit committee or shareholders that hold, individually or collectively, 1% or more of the shares of the Company shall have the right to propose resolutions to the Company.

Shareholders that hold, individually or collectively, 1% or more of the shares of the Company may submit ad hoc proposals in writing to the convener 10 days before the convening of the general meeting. The convener shall give a supplemental notice of the general meeting within 2 days upon receipt of the proposals and announce the contents of the ad hoc proposals. The convener shall submit the ad hoc proposals to the general meeting for consideration except where the ad hoc proposal violates the provisions of laws, administrative regulations or the Articles of Association, or is not within the scope of the general meeting's authority.

Save as those specified in the preceding paragraph, the convener shall neither revise the proposals stated in the notice of general meeting nor add new proposals after issuing the announcement on the notice of general meeting.

No voting shall be carried out and no resolution shall be made over the proposals that are not specified in the notice of general meeting or not in compliance with the requirements in these Articles of Association.

Article 60 The convener of an annual general meeting shall notify all shareholders by means of an announcement 21 days before the meeting, the convener of an extraordinary general meeting shall notify all shareholders by means of an announcement 15 days before the meeting.

When calculating the starting date by the Company, the day of the meeting shall not be included.

Article 61 A notice of a general meeting shall include the following:

- (i) the time, venue and duration of the meeting;
- (ii) matters and proposals submitted to the meeting for consideration;

- (iii) a prominent written statement that all shareholders are entitled to attend general meeting and are entitled to appoint in writing a proxy to attend and vote at the meeting and that such proxy need not be a shareholder of the Company;
- (iv) the record date of registration of shareholders entitled to attend the general meeting;
- (v) the name and contact method of the regular contact person for the meeting;
- (vi) the time and procedure for voting online or through other means.

Notices or supplementary notices of general meetings shall adequately and completely disclose the specific contents of all proposals. Where the opinions of an independent director are required on the matters to be discussed, such opinions and reasons thereof shall also be disclosed when the notices or supplementary notices of general meetings are served.

The commencement time of voting by network or other means at the general meeting shall not be earlier than 3:00 p.m. on the day before the on-site general meeting and shall not be later than 9:30 a.m. on the day of the on-site general meeting, and shall not be ended earlier than 3:00 p.m. on the conclusion day of the on-site general meeting.

The interval between the registration date and the date of the meeting shall not be more than 7 working days. No changes shall be made once the registration date is confirmed.

Article 62

For a general meeting to deliberate the election of directors, the notice of the general meeting will fully disclose the detailed information of the candidates for directors, which information shall at least include:

- (i) personal particulars, including educational background, work experience, and part-time jobs;
- (ii) whether one has any connected relations with the Company, its controlling shareholders and de facto controllers;
- (iii) the number of shares of the Company one holds;
- (iv) whether one has been punished by the CSRC or any other relevant authority or the reprimand of the Stock Exchanges.

Unless a director is elected via the cumulative voting system, each candidate for director shall be proposed via a single proposal.

Article 63 After the notice of general meeting is issued, the same meeting shall not be postponed or cancelled and the proposals set out in the notice shall not be cancelled without good cause. In the case of any postponement or cancellation of the meeting, the convener shall make an announcement and give the reasons therefor two working days prior to the date on which the meeting is originally scheduled.

SECTION 6 CONVENING OF GENERAL MEETINGS

Article 64 The Board and other conveners of the Company shall take necessary precautions to ensure normal order of the general meeting. Precautions shall be taken to prevent behaviors that interfere with the general meeting, stir up trouble and infringe legal rights and interests of shareholders, which shall be timely reported to relevant departments for investigation.

Article 65 All shareholders registered on the share right registration date or their proxies shall be entitled to attend the general meetings and exercise voting rights in accordance with relevant laws, regulations and these Articles of Association.

Shareholder may attend the general meeting in person, or appoint proxy(ies) to attend or vote on behalf of such shareholder.

Article 66 Individual shareholder attending the meeting in person shall present his or her identity card or other valid license or certificate that can prove his or her identity. Proxies appointed to attend the meeting shall present valid proof of their own identities and the power of attorney from the appointing shareholder.

Shareholder that is a legal person shall attend the meeting by its legal representative or by proxies appointed by it. If a legal representative attends the meeting, he/she shall present his/her identity card or valid certificate proving his/her qualifications as a legal representative. Where the meeting is attended by proxy, he/she shall present his/her identity card and written power of attorney issued by the legal representative of the corporate shareholder unit in accordance with the law (stamped with the seal of the enterprise).

Shareholders of a partnership enterprise shall attend the meeting by the executive partner or the proxies appointed by the executive partner, or by the proxies entrusted by the executive partner or the representative appointed by the executive partner. If the executive partner or the proxy appointed by the executive partner attends the meeting, he/she shall present his/her identity card and valid proof that can prove his/her qualification as the executive partner or the proxy appointed by the executive partner. If a proxy attends the meeting, the proxy shall present his/her own identity card and a written power of attorney issued by the executive partner of the partnership enterprise or the representative appointed by the executive partner in accordance with the law (stamped with the seal of the partnership enterprise).

Where such shareholder is a Recognized Clearing House (or its nominees), it may authorize one or more persons or company representatives as it thinks fit to act as its proxy(ies) or representative(s) at any meeting (including but not limited to general meeting and creditor meeting); however, if more than one person are so authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized, and be signed by the person authorized by the Recognized Clearing House. The person(s) so authorized will be entitled to attend meetings (without being required to present share certificate, notarized authorization and/or further evidence of formal authorization) to speak and exercise the same power on behalf of the Recognized Clearing House (or its nominees) at the meeting as if such person was an individual shareholder of the Company.

Article 67 The power of attorney issued by a shareholder to appoint a proxy to attend any general meeting shall contain the following:

- (i) the name of the appointer and the number of shares of the Company held by him/her;
- (ii) the name of the proxy;
- (iii) specific instructions from shareholders, including instructions for voting for, against or abstaining from voting on each matter to be considered on the agenda of general meeting;
- (iv) the date of issuance and term of validity of the power of attorney;
- (v) signature (or seal) of the appointer. If the appointer is a corporate shareholder or partnership shareholder, the seal of the legal person entity or the partnership shall be affixed.

- Article 68** If the power of attorney for voting is signed by other personnel authorized by consignor, the power of attorney for authorized signature or other authorization documents should be certified by a notary. The power of attorney or other authorization documents upon notarized shall, together with the power of attorney for voting, be placed at the domicile of the Company or such other location as specified in the notice of the meeting. The power of attorney for voting shall be placed at the domicile of the Company or at such other place as specified in the notice of the meeting at least 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours prior to the specified time of the vote.
- Article 69** Attendees' register shall be prepared by the Company. The attendees' register shall state the names (or names of the corporations), identification card number, the number of voting shares held or represented, names of the principals (or names of the corporations) and so on.
- Article 70** The convener and the lawyer appointed by the Company shall jointly verify the validity of shareholders' qualifications based on the register of members provided by the securities registration and clearing organization, and shall register the names of shareholders as well as the number of their voting shares. The registration for a meeting shall be completed before the presider announces the number of shareholders and proxies that attend the meeting and the total number of their voting shares.
- Article 71** Where the general meeting requires directors and senior management to attend the meeting, the directors and senior management shall attend the meeting and answer the inquiries of shareholders. Subject to compliance with the securities regulatory rules of the place where the Company's shares are listed, the aforementioned persons may be present at the meeting through the internet, video, telephone or other means with equivalent effect.
- Article 72** A general meeting shall be presided over by the Chairperson. Where the Chairperson is unable or fails to perform his/her duties, the meeting shall be presided over by a director jointly elected by more than half of the directors.
- A general meeting convened by the audit committee on its own shall be presided over by the chairperson of the audit committee. Where the chairperson of the audit committee is unable or fails to perform his/her duties, the meeting shall be presided over by a member of the audit committee jointly elected by more than half of the members of the audit committee.

A general meeting convened by shareholders on their own shall be presided over by convener(s) or a representative elected by convener(s).

When convening a general meeting, the host of the meeting violates the rules of procedure and makes it impossible to continue the meeting, with the consent of more than half of the shareholders at the meeting with voting rights, the general meeting may elect a person to serve as the host of the meeting and continue the meeting.

Article 73 The Company shall formulate the rules of procedure for general meetings, defining in details the holding, convening and voting procedure of general meetings, covering notification, registration, consideration of proposal, voting, counting of votes, announcement of voting results, formation of resolution, meeting minutes and signing and announcement thereof, and the principle for authorization by the general meeting to the Board. The contents of the authorization shall be clear and specific.

The rules of procedure for general meetings shall be an appendix to the Articles of Association and shall be formulated by the Board and approved at the general meeting.

Article 74 The Board shall report their work in the preceding year at the annual general meeting. Every independent director shall also make his or her work report.

Article 75 Directors and senior management shall make explanations and illustrations on shareholders' inquiries and suggestions at the general meeting, except in the following circumstances:

- (i) where the inquiries have nothing to do with the topic of the meeting;
- (ii) where matters involved in the inquiries have yet to be verified;
- (iii) where the inquiries involve the Company's trade secrets;
- (iv) for other reasonable grounds.

Article 76 The presider shall, prior to voting, announce the number of attending shareholders and their proxies as well as the total number of their voting shares, and the number of attending shareholders and their proxies and the total number of their voting shares shall be as recorded in the meeting's register.

- Article 77** Minutes of a general meeting shall be prepared and kept by the secretary to the Board. The minutes of the meeting shall specify the following:
- (i) time, venue and agenda of the meeting, and the name of the convener;
 - (ii) the names of the presider, directors and senior management present at the meeting;
 - (iii) the number of shareholders and proxies attending the meeting, the total number of shares with voting rights they held, and their respective proportions in the total number of shares of the Company;
 - (iv) the consideration process, summaries of speeches and voting result for each proposal;
 - (v) inquiries or suggestions of shareholders, and the corresponding responses or explanations;
 - (vi) the names of the lawyers, counting officers and scrutineers;
 - (vii) other contents that shall be recorded in the minutes in accordance with these Articles of Association.

Article 78 The convener shall ensure that the minutes of the meeting shall be true, accurate and complete. The directors, secretary to the Board, convener or representative thereof, and presider attending or present at the meeting shall sign the minutes of the meeting. The minutes of the meeting, together with the signed attendance record of those shareholders on the spot and the power of attorney for attendance by proxy, and the valid information relating to the voting over network or other means, shall be kept for a period of 10 years.

Article 79 The convener shall ensure that a general meeting is held continuously until final resolutions are arrived at. If the general meeting is adjourned or fails to reach any resolution due to force majeure or for other special reasons, the convener shall take necessary measures to resume the general meeting as soon as possible or directly terminate the general meeting and make a responsive announcement. Meanwhile, the convener shall report to the local branch of the CSRC at the locality of the Company and the Stock Exchanges.

SECTION 7 VOTING AND RESOLUTIONS OF GENERAL MEETINGS

Article 80 Resolutions of a general meeting shall be divided into ordinary resolutions and special resolutions.

Ordinary resolutions of a general meeting shall be passed by votes representing more than half of the voting rights held by shareholders (including proxies thereof) attending the general meeting.

Special resolutions made at a general meeting shall be passed by votes representing more than two-thirds of the voting rights held by shareholders (including proxies thereof) attending the general meeting.

Article 81 The following matters shall be passed by ordinary resolutions at a general meeting:

- (i) work reports of the Board;
- (ii) profit distribution plans and plans for recovery of losses formulated by the Board;
- (iii) appointment and dismissal of the members of the Board, their remunerations and methods of payment;
- (iv) matters other than those required by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or these Articles of Association to be passed by special resolutions.

Article 82 The following matters shall be passed by special resolutions at a general meeting:

- (i) increase or reduction of the registered capital of the Company;
- (ii) division, spin-off, merger, dissolution and liquidation of the Company;
- (iii) amendment to these Articles of Association;
- (iv) the purchase and sale of material assets or amount of guarantee provided by the Company to others within one year valued at more than 30% of the audited total assets of the Company as at the most recent period;
- (v) equity incentive schemes;
- (vi) modification of the dividend policy of the Company;

- (vii) other matters as required by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or these Articles of Association, and considered by the general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company, and shall be passed by a special resolution.

Article 83

Shareholders (including proxies thereof) exercise their voting rights based on the number of voting shares they represent. Each share is entitled to one vote, unless individual shareholders are required to abstain from voting on individual matters in accordance with the securities regulatory rules of the place where the shares of the Company are listed.

When considering the material matters affecting the interests of minority investors at the general meeting, the votes by minority investors shall be counted separately, and the results of such separate vote counting shall be publicly disclosed in a timely manner.

The shares of the Company held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders attending a general meeting.

Shareholders who purchase the voting shares of the Company in violation of the provisions of Clause 1 and Clause 2 of Article 63 of the Securities Law shall not exercise the voting right of the shares that exceed the prescribed ratio within 36 months after the purchase, and such number shall not be counted in the total number of voting shares represented by shareholders attending a general meeting.

The Board, independent directors and shareholders who hold more than one percent of voting shares of the Company or investors protection institutes established in accordance with laws, administrative regulations or rules of the CSRC may publicly solicit for the voting rights from shareholders. Information including the specific voting intention shall be fully disclosed to the shareholders from whom voting rights are being collected. Consideration or de facto consideration for soliciting shareholders' voting rights is prohibited. Except for statutory conditions, the Company shall not impose any minimum shareholding limitation for soliciting voting rights.

Article 84

When a connected transaction is considered at a general meeting, the connected shareholders shall refrain from voting and the number of voting shares that they represent shall not be counted in the total number of valid voting shares. Announcement of resolutions of the general meeting shall fully disclose the voting of non-connected shareholders.

Where any shareholder is, under the Hong Kong Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for (or only against) any particular resolution, any votes cast by the shareholder (or his/her proxy) in contravention of such requirement or restriction shall not be counted.

When a general meeting deliberates the connected transaction matter, the connected shareholder shall actively state the situation to the general meeting and explicitly indicate that he will not participate in the voting. In case such connected shareholder fails to actively state the connected relation and avoid the voting, other shareholders may request him to state the situation and avoid the voting. If such shareholder insists to participate in the voting, all other shareholders attending the general meeting can demand for a poll by adopting the procedures for voting special resolutions, and determine whether such transactions constitute connected transactions and whether or not such shareholder shall abstain from voting. Prior to voting, other shareholders are entitled to demand such shareholder to state the situation.

If, after the conclusion of the general meeting, other shareholders find out that any connected shareholder has participated in the voting on the connected transactions, or any shareholder has objection to whether such abstaining shall apply, they shall be entitled to file a lawsuit with the People's Courts to invalidate or revoke the voting in respect of the relevant resolutions according to these Articles of Association.

Article 85 Unless the Company is in a crisis or any special circumstance, the Company may not enter into any contract with anyone other than a director, senior management to have all or significant part of the Company's business in the care of the said person, without the approval by special resolutions at a general meeting.

Article 86 List of nominations for the candidates for directors shall be submitted by way of proposal at general meetings for voting.

The Board, or shareholders individually or collectively holding 1% or more of the shares issued by the Company may, pursuant to the provisions of laws, regulations and these Articles of Association, submit a proposal on appointment of candidates for directors at general meetings. An investor protection institution formed in accordance with the law may publicly request shareholders to entrust it with exercise of the right to nominate independent directors. The nominator shall not nominate any person who has an interest or any other close associate that may affect the independent performance of his or her duties as a candidate for independent director.

The nominator shall obtain the undertakings, in written form, of the candidates prior to nominating such candidates for directors, to confirm that they accept the nomination and undertake the truthfulness and completeness of the disclosed information regarding the candidates for directors and guarantee to faithfully performing the duties of directors upon election.

Where shareholders individually or collectively holding 1% or more of the Company's shares in issue nominate directors, they should put forward ad hoc proposals 10 days before the date of the general meeting and submit the same in writing to the convenor. Such proposal shall specify the identity, resume and basic information of the candidates. The convenor shall issue a supplementary notice of the general meeting within 2 days upon receipt of the proposal and announce the content of the ad hoc proposal. The Board shall notify shareholders of the resume and basic information of candidates for directors.

The cumulative voting system shall be adopted for election of two or more directors at the general meeting. The cumulative voting system means that when a general meeting elects directors, each share carries a number of voting rights equivalent to the number of directors to be elected, and a shareholder may cluster his or her voting rights. The Board should notify to shareholders of the resume and basic information of candidates for directors.

The operation rules of cumulative voting system are as follows:

- (i) The total number of votes held by the Company's shareholders in election of directors is equal to the product of the shares they hold multiplied by the number of directors to be elected.
- (ii) Shareholders may cast all of their votes on single candidate for director, or spread their votes on several candidates for directors, provided that the total number of votes cast by shareholders shall not exceed the total number of votes they are entitled to.
- (iii) The cumulative voting for the election of independent directors and non-independent directors shall be carried out separately.
- (iv) In the election by poll, the relevant restrictive provisions on the proportion of directors and independent directors who also hold senior management positions in the total number of directors shall be followed.

- (v) The general meeting decides on the candidates for directors based on the number of votes received; the number of votes received by elected directors must exceed one-half of the voting rights represented by shareholders attending the general meeting.

Article 87 Except for the cumulative voting system, all proposals shall be resolved on a case-by-case basis at the general meeting. Where there are different proposals for the same matter, such proposals shall be resolved in the order of time at which they are submitted. Unless the general meeting is adjourned or no resolution can be made due to special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused to vote at the general meeting.

Article 88 When considering a resolution at a general meeting, no amendment shall be made thereto; if any change is required, the relevant change shall be considered as a new resolution, of which the voting shall not proceed in that meeting.

Article 89 The same voting right may only be exercised at either an on-site meeting, on the network or in another voting method. In the event that the same voting right is repeated, the result of the first vote shall prevail.

Article 90 Voting at the general meeting shall be taken by way of poll of registered voters.

Article 91 Before the proposals are being voted at the general meeting, two shareholder representatives shall be elected to participate in vote counting and monitoring. If these shareholders are interested in the matters to be examined, the relevant shareholders or proxies shall not participate in the vote counting or monitoring.

When the proposals are being voted at the general meeting, lawyers, shareholders representatives shall be jointly responsible for vote counting and scrutinizing and announcing the voting results onsite, while result of the vote would be recorded in the minutes of the meeting.

Shareholders of companies or their proxies voting through the internet or other means shall have the right to check their own votes cast through the relevant voting system.

Article 92 An on-site general meeting shall not end earlier than the one held through internet or by other methods. The chairperson of the meeting shall announce the voting and result of each proposal and whether the proposals have been passed according to the results of voting.

Before announcing the poll results officially, the companies, the vote-counter, the voting scrutineer, our shareholders and the internet service providers involved in the voting at the general meeting, through the internet or other method shall assume confidentiality obligations for the voting.

Article 93 Shareholders present at the general meeting shall give one of the following comments to the proposals put forward for voting: for, against or abstention.

If the voting slip has not been completed or has been completed incorrectly or that the writing is illegible or that the voting slip has not been cast, it shall be treated that the voter has renounced his/her voting rights and the voting result of the relevant number of shares held by him/her shall be counted as “abstain”.

Article 94 If the chairperson of the meeting has any doubt to the poll results, he may arrange for vote counting. If the chairperson of the meeting does not conduct a vote count and shareholders or their proxies attending the meeting object to the results announced by the chairperson, they shall have the right to demand vote counting immediately after announcement of the voting results, and the chairperson of the meeting shall arrange for vote counting immediately.

Article 95 Public announcement of the voting results of a general meeting, containing the number of shareholders and proxies attending the meeting, the total number of voting shares held by them and their proportion to the total number of voting shares of the Company, the form of voting, result of each resolution and the detailed content of each resolution passed, shall be issued in time.

Article 96 If a proposal is not passed or a resolution passed at the previous general meeting is amended at such general meeting, it shall be set out as a special reminder in the announcement on resolutions of the general meeting.

Article 97 Where a proposal on election of directors is passed at the general meeting, the term of office of a new director shall commence on the date when relevant resolutions are approved by the general meeting.

Article 98 Where a proposal on cash dividends, bonus shares or increase of share capital by way of transfer from capital reserves is passed at the general meeting, the Company shall implement the specific scheme within two months after conclusion of the general meeting. If the specific scheme cannot be implemented within 2 months due to the provisions of laws, regulations and the securities regulatory rules of the place where shares of the Company are listed, the date of implementing specific scheme may be adjusted accordingly in accordance with such provisions and the actual condition.

CHAPTER V DIRECTORS AND BOARD OF DIRECTORS

SECTION 1 GENERAL PROVISIONS FOR DIRECTORS

Article 99 Directors of the Company are natural persons. A person may not serve as a director of the Company in case of any of the following circumstances:

- (i) the person is without civil conduct capacity or with limited civil conduct capacity;
- (ii) the person who has committed an offence of corruption, bribery, conversion of property, misappropriation of property or sabotaging the market economic order of socialism and has been punished therefor; or who has been deprived of his/her 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 if a suspended sentence is pronounced, where less than two years have elapsed since the date of expiration of the probation period;
- (iii) the person who is a former director, factory director or manager of a company or enterprise which is insolvent and under liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of such insolvency and liquidation of the company or enterprise;
- (iv) the person who is a former legal representative of a company or enterprise which had its business license revoked and was ordered to shut down due to a violation of the law and who incurred personal liability, where less than three years have elapsed since the date of such revocation of the business license or such order to shut down;
- (v) the person is listed as a judgement defaulter by the People's Court because of failure to repay a relatively large amount of due debts;

- (vi) the person has been banned by the CSRC from access to the securities market, and the term of prohibition has not expired;
- (vii) the person is publicly deemed by a stock exchange as unsuitable to serve as a director and senior management of a listed company and the term of prohibition has not expired;
- (viii) other matters stipulated by laws, administrative regulations or departmental rules or the listing rules of the place where shares of the Company are listed.

Where the Company elects and appoints a director in violation of the requirements in this Article, such election, appointment or employment shall be null and void. A director to which item (i) of the above applies during his/her term of office will be released of his/her duties and his/her duties suspended by the Company.

Article 100 Directors shall be elected or replaced at general meetings. Subject to relevant laws, regulations and securities regulatory rules of the place where shares of the Company are listed, the general meeting may depose any director whose term has not expired by ordinary resolution. A director shall serve a term of three years and may serve consecutive terms if re-elected upon the expiration of their terms in accordance with securities regulatory rules of the place where the shares of the Company are listed.

The term of office of a director shall commence from the date of taking the position until the expiry of the term of office of the current session of the Board. A director shall sign a confidentiality agreement with the Company within three days of his/her appointment and strictly abide by the obligation to keep the business secrets of the Company.

Where a re-election fails to be carried out in a timely manner upon the expiry of the term of office of a director, such director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations, departmental rules and these Articles of Association until the newly elected director assumes the office.

Senior management may concurrently serve as a director, provided that the aggregate number of such directors who concurrently serve as senior management, or concurrently are the employee representatives shall not exceed one half of the total number of directors of the Company.

Article 101 A director shall observe laws, administrative regulations and these Articles of Association. Directors shall shoulder the duties of loyalty to the Company, shall take measures to avoid any conflict of interest with the Company, and shall not accept any undue benefits by taking advantage of their powers and positions.

The Directors have the following duties of loyalty to the Company:

- (i) not to misappropriate the properties of the Company and not to misappropriate the funds of the Company;
- (ii) not to deposit any money of the Company in any accounts under their names or in the names of other persons;
- (iii) not to abuse their powers and positions to accept bribes or other illegal income;
- (iv) not to directly or indirectly enter into contracts or conduct transactions with the Company without reporting to the Board or the general meetings and obtaining the approval of the Board or the general meetings in accordance with the provisions of these Articles of Association;
- (v) not to utilize the convenience of his/her duties to obtain for himself/herself or others business opportunities belonging to the Company, except when such business opportunities are reported to the board of directors or the general meeting and approved by a resolution of the general meeting, or when the Company is not allowed to take advantage of such business opportunities in accordance with the laws, administrative regulations or the provisions of these Articles of Association;
- (vi) not to engage in business of the same kind as that of the Company, either on its own or for others, without reporting to the board of directors or the general meeting and obtaining approval of resolution from the general meeting;
- (vii) not to accept for his/her own use commissions from transactions with the Company;
- (viii) no unauthorized disclosure of the Company's secrets;
- (ix) not to take advantage of his/her affiliation to the detriment of the Company's interests;
- (x) other duties of loyalty as stipulated by laws, administrative regulations, departmental rules and these Articles of Association.

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

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

Article 102 Directors shall comply with the laws, administrative regulations and these Articles of Association, diligently perform their obligations to the Company and exercise the reasonable care normally expected of a manager in the best interests of the Company in the performance of their duties.

The directors have the following obligations of diligence to the Company:

- (i) to exercise prudently, conscientiously and diligently the rights granted by the Company to ensure that the Company's commercial activities are in compliance with the laws, administrative regulations and the requirements of economic policies of China and that its commercial activities are within the scope stipulated in the business license;
- (ii) to treat all shareholders equally and fairly;
- (iii) to understand the operation and management of the Company in a timely manner;
- (iv) to approve regular reports of the Company in written form and to ensure the truthfulness, accuracy and completeness of the information disclosed by the Company;
- (v) to provide relevant information and materials required by the audit committee in a truthful manner and shall not intervene the performance of duties by the audit committee;
- (vi) to perform other obligations of diligence stipulated by the laws, administrative regulations, departmental rules and these Articles of Association.

Article 103 A director who fails to attend two consecutive meetings of the Board in person or by proxy shall be deemed as unable to perform his/her duties. The Board shall propose to the general meeting for removal of such director. If an independent director fails to attend two consecutive Board meetings in person and does not delegate another independent director to attend the meeting on his/her behalf, the Board shall propose to convene a general meeting to remove the independent director from his/her position within thirty days from the date of occurrence of such fact.

Subject to comply with the securities regulatory rules of the place where shares of the Company are listed, any director attending the Board meeting by internet, video, telephone or other equivalent means, shall also be deemed to be present in person thereat.

Article 104 Directors may resign prior to the expiration of their terms of office. The directors who resign shall submit to the Board a written report in relation to their resignation. Relevant information shall be disclosed by the Board within 2 days.

If the number of Board members is less than the quorum due to the resignation of any director, or if the proportion of independent directors in the Board or its special committees does not comply with laws, regulations or these Articles of Association due to the resignation of any independent director, or there is a lack of accounting professionals among independent directors, the existing director shall continue to perform his/her duties in accordance with laws, administrative regulations, departmental rules and these Articles of Association until the newly elected director assumes the office.

The resignation of a director shall take effect from the date of receipt by the Company of his/her report of resignation, except for the circumstances as listed in the preceding paragraph.

The Company shall fill the vacancy within 60 days from the date of director's resignation to ensure that the composition of the Board and its special committee comply with the provisions of laws, regulations and these Articles of Association.

Article 105 The Company has established a system for managing the departure of directors, which specifies the safeguards for pursuing and recovering liabilities for unfulfilled public commitments and other outstanding matters. When resignation of a director takes effect or his or her term of office expires, he or she shall duly carry out all handover procedures with the Board. His or her fiduciary duty to the Company and the shareholders shall not be dismissed after the expiry of term and remain effective within the reasonable period specified by these Articles of Association. The

liability of a director arising from the performance of his/her duties while in office shall not be exempted or extinguished by reason of his ceasing to hold office.

Article 106 The general meeting may resolve to dismiss a director and the dismissal shall take effect on the date the resolution is made.

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

Article 107 Subject to the provisions of these Articles of Association, no director shall act on behalf of the Company or the Board in his/her own name without lawful authorization of the Board. If any third party reasonably believes that a director is acting on behalf of the Company or the Board, such director shall make clear his/her position and identity in advance.

Article 108 If a director performs the Company's duties and causes damage to others, the Company will be liable for compensation. The directors shall also be liable for compensation if they have acted will fully or with gross negligence.

In the event of any violation by a director of laws, administrative regulations, departmental rules or these Articles of Association in performing his/her duties in the Company, such director shall indemnify the Company for the losses arising therefrom.

Article 109 The terms of appointment, nomination and election procedures, functions and powers of independent non-executive directors shall be implemented in accordance with the laws, the relevant provisions of the CSRC and the Stock Exchanges of the place where the shares of the Company are listed.

The number of independent non-executive directors shall not be less than three and shall not be less than one-third of all directors, and at least one of them shall have the financial or accounting expertise in compliance with the requirements of Rule 3.10(2) of the Hong Kong Listing Rules. One independent non-executive director should be permanently resident in Hong Kong. All independent non-executive directors must possess the independence as provided under Rule 3.13 of the Hong Kong Listing Rules.

SECTION 2 BOARD OF DIRECTORS

Article 110 The Company has established a Board which shall be accountable to the general meetings. The Board shall comprise ten directors, with four independent non-executive directors and one chairperson. The Chairperson is elected by the Board by a majority of all directors.

Article 111 The Board shall exercise the following duties and powers:

- (i) to convene general meetings and report its work to the general meetings;
- (ii) to implement the resolutions of general meetings;
- (iii) to formulate business operation plans and investment plans of the Company;
- (iv) to formulate the profit distribution plans and plans for recovery of losses of the Company;
- (v) to formulate plans of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;
- (vi) to draft plans for major acquisitions of the Company, the purchase of shares of the Company, merger, division, dissolution or change in the form of the Company;
- (vii) to determine, to the extent authorized by the general meeting, on such matters as the external investments, purchase or sale of assets, assets mortgage, external guarantee, entrusted wealth management, connected transactions and external donations of the Company;
- (viii) to decide on the establishment of internal management organizations of the Company;
- (ix) to determine the appointment or dismissal of the general manager of the Company or secretary to the Board and other senior management and decide on their remuneration, rewards and penalties; and based on the nomination of the general manager, to determine the appointment or dismissal of the senior management including vice general manager(s) and chief financial officer of the Company and determine their remuneration, rewards and penalties;
- (x) to formulate the basic management system of the Company;

- (xi) to formulate the proposals for amendment to these Articles of Association;
- (xii) to manage the information disclosure of the Company;
- (xiii) to propose to the general meeting for the appointment or replacement of the accounting firms which provide audit services to the Company;
- (xiv) to listen to work reports of the general manager of the Company and review his/her work;
- (xv) to determine the acquisition by the Company of its own shares under the circumstances as provided in items (iii), (v) or (vi) of Article 25 hereof;
- (xvi) to exercise other duties and powers as stipulated by laws, administrative regulations, department rules, the securities regulatory rules in the place at which the shares of the Company are listed or these Articles of Association.

Article 112 The Board of the Company shall explain to the general meeting regarding the non-standard auditors' advice given by certified public accountant in relation to the financial report of the Company.

Article 113 The Board shall formulate the rules of procedure for meetings of the Board, ensure the Board's implementation of the resolutions of general meeting and improve efficiency, and ensure scientific decision-making. The rules stipulate the procedures for convening and voting of the Board. The rules of procedure of the Board shall be included in the Articles of Association or attached as an annex thereto, formulated by the Board and approved by the shareholders' meeting.

Article 114 The Board shall determine the scope of authorities in respect of external investment, acquisition or sale of assets, asset mortgage, external guarantees matters, entrusted wealth management, connected transactions and external donations, and establish strict examination and decision-making procedures. Material investment projects shall be reviewed by experts and professionals and shall be subject to shareholders' approval at general meeting.

The Board shall consider the following major transactions within the scope of permissions (save for the Company's provision of guarantee, being gifted with cash assets and indebtedness for the mere reduction of or exemption from the listed company's obligations):

- (i) The total amount of assets involved in the transaction exceeds 10% of the latest audited total assets of the Company.

Where the total amount of assets involved in the transaction exceeds 50% of the latest audited total assets of the Company, such transaction shall be submitted to the general meeting for consideration; and if such total amount of assets involved in the transaction has both book value and assessed value, the higher shall be used for calculation.

- (ii) The transaction consideration (including debts and expenses assumed) exceeds 10% of the latest audited net assets of the Company, and the absolute amount of which exceeds RMB10 million.

Where the transaction consideration (including debts and expenses assumed) exceeds 50% of the latest audited net assets of the Company, and the absolute amount of which exceeds RMB50 million, such transaction shall be submitted to the general meeting for consideration.

- (iii) The profit arising from the transaction exceeds 10% of the audited net profit of the Company in the most recent financial year, and the absolute amount of which exceeds RMB1 million.

Where the profit arising from the transaction exceeds 50% of the audited net profit of the Company in the most recent financial year, and the absolute amount of which exceeds RMB5 million, such transaction shall be submitted to the general meeting for consideration.

- (iv) The operating revenue generated by the subject matter (such as equity interest) of the transaction in the most recent financial year exceeds 10% of the audited operating revenue of the Company in the most recent financial year, and the absolute amount of which exceeds RMB10 million.

Where the operating revenue generated by the subject matter (such as equity interest) of the transaction in the most recent financial year exceeds 50% of the audited operating revenue of the Company in the most recent financial year, and the absolute amount of which exceeds RMB50 million, such transaction shall be submitted to the general meeting for consideration.

- (v) The net profit generated by the subject matter (such as equity interest) of the transaction in the most recent financial year exceeds 10% of the audited net profit of the Company in the most recent financial year, and the absolute amount of which exceeds RMB1 million.

Where the net profit generated by the subject matter (such as equity interest) of the transaction in the most recent financial year exceeds 50% of the audited net profit of the Company in the most recent financial year, and the absolute amount of which exceeds RMB5 million, such transaction shall be submitted to the general meeting for consideration.

- (vi) The net assets involved in the subject matter (such as equity interest) of the transaction exceeds 10% of the latest audited net assets of the listed company, and the absolute amount of which exceeds RMB10 million.

Where the net assets involved in the subject matter (such as equity interest) of the transaction exceeds 50% of the latest audited net assets of the listed company, and the absolute amount of which exceeds RMB50 million, such transaction shall be submitted to the general meeting for consideration; and if such total amount of assets involved in the transaction has both book value and assessed value, the higher shall be used for calculation.

The transactions mentioned in this Article refer to: purchase or sale of assets; external investments (including entrusted wealth management, entrusted loans, venture capital, etc.); provision of financial assistance; leasing assets in or out; signing of management contracts (including commissioned operation, entrusted operation, etc.); donating or receiving assets; debt or

debt restructuring; transfer of research & development projects; signing of license agreements and other transactions recognized by exchanges.

In conducting transactions relating to “provision of financial assistance” and “entrusted wealth management”, the Company shall make calculation based on the actual amount, and all the transactions that are completed within a period of 12 consecutive months shall be aggregated by category. In conducting transactions (other than relating to “provision of financial assistance” and “entrusted wealth management”), the Company shall take into account all such transactions with the subject matter of the same kind in order to make calculation on the aggregate basis for a period of 12 consecutive months.

Transactions between the Company and its controlling subsidiaries or other entities under its control within the scope of consolidated statements, or transactions between the said controlling subsidiaries or other entities under its control, shall be exempted from the requirements of disclosure and fulfillment of the corresponding procedures in accordance with the Articles of Association, unless otherwise provided by the CSRC or the Shanghai Stock Exchange or the Hong Kong Listing Rules.

If any transaction falls within one of the following circumstances, the Company may be exempted from the submission to the general meeting for consideration under provisions of these Articles of Association, but should still perform information disclosure obligations as required:

- (i) Any transaction of the Company which does not involve any payment of consideration or attaching any obligations, such as receiving cash assets as gift and waiver of debts;
- (ii) Any transaction of the Company that meets merely the standards that “the profit arising from the transaction exceeds 50% of the audited net profit of the listed company in the most recent financial year, and the absolute amount of which exceeds RMB5 million” or “the net profit generated by the subject matter (such as equity interest) of the transaction in the most recent financial year exceeds 50% of the audited net profit of the listed company in the most recent financial year, and the absolute amount of which exceeds RMB5 million”, and the earnings per share of the Company in the most recent financial year is below RMB0.05 in absolute amount.

For relevant connected transactions and external guarantees, the provisions of the Articles of Association and relevant systems shall apply.

If other laws, administrative regulations, departmental rules, normative documents, the Articles of Association or the Stock Exchanges provide otherwise in respect of the matters above, such provisions shall prevail.

Save as otherwise provided by these Articles of Association and other laws and regulations, administrative regulations, departmental rules and normative documents, transactions that fall below the lower limit of the approval authority of the Board as stipulated in this Article shall be reviewed and approved by the Chairperson as authorized by the Board.

Article 115 In the event that a major shareholder or related party embezzles the Company's assets and damages the interests of the Company and the public shareholders, the Board shall take effective measures forthwith to require the major shareholder and related party to stop the infringement and compensate for the loss. When major shareholders and related parties refuse to make corrections, the Board shall report to the securities regulatory authorities in a timely manner.

The Board has established a "moratorium upon misappropriation" mechanism for the shares held by major shareholder, which means that if the major shareholder is found to misappropriate the Company's assets, then the Board shall immediately apply for judicial procedures to freeze the shares held by him/her. If it cannot be settled in cash, then his/her equity shall be realized to repay the misappropriated assets. The Chairperson is the primary person in charge of the mechanism of "moratorium upon misappropriation", and the financial officer and the secretary to the Board shall assist him/her in the related work. If it is found that directors or senior management of the Company assist in or connive at the encroachment of the Company's assets by the major shareholder or its affiliates, the Board shall, depending on the seriousness of the circumstances, take disciplinary action against the directly responsible person, such as notice of criticism or warning, and dismiss the directors who holds serious responsibilities.

Article 116 The external guarantees of the Company shall be considered by the Board, and if they meet the standards mentioned in Article 47 hereof, they shall also be submitted to the general meeting for consideration. If the external guarantees are provided without the said review procedures, the Company will take disciplinary action against the relevant responsible persons.

Article 117 The Company shall sign a written agreement with the related party in respect of the transactions related to daily operations with the related party, and submit the same to the Board or the general meeting for consideration and approval according to the total transaction amount involved in the agreement or to the general meeting for consideration and approval if no specific total transaction amount is provided.

The Board shall have the right to review on connected transactions with related legal persons (or other organizations) with an amount of more than RMB3 million and accounting for more than 0.5% of the absolute value of the Company's latest audited net assets (except for provision of guarantees by the Company) and connected transactions with related natural persons with a transaction amount of more than RMB300,000 (except for provision of guarantees by the Company).

Connected transactions between the Company and related persons with an amount of more than RMB30 million and accounting for more than 5% of the absolute value of the Company's latest audited net assets (save for the Company's receipt of cash assets as gifts, provision of guarantee, and indebtedness for the mere reduction of or exemption from the Company's obligations) or those where the number of Board members is less than three after abstaining of the connected directors, shall be submitted for approval at the general meeting.

Subject to the securities regulatory rules of the place where shares of the Company are listed, the following transactions between the Company and its related persons may be exempted from consideration and disclosure as connected transactions:

- (i) transaction in which the Company unilaterally obtains benefits without any payment of consideration or attaching any obligations, including receiving cash assets as gifts, waiver of debts, accepting guarantees and financial assistance without consideration;
- (ii) provision of unsecured funds by a related person to the Company at an interest rate not exceeding the loan interest rate prevailing in the market;
- (iii) transaction in which either party subscribes for the publicly issued shares, company bonds or corporate bonds, convertible company bonds or other types of derivatives of the other party in cash;

- (iv) transaction in which either party, as a member of the underwriters, underwrites the publicly issued shares, company bonds or corporate bonds, convertible company bonds or other types of derivatives of the other party;
- (v) transaction in which either party receives dividend, bonus or reward in accordance with the resolutions passed at the general meeting of the other party;
- (vi) transaction in which either party participates in the public tender or auction of the other party, except where the tender or auction is unlikely to establish a fair price;
- (vii) transaction in which the Company provides products and services to related natural persons as defined in items (ii) to (iv) of Article 3 of Rule 6.3.3 of the Rules Governing the Listing of Securities on the Shanghai Stock Exchange on the same trading conditions as non-related persons;
- (viii) connected transaction in which the price is fixed by the state;
- (ix) other transactions as identified by the Stock Exchanges where shares of the Company are listed.

If the transactions relate to entrusted wealth management, provision of financial assistance and otherwise, such transactions shall be calculated cumulatively within 12 consecutive months according to the type of transaction, and if the cumulative amount so calculated reaches the corresponding review standards, it shall be reported to the Board or the general meeting for approval. In the case of other transactions, the transactions related to the types of transaction subject conducted by different related parties or transactions with the same related person shall be calculated cumulatively within 12 consecutive months, and if the cumulative amount so calculated reaches the corresponding review standards, it shall be reported to the Board or the general meeting for approval.

The provision of guarantee by the Company for a related person, regardless of the amount, shall be considered and approved by the Board before the same is submitted for review at the general meeting.

Article 118 The Chairperson shall exercise the following duties and powers:

- (i) to preside over general meetings and to convene and preside over the Board meetings;

- (ii) to supervise and examine the implementation of the resolutions of the Board;
- (iii) to exercise other duties and powers conferred by the Board.

Article 119 Where the Chairperson is unable or fails to perform his/her duties, the duties shall be performed by a director jointly elected by more than half of the directors.

Article 120 The Board shall convene at least two meetings per year, which shall be convened by the Chairperson, and all directors shall be notified in writing of each meeting 10 days prior to the meeting.

Article 121 Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors or the audit committee may propose to convene an extraordinary meeting of the Board. The Chairperson shall convene and preside over the extraordinary meeting of the Board within 10 days from the receipt of the proposal.

Article 122 The Board shall notify all directors in writing, by personal letter, by fax, telephone, email and other methods approved by all Directors 2 days before convening the extraordinary meeting of the Board.

Where it is urgent and a temporary meeting of the Board needs to be convened as soon as possible, the time limit for notification shall not be subject to the above restrictions, and the meeting notice may be issued at any time by telephone or other oral means, provided that the convener shall make an explanation at the meeting.

Article 123 A notice of Board meeting shall contain the following contents:

- (i) date and place of the meeting;
- (ii) duration of the meeting;
- (iii) cause and topic;
- (iv) date of notice.

Article 124 The quorum of a Board meeting shall consist of more than one half of all directors. A resolution of the Board shall be passed by more than half of all directors. When the Board considers a resolution on the purchase of the shares of the Company within the Board's decision-making authority, the resolution shall be made with the attendance of at least two-thirds of the directors of the Board and shall be passed by more than half of all directors.

When voting on the resolutions of the Board, each director shall have one vote.

Article 125 Where a director has any connected relationship with the enterprise or individual involved in the matter to be decided at the meeting, he/she shall promptly report it in writing to the Board and shall not exercise his/her voting rights on the resolution, nor shall he/she exercise his/her voting rights on behalf of other directors. Such a Board meeting may be held only if more than one half of the directors without a connected relationship are present, and the resolutions made at such a Board meeting shall require adoption by more than one half of the directors without a connected relationship. If the number of non-connected directors in presence is less than 3 persons, the matter shall be submitted to the general meeting for consideration. If there are any additional restrictions imposed by laws and regulations and the securities regulatory rules of the place where the shares of the Company are listed on the participation of directors in the Board meetings and voting, such provisions shall apply.

Article 126 The voting in respect of a resolution made at a Board meeting shall be: by open ballot or a show of hands. Each director has the right to one vote.

Resolutions of extraordinary meetings of the Board may also be adopted by voting through video, telephone, written signature, e-mail voting and other means, provided that the directors are allowed to freely express their views and the resolutions shall be signed by the attending directors.

Article 127 Directors shall attend Board meetings in person. If any director is unable to attend the meeting for any reason, he/she may by a written power of attorney appoint another director to attend the meeting on his/her behalf. The power of attorney shall include the name of the proxy, the subject, scope of authorization and validity period, which shall be signed or officially sealed by the appointing director. A director appointed as the representative of another director to attend the meeting shall exercise the rights of a director within the scope of authorization. Where a director does not attend a Board meeting and does not appoint a proxy to attend the meeting on his/her behalf, he/she shall be deemed to have waived his/her voting right at the meeting.

Article 128 The Board shall keep minutes of resolutions passed at Board meetings. The minutes shall be signed by the attending directors.

Board meeting minutes shall be kept as the Company's files for a period of 10 years.

Article 129 Board meeting minutes shall include the following contents:

- (i) date and place of the meeting and name of the convener;
- (ii) names of the attending directors and names of directors (proxies) appointed by others to attend the Board meeting;
- (iii) agenda of the meeting;
- (iv) main points of directors' speeches;
- (v) method and result of the voting for each proposal (the voting result should specify the number of votes for and against the proposal or abstention).

SECTION 3 INDEPENDENT DIRECTORS

Article 130 The independent directors shall conscientiously perform their duties in accordance with the laws, administrative regulations, the requirements of the CSRC, the stock exchanges and these Articles of Association, and play the roles of participating in decision-making, supervising, checking and balancing, and professional consultation in the Board, so as to safeguard the interests of the Company as a whole and to protect the legitimate rights and interests of small and medium shareholders.

Article 131 Independent directors must remain independent. The following persons may not serve as independent directors:

- (i) Persons working in the Company or its subsidiaries, and their spouses, parents, children and major social relations;
- (ii) Natural person shareholders who directly or indirectly hold more than 1% of the Company's outstanding shares or who are among the Company's top 10 shareholders, and their spouses, parents or children;
- (iii) Shareholders who directly or indirectly hold more than 5% of the Company's outstanding shares or who hold positions with the Company's top five shareholders, as well as their spouses, parents, and children;
- (iv) Employees working in the subsidiaries of the Company's controlling shareholders and de facto controllers, their spouses, parents and children;

- (v) Persons who have significant business dealings with the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, or who hold positions in entities with significant business dealings, as well as their controlling shareholders or de facto controllers;
- (vi) Persons providing financial, legal, advisory and sponsorship services to the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, including, but not limited to, all personnel of the project team of the intermediary organization providing the services, reviewers at all levels, persons signing the report, partners, directors, senior management and principals in charge;
- (vii) An officer who has been involved in any of the circumstances listed in items 1 to 6 within the last 12 months;
- (viii) Other officers who are not independent as stipulated in the laws, administrative regulations, CSRC regulations, the business rules of the Stock Exchange, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

The subsidiary enterprises of the Company's controlling shareholders and de facto controllers referred to in items 4 to 6 of the preceding paragraph do not include those enterprises which are under the control of the same state-owned asset management organization as the Company and which do not constitute a relationship with the Company in accordance with the relevant regulations.

The independent directors shall conduct a self-examination of their independence on an annual basis and submit the self-examination to the Board. The Board shall evaluate the independence of the incumbent independent directors every year and issue a special opinion, which shall be disclosed simultaneously with the annual report.

Article 132 The following conditions shall be met in order to serve as an independent director of the Company:

- (i) Qualified to be a director of a listed company in accordance with laws, administrative regulations and other relevant provisions;
- (ii) Meet the independence requirements set forth in these Articles of Association;

- (iii) Basic knowledge of the operation of a listed company and familiarity with relevant laws, regulations and rules;
- (iv) At least five years of working experience in law, accounting or economics necessary for performing the duties of an independent director;
- (v) Possess good personal integrity and have no adverse records such as major breach of trust;
- (vi) Other conditions prescribed by laws, administrative regulations, CSRC regulations, business rules of the Stock Exchange, securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

Article 133 As members of the Board, the independent directors owe a duty of loyalty and diligence to the Company and all shareholders, and prudently fulfill the following duties:

- (i) participate in the decision-making of the Board and express a clear opinion on the matters discussed;
- (ii) supervise potential conflicts of interest between the Company and its controlling shareholders, de facto controllers, directors and senior management, and protect the legitimate rights and interests of small and medium-sized shareholders;
- (iii) provide professional and objective advice on the Company's operation and development and promote the improvement of the Board's decision-making level;
- (iv) other duties as stipulated by laws, administrative regulations, CSRC regulations, securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

Article 134 The independent directors shall exercise the following powers:

- (i) engage an independent intermediary organization to conduct audits, consultations or verifications on specific matters of the Company;
- (ii) propose to the Board the convening of an extraordinary general meeting;
- (iii) propose a meeting of the Board;

- (iv) shareholders' rights are openly solicited from shareholders in accordance with the law;
- (v) express independent opinions on matters that may jeopardize the interests of the Company or small and medium shareholders;
- (vi) other powers and duties as provided by laws, administrative regulations, the regulations of the CSRC, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

In the event that an independent director exercises the powers and functions listed in the first to third items of the preceding paragraph, the exercise of such powers and functions shall be subject to the approval of a majority of all the independent directors.

The Company shall disclose in a timely manner if the independent directors exercise the powers and duties listed in paragraph 1. In the event that the aforementioned powers and duties cannot be exercised properly, the Company shall disclose the specific circumstances and reasons thereof.

Article 135 The following matters shall be submitted to the Board for deliberation after being approved by more than half of all independent directors of the Company:

- (i) related-party transactions that should be disclosed;
- (ii) plans for the Company and connected parties to change or waive their commitments;
- (iii) decisions made and measures adopted by the Board of the acquired listed company regarding the acquisition;
- (iv) other matters as provided by laws, administrative regulations, CSRC regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 136 The Company shall establish a special meeting mechanism attended entirely by independent directors. When the Board deliberates matters such as related transactions, they shall be approved in advance by a special meeting of independent directors.

The Company shall hold special meetings for independent directors on a regular or irregular basis. The matters listed from items (i) to (iii) of paragraph 1 of Article 134 and Article 135 of these Articles of Association shall be deliberated by a special meeting of independent directors.

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

A special meeting of independent directors shall be convened and presided over by an independent director jointly elected by more than half of independent directors. When the convener fails to or is unable to perform his duties, two or more independent directors may convene a meeting and elect one representative to preside over the meeting on their own initiative.

Meeting minutes shall be prepared for a special meeting of independent directors as prescribed, and the opinions of independent directors shall be stated in the meeting minutes. Independent directors shall affix signatures to the meeting minutes for confirmation.

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

SECTION 4 SPECIAL COMMITTEES OF THE BOARD

Article 137 The Board of the Company shall establish an audit committee to exercise the functions and powers of the supervisory committee as stipulated in the Company Law.

Article 138 The audit committee shall consist of 3 members, all of whom shall be directors not holding senior management positions in the Company, of whom more than half shall be independent directors, and shall be convened by a member of the independent directors who is an accounting professional.

Article 139 The audit committee is responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal control, and the following matters shall be submitted to the Board for deliberation after being approved by more than half of all members of the audit committee:

- (i) disclosing financial information in financial and accounting reports and periodic reports, and internal control evaluation reports;

- (ii) appointing or dismissing the accounting firm engaged to undertake the audit work of the listed company;
- (iii) appointing or dismissing the listed company's chief financial officer;
- (iv) making changes to accounting policies or accounting estimates, or correcting material accounting errors, for reasons other than changes in accounting standards;
- (v) other matters stipulated by laws, administrative regulations, CSRC regulations, the securities regulatory rules of the place where the Company's shares are listed, and these Articles of Association.

Article 140 The audit committee shall convene at least one meeting every quarter. An extraordinary meeting may be convened upon the proposal of two or more members, or when the convener deems it necessary. A meeting of the audit committee requires the attendance of more than two-thirds of its members to be held.

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

Voting on audit committee resolutions shall be on a one-person one-vote basis.

Meeting minutes of audit committee resolutions shall be prepared in accordance with regulations, and the audit committee members attending the meeting shall sign the meeting minutes.

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

Article 141 The Board has established special committees such as strategy committee, nomination committee and remuneration and evaluation committee, which shall perform their duties in accordance with these Articles of Association and the authorization of the Board. Proposals from the special committees shall be submitted to the Board for consideration and approval. The working rules of the special committees shall be formulated by the Board. In the nomination committee, and remuneration and evaluation committee, independent directors shall account for more than half of the members therein and shall act as conveners.

Article 142 The Nomination Committee shall be responsible for formulating the selection criteria and procedures regarding directors and senior management members, selecting and reviewing the candidates for directors and senior management members and their qualifications, as well as making recommendations to the Board on the following matters:

- (i) nomination or appointment and dismissal of directors;
- (ii) appointment or dismissal of senior management members;
- (iii) other matters as required by laws, administrative regulations, provisions of the China Securities Regulatory Commission, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The Board shall record and disclose in its resolutions the opinion of the nomination committee and the specific reasons for not adopting or fully adopting the recommendations of the nomination committee.

Article 143 The remuneration and evaluation committee is responsible for formulating the assessment standards for directors and senior management members, conducting assessments, formulating and reviewing the remuneration decision mechanisms, decision-making processes, payment and cessation of payment recovery arrangements, and other remuneration policies and plans for directors and senior management members. The committee shall make recommendations to the Board on the following matters:

- (i) the remuneration of directors and senior management members;
- (ii) the formulation or amendment of equity incentive plans, employee stock ownership plans, and the granting of rights to incentive recipients and the achievement of conditions for the exercise of such rights by incentive recipients;
- (iii) the arrangement of stock ownership plans for directors and senior management members in the event of a proposed spin-off of a subsidiary;
- (iv) other matters as required by laws, administrative regulations, provisions of the China Securities Regulatory Commission, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The Board shall record and disclose in its resolutions the opinion of the remuneration and evaluation committee and the specific reasons for not adopting or fully adopting the recommendations of the remuneration and evaluation committee.

CHAPTER VI SENIOR MANAGEMENT

Article 144 The Company shall have one general manager, who shall be appointed or dismissed by decision of the Board.

The Company may have deputy general managers as necessary. Deputy general managers shall be nominated by the general manager and appointed or dismissed by the Board, and the deputy general managers shall assist the general manager in his/her work.

Article 145 The circumstances of disqualification for directors and the management system for resignations prescribed hereof shall also be applicable to senior management.

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

Article 146 A person holding executive office other than directors and supervisors in any entity of the Company's controlling shareholders shall not hold the office of senior management of the Company.

Senior management of the Company shall be only entitled to salaries paid by the Company, and the controlling shareholders shall not pay the salaries on behalf of the Company.

Article 147 The general manager shall serve for a term of 3 years and may serve consecutive terms if re-appointed.

Article 148 The general manager shall report to the Board and exercise the following duties and powers:

- (i) to take charge of the production, operation and management of the Company, to organize and implement the resolutions adopted by the Board, and to report its work to the Board;
- (ii) to organize and implement the annual business plans and investment plans of the Company;
- (iii) to draft the plans for establishment of the internal management organization of the Company;

- (iv) to draft the basic management system of the Company;
- (v) to formulate the detailed rules and regulations of the Company;
- (vi) to propose to the Board on the appointment or dismissal of the deputy general manager and chief financial officer of the Company;
- (vii) to determine the appointment or dismissal of management personnel other than those whose appointment or dismissal shall be determined by the Board;
- (viii) other duties and powers as may be conferred by these Articles of Association or the Board.

The general manager shall be present at the Board meetings. Non-director general manager has no voting rights at the Board meetings.

Article 149 The general manager shall formulate the terms of reference for the general manager and submit the same to the Board for approval before implementation.

Article 150 The terms of reference for the general manager shall include the following:

- (i) conditions and procedures for convening and participants of the general manager meetings;
- (ii) specific duties and division of work of the general manager and other senior management;
- (iii) the use of funds and assets of the Company, authority to enter into material contracts and systems for reporting to the Board;
- (iv) other matters as deemed necessary by the Board.

Article 151 The general manager may resign prior to the expiration of his/her term of office. The detailed procedures and methods for the general manager's resignation shall be set out in the labor/service contract entered into between the general manager and the Company.

Article 152 Deputy general managers shall be nominated by the general manager and appointed or dismissed by the Board.

The deputy general manager assists the general manager and is accountable to the general manager, he/she is responsible for relevant work as authorized by the general manager and issues relevant business documents within the range of his/her duties. The deputy general manager can exercise any power of the general manager on behalf of the latter when the latter cannot perform such power.

Article 153 The Company shall have a secretary to the Board, who is responsible for preparing for general meeting and Board meetings, maintaining documents and managing shareholders' information, as well as handling information disclosure matters.

The secretary to the Board shall comply with relevant requirements under the laws, administrative regulations, departmental rules and these Articles of Association.

Article 154 The Company shall be liable for any damages caused to others by the senior management in the performance of their duties for the Company; the senior management who acts intentionally or with gross negligence, he/she shall also bear liability for such damages.

If the senior management breach the laws, administrative regulations, departmental rules or these Articles of Association when carrying out their duties for the Company and causes loss to the Company, they shall be liable for compensation.

Article 155 The senior management of the Company shall perform their duties faithfully, and safeguard the best interests of the Company and all shareholders.

If the senior management of the Company fails to perform their duties faithfully or violates their fiduciary duties, causing damage to the interests of the Company and public shareholders, they shall be liable for compensation in accordance with the laws.

CHAPTER VII FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

SECTION 1 FINANCIAL AND ACCOUNTING SYSTEM

Article 156 The Company shall formulate its financial and accounting systems in accordance with laws, administrative regulations and requirements of relevant PRC authorities.

Article 157 The Company shall report and disclose its annual reports to the CSRC and the Stock Exchanges within four months from the ending date of each fiscal year, and report and disclose its interim reports to the delegated authority of the CSRC and the Stock Exchanges within two months from the ending date of the first half of each fiscal year.

The aforementioned annual reports and interim reports shall be prepared in accordance with relevant laws, administrative regulations and regulations of the CSRC and the Stock Exchanges.

Article 158 The Company shall not keep accounts other than those provided by law. Any assets of the Company shall not be kept under any account opened in the name of any individual.

SECTION 2 PROFIT DISTRIBUTION

Article 159 When distributing after-tax profits of the year, the Company shall set aside 10% of its after-tax profits for the Company's statutory reserve fund. When the aggregate balance in the statutory reserve fund has reached 50% or more of the Company's registered capital, the Company needs not make any further allocations to that fund.

Where the Company's statutory reserve fund is not enough to make up losses of the Company for the preceding year, the current year's profits shall be applied firstly to make up the losses before being allocated to the statutory reserve in accordance with the preceding paragraph.

Subject to a resolution passed at a general meeting, after allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund.

Except for those not distributed in proportion as prescribed in these Articles of Association, the remaining after-tax profit, after recovery of losses and appropriation of statutory reserve funds, shall be distributed to shareholders in proportion to their shareholdings.

If the general meeting distributes profits to shareholders in violation of these Articles of Association, the shareholders must refund to the Company the profits distributed in violation of the provision. If losses are caused to the Company, the shareholders and responsible directors and senior management shall bear liability for compensation.

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

Article 160 The reserve fund of the Company shall be used for making up for the loss, expansion of the operation or increase of registered capital of the Company.

When using the reserve fund to make up for the loss, the discretionary reserve fund and statutory reserve fund should be used first; if the loss still cannot be made up, the capital reserve fund may be used in accordance with regulations.

When the statutory reserve fund is capitalized, the retained portion of the fund shall not be less than 25% of the registered capital of the Company before the capitalization.

Article 161 The annual profit distribution proposal of the Company shall be formulated by the Board in accordance with the requirements of these Articles of Association and in view of the Company's profitability in last accounting year, capital needs for development in future and planning for shareholders' returns. The profit distribution proposal is subject to the consideration and approval by the Board before submission to the general meeting for approval.

Article 162 Where a certified public accountant issues explanatory statements on the financial report of the Company, the Board shall make an explanation to the general meeting for relevant issues which led the accountant to express the aforesaid opinions and the effect on the financial and operating condition of the Company. Where such issues have direct impact on the profit for the current accounting period, the Board shall determine the plans on profit distribution or capitalization of reserve funds on a "whichever-is-lower" basis.

Article 163 The profit distribution policy of the Company is as follows:

- (i) Principle for profit distribution: The Company shall fully regard reasonable returns to the investment of investors as an important matter in profit distribution, while taking into account the sustainable development of the Company and maintaining the continuity and stability of the profit distribution policies, which shall comply with the provisions of the relevant laws and regulations and normative documents. The profits distributed by the Company shall not exceed the amount of accumulated distributable profits, shall be in the interest of the Company in the long term and the interests of all shareholders as a whole and in line with the sustainable development of the Company. The Company may distribute interim profit when the relevant conditions are met.

- (ii) Form of profit distribution: The Company may distribute profits in the form of cash or shares or a combination of both at the same time or other forms permitted by the laws and regulations. Distribution by way of cash shall be the priority way for profit distribution. The Company may distribute profits by distributing share dividends based on its cash flow position, business growth, net asset per share and other true and reasonable factors.
- (iii) Intervals of profit distribution: When satisfying the conditions for cash dividends, the Company will distribute dividends actively by cash and distribute cash dividend once a year in principle. The Board may propose to distribute interim cash dividend based on the profitability and capital needs of the Company.
- (iv) Conditions for and proportion of cash dividends

1. Conditions for cash dividends:

- (1) the distributable profit realized by the Company in the current year is positive;
- (2) the accumulated distributable profit of the Company is positive;
- (3) the Company has sufficient cash flow and the implementation of cash dividends will not affect the Company's subsequent operations on a going concern basis;
- (4) the auditor issued unqualified audit report on the financial report of the Company for the current year.

If the Company suffered a loss in the current year but satisfied conditions (2) to (4) above, the Company may distribute cash dividends if the Board deems necessary upon consideration and approval by more than two-thirds of directors and more than half of independent directors before submission to the general meeting for approval.

When the conditions for cash dividends are met, profit distribution shall be made by way of cash dividends. The Company may not distribute cash dividends if any of the following circumstances occurs:

- (1) its gearing ratio is over 80%;

- (2) the audit report for the most recent year is not an unqualified opinion or is a qualified opinion with a paragraph of material uncertainty related to the going concern;
- (3) the Company's distributable profit in the current year is small and insufficient for distribution.

2. Proportion of cash dividends

When the conditions for cash dividends are met, the profit distributed in cash by the Company (including distributed interim cash dividend) shall not be lower than 20% of the distributable profit realized in the current year, if there is uncovered loss for previous years, the profit distributed in cash shall not be lower than 20% of the distributable profit after making-up for losses. Such distribution shall not exceed the amount of the accrued distributable profits and shall in no way prejudice the Company's sustainability of operation. The Company may distribute share dividends while distributing cash dividends as set out above.

The Board should formulate differentiated cash dividend policies for each of the following situations in accordance with the procedure stipulated in the Articles of Association after taking into consideration of all relevant factors such as characteristics of the industry in which the Company operates, the development stage, business model and profit level, ability to repay debts of the Company and whether there are major capital expenditure arrangements and investor returns:

- (1) if the Company is fully developed and has no major capital expenditure arrangement, cash dividends shall take up a minimum of 80% in profit distribution;
- (2) if the Company is fully developed and has major capital expenditure arrangements, cash dividends shall take up a minimum of 40% in profit distribution;
- (3) if the Company is in a growth stage and has major capital expenditure arrangements, cash dividends shall take up a minimum of 20% in profit distribution.

If it is difficult to define the development stage of the Company, but the Company has major capital expenditure arrangements, the preceding provisions may apply.

Major capital expenditure refers to (1) circumstances under which the Company's accumulated expenditure for intended external investment, asset acquisition or equipment procurement in the following 12 months reaches or exceeds 50% of the latest audited net assets of the Company and exceeds RMB50 million; (2) circumstances under which the Company's accumulated expenditure for intended external investment, asset acquisition or equipment procurement in the following 12 months reaches or exceeds 30% of the latest audited total assets of the Company.

- (v) Conditions for share dividend distribution: if the capital size and shareholding structure is reasonable, out of the consideration of giving back to investors and sharing corporate value and from such true and reasonable factors as growth and capital needs of the Company, when the share value falls within a reasonable level and the Board deems it is in the interest of all shareholders of the Company as a whole to distribute share dividend, the Company may distribute share dividends while distributing cash dividends.

Article 164 Decision-making procedures for profit distribution:

The Company's annual profit distribution plan shall be proposed and formulated by the Board based on the provisions of the Articles of Association, its profitability, capital availability and demand. In considering the specific plans for distribution of cash dividends, the Board shall carefully study and deliberate the timing, conditions, minimum ratio, conditions for adjustment and requirements for decision-making procedure and other matters in respect of the Company's distribution of cash dividends, which shall be submitted to the general meeting for consideration upon approval by the Board.

Independent directors shall be entitled to express their independent opinions if they consider that specific plans for cash dividends may jeopardize the interests of the listed company or minority shareholders. If the Board does not adopt or fully adopt the opinion of independent directors, it shall record such opinion and the specific reasons for non-adoption in the resolution of the Board and disclose the same.

In considering the specific plans for distribution of cash dividends at a general meeting, the Company shall fully listen to the opinions and requests from shareholders, especially minority shareholders, and respond to their concerns in a timely manner by actively communicating with them through various channels, including but not limited to communication via telephone, facsimile and email or inviting minority shareholders to attend the meeting, etc..

Where the Company fails to distribute dividends in cash due to the special circumstances, the Company shall disclose in the announcement on Board resolutions and the full text of annual report and make special explanations on the reasons for not declaring the cash dividend or declaring a cash dividend below the stipulated percentage, the accurate usage of the retained profits of the Company, projected investment earnings and other relevant issues, submit such explanations to the general meeting for consideration and disclose the same in those media designated by the Company.

When the Company convenes an annual general meeting to review the annual profit distribution plan, it may deliberate and approve the conditions, and the upper limit of the proportion and the amount of interim cash dividends for the next year. The upper limit of the interim dividends for the next year as deliberated at the annual general meeting shall not exceed the net profit attributable to shareholders of the Company during the corresponding period. According to the resolution of the general meeting, the Board shall formulate a specific interim dividend plan subject to the condition of profit distribution.

Article 165 Adjustments to profit distribution policy:

In case of force majeure such as war and natural disaster which has material impact on the production and operation of the Company or there are material internal changes in the Company's operation, the Company may modify its profit distribution policy, however the modified profit distribution policy shall not be in violation of provisions of relevant laws, administrative regulations, departmental rules and policy documents.

In considering a proposal for formulating or modifying relevant profit distribution policy at a Board meeting, such proposal shall be passed by more than half of all directors before the same is submitted to the general meeting for consideration. In considering a proposal for formulating or modifying relevant profit distribution policy at a general meeting, such proposal shall be passed by more than two-thirds of the voting rights held by shareholders (including their proxies) attending the general meeting.

In considering a proposal for adjusting profit distribution policy at a general meeting, the opinions of public shareholders shall be fully listened to and online voting system shall be provided to shareholders in addition to the voting at on-site meeting.

- Article 166** The Company should disclose in detail the formulation and implementation of profit distribution policy in annual reports, whether in compliance with the requirements of the Articles of Association or the resolutions of the general meeting; whether the cash dividend distribution criteria and proportion were well-defined and clear; whether the related decision-making process and mechanism were comprehensive; the specific reasons for not distributing cash dividends and proposed measures to be further taken to enhance the return level of investors; whether the minority shareholders had the opportunities to sufficiently express their opinions and demands, and the legal interests of the minority shareholders were fully protected. If the profit dividend policy is to be adjusted or altered, it shall be disclosed in detail whether the conditions and procedures of such adjustments or alternation are in compliance and transparent.
- Article 167** The audit committee shall supervise the implementation and decision-making procedures of the Company's profit distribution policies and shareholders' return plans by the Board and the management of the Company.
- Article 168** After the profit distribution plan is resolved at the general meeting or a specific plan is formulated by the Board based on the interim dividend distribution conditions and upper limit for next year considered and approved at the annual general meeting, the Board shall complete the distribution of dividends (or shares) within 2 months.
- Article 169** Upon occurrence of any illegal appropriation of the Company's funds by shareholders, the Company shall deduct the cash dividends to be distributed to such shareholders to make up for the funds appropriated by such shareholders.

SECTION 3 INTERNAL AUDIT

- Article 170** The Company shall implement an internal audit system, which clearly stipulates the leadership structure, duties and authorization, personnel allocation, finance support, audit results application, accountability and other matters in relation to internal audit.
- The internal audit system of the Company shall be implemented and disclosed to the public upon approval by the Board.
- Article 171** The Company's internal audit institution shall supervise and inspect the Company's business activities, risk management, internal controls, financial information, and other matters. The internal audit institution

shall maintain independence, appoint full-time auditors, and shall not be placed under the leadership of the finance department or co-located with the finance department.

Article 172 The internal audit function is accountable to the Board.

When monitoring and examining the Company's business activities, risk management, internal control, and financial information, the internal auditor shall be subject to the oversight and guidance of the audit committee. If the internal auditor discovers any significant issues or leads, it shall immediately report directly to the audit committee.

Article 173 The internal auditor is responsible for the specific organization and implementation of the Company's internal control evaluation. Based on the evaluation report issued by the internal auditor and reviewed by the audit committee, as well as relevant materials, the Company shall issue its annual internal control evaluation report.

Article 174 When the audit committee communicates with external auditors such as accounting firms and national audit agencies, the internal auditor shall actively cooperate and provide necessary support and collaboration.

Article 175 The audit committee participates in the appraisal of the head of internal audit.

SECTION 4 APPOINTMENT OF ACCOUNTING FIRM

Article 176 The Company shall appoint such accounting firm which has complied with the Securities Law and the securities regulatory rules of the place where shares of the Company are listed for carrying out the audit for the accounting statements, net asset verification, and other relevant consultancy services. The term of appointment shall be 1 year and can be re-appointed.

Article 177 The appointment and dismissal of accounting firm by the Company is subject to the approval of general meetings. The Board shall not appoint accounting firm before the approval of the general meeting.

Article 178 The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting proofs, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding, and misrepresentation.

Article 179 The auditing fee of the accounting firm shall be determined by the general meeting.

Article 180 In the event of termination of the appointment or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm 30 days in advance. When the general meeting votes on termination of appointment of an accounting firm, the accounting firm shall be allowed to make its representation.

An accounting firm proposing to resign shall state at a general meeting whether the Company has committed any improper act.

CHAPTER VIII NOTICES AND ANNOUNCEMENTS

SECTION 1 NOTICES

Article 181 The notice may be served through means as follows:

- (i) delivery by hand;
- (ii) by post;
- (iii) by public announcement;
- (iv) by other means accepted by the regulators in the place where the stocks of the Company are listed or prescribed in these Articles of Association.

Where a notice is served by way of announcement, after the publication of such announcement, all related persons shall be deemed to have received the notice.

Unless the context otherwise specifies, the “announcement” referred to herein shall refer to, if issued to the holders of A Shares or within the PRC as required by the relevant provisions and these Articles of Association, the publication of information on the website of Shanghai Stock Exchange and media that satisfy the prescribed conditions of the CSRC; if issued to the holders of H Shares or in Hong Kong as required by the relevant provisions and these Articles of Association, the announcement required to be published under the Hong Kong Listing Rules on the websites of the Company and the Hong Kong Stock Exchange and other websites as prescribed from time to time by the Hong Kong Listing Rules.

Subject to the relevant listing rules of the place where the shares of the Company are listed, regarding the provision and/or distribution of corporate communications to holders of H Shares in accordance with the listing rules of the place where the shares of the Company are listed, the Company may also electronically or on the Company's website or such website of the stock exchange in the place where the shares of the Company are listed post such information so as to send out corporate communications to such holders of H Shares, instead of delivery by hand or postage prepaid mail.

- Article 182** Notice of general meeting shall be served by way of an announcement.
- Article 183** Notice of Board meeting shall be served by personal delivery, post, facsimile or other correspondence.
- Article 184** If the notice is served by personal delivery, the recipient shall affix signature (or seal) to the return on service and the signing date shall be the date of service; if the notice is served by post, the fifth working day after handover to the post office shall be the date of service; if the notice is sent by facsimile, the date of service shall be the second working day after it is facsimiled to the facsimile system of the recipient; if the notice is sent by email, the date of service shall be the second working day after the notice is emailed to the information system of the recipient; if the notice is served by announcement, the date of first announcement shall be the date of service.
- Article 185** The accidental omission to give notice of meeting to, or non-receipt of notice of meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions made at the meeting.

SECTION 2 ANNOUNCEMENTS

- Article 186** The Company shall designate media that meet the conditions stipulated by the CSRC, the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) as the media for publication of the Company's announcements and other required disclosure of information.

**CHAPTER IX MERGER, DIVISION, CAPITAL INCREASE, CAPITAL
REDUCTION, DISSOLUTION AND LIQUIDATION**

**SECTION 1 MERGER, DIVISION, CAPITAL INCREASE AND CAPITAL
REDUCTION**

Article 187 Merger of the Company may take the form of absorption or establishment of a new company.

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

Article 188 The payment for the Company's merger that does not exceed 10% of the Company's net assets may be made without a resolution from the general meeting, unless otherwise provided for by these Articles of Association.

If the Company merges in accordance with the aforesaid provisions without a resolution from the general meeting, it must be resolved by the Board.

Article 189 If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the merger made and shall publish an announcement on the media that comply with the requirements of the CSRC or National Enterprise Credit Information Publicity System, the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) within 30 days as of the date of such resolution. A creditor may, within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, demand the Company to repay its debts or provide guarantees for such debts. Where the listing rules of the place where shares of the Company are listed provide otherwise, such provisions shall prevail.

Article 190 When the Company is merged, the claims and debts of each party to the merger shall be succeeded to by the company surviving the merger or the new company incorporated subsequent to the merger.

Article 191 Where there is a division of the Company, its properties shall be divided accordingly.

Where there is a division of the Company, a balance sheet and property list shall be prepared. The Company shall notify its creditors within 10 days as of the date of the resolution for the division made and shall publish an announcement on the media that comply with the requirements of the CSRC or National Enterprise Credit Information Publicity System, the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) within 30 days as of the date of such resolution. Where the listing rules of the place where shares of the Company are listed provide otherwise, such provisions shall prevail.

Article 192 Unless a written agreement has been entered into, before the division, by the Company and its creditors in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

Article 193 When the Company reduces its registered capital, it will prepare a balance sheet and property list.

The Company shall notify its creditors within 10 days as of the date of the resolution for the reduction of its registered capital passed by the general meeting and shall publish an announcement on the media that comply with the requirements of the CSRC or National Enterprise Credit Information Publicity System, the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) within 30 days as of the date of such resolution. A creditor may, within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, demand the Company to repay its debts or provide guarantees for such debts. Where the listing rules of the place where shares of the Company are listed provide otherwise, such provisions shall prevail.

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

Article 194 If the Company still incurs losses after making up for the losses in accordance with the provisions of the second paragraph under Article 160 hereof, it may reduce its registered capital to make up for the losses. When reducing its registered capital to make up for losses, the Company shall not distribute to shareholders, nor shall it exempt shareholders from their obligations to contribute capital or pay for shares.

The provisions of the second paragraph under Article 193 hereof shall not apply to the reduction of registered capital in accordance with the preceding paragraph. However, the Company shall, within 30 days from the date of the resolution of the general meeting for the reduction of registered capital, publish an announcement on the media that meet the conditions stipulated by the CSRC or the National Enterprise Credit Information Publicity System, the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

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

Article 195 If the registered capital is reduced in violation of the Company Law and other relevant provisions, shareholders shall return the funds they have received and restore the capital contributions to the original state if their capital contribution are reduced or exempted; if losses are caused to the Company, shareholders and responsible directors, and senior management shall be liable for compensation.

Article 196 When the Company issues new shares to increase its registered capital, shareholders do not have pre-emptive rights, unless otherwise stipulated in these Articles of Association or the general meeting resolves that the shareholders shall have pre-emptive right.

Article 197 Where there is a merger or division of the Company, the Company shall, in accordance with the laws, apply for change in its registration with the company registration authority for any changes of its registered information caused thereby. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with the laws. Where a new company is incorporated, the Company shall apply for registration of incorporation in accordance with the laws.

Where there is an increase or reduction in the registered capital, the Company shall, in accordance with the laws, apply for change in registration with the company registration authority.

SECTION 2 DISSOLUTION AND LIQUIDATION

Article 198 The Company shall be dissolved upon the occurrence of any of the following events:

- (i) expiry of the term of business provided in these Articles of Association or other cause of dissolution as specified herein;
- (ii) a resolution on dissolution is passed by general meeting;
- (iii) dissolution is required due to the merger or division of the Company;
- (iv) the business license of the Company is revoked or the Company is ordered to close down or dissolved in accordance with the laws;
- (v) if the Company suffers significant hardships in operation and management that cannot be resolved through other means, and its continuation may cause substantial loss in shareholders' interests, shareholders representing 10% or above of the total voting rights of the Company may plead the People's Court to dissolve the Company.

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

Article 199 If the events (i) and (ii) in the first paragraph of Article 198 hereof occur and the property has not yet been distributed to the shareholders, the Company may continue to exist by amending these Articles of Association or resolution of the general meeting.

Amendments to these Articles of Association or resolution of the general meeting pursuant to the preceding paragraph shall be subject to the approval of shareholders representing two-thirds or above of the voting rights present at the general meetings.

Article 200 Where the Company is dissolved pursuant to sub-paragraphs (i), (ii), (iv) and (v) in the first paragraph of Article 198 hereof, it shall be liquidated. Directors shall be the persons responsible for liquidation of the Company and shall establish a liquidation committee to commence liquidation of the Company within 15 days as of the dissolution circumstance arises.

The liquidation committee shall be composed of directors, except where these Articles of Association provide otherwise or the general meeting resolves to elect other persons.

If the liquidation obligors fail to fulfill their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.

Article 201 During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (i) to check the properties of the Company and prepare a balance sheet and a property list, respectively;
- (ii) to notify the creditors or to make public announcements;
- (iii) to disposal of any unfinished businesses of the Company relating to liquidation;
- (iv) to pay off outstanding taxes as well as taxes arising in the course of liquidation;
- (v) to settle claims and debts;
- (vi) to distribute the remaining properties of the Company after repayment of debts;
- (vii) to represent the Company in civil proceedings.

Article 202 As of the date of its establishment, the liquidation committee shall notify the creditors within 10 days and make public announcement on the media that comply with the requirements of the CSRC or National Enterprise Credit Information Publicity System, the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) within 60 days. Creditors shall, within 30 days as of the receipt of the notice or, in case where they fail to receive such notice, within 45 days as of the date of the announcement, declare their claims to the liquidation committee. Where the listing rules of the place where shares of the Company are listed provide otherwise, such provisions shall prevail.

Creditors shall provide explanations on and evidence for their claims upon their declarations of such claims. The liquidation committee shall record the creditors' claims.

The liquidation committee shall not pay off any debts to any creditors during the period of credit declaration.

Article 203 After checking the properties of the Company and preparing a balance sheet and property list, the liquidation committee shall formulate a liquidation plan for the confirmation by general meeting or the People's Court.

The remaining properties of the Company, after the payment for liquidation expenses, wages, social insurance premiums and statutory compensation of staffs, taxes and debts of the Company, shall be distributed to the shareholders in proportion to their shareholdings.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities unrelated to liquidation. The properties of the Company shall not be distributed to the shareholders until the settlement of debts in accordance with the preceding paragraph.

Article 204 If the liquidation committee, after checking the properties of the Company and preparing a balance sheet and property list, finds that the properties of the Company are insufficient to pay off its debts, it shall file an application to the People's Court for bankruptcy liquidation in accordance with law.

After the People's Court accepts the bankruptcy application, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the People's Court.

Article 205 Upon completion of liquidation, the liquidation committee shall prepare a liquidation report and submit the same to the general meeting or the People's Court for confirmation and shall submit the report to the company registration authority to apply for deregistration of the Company.

Article 206 Members of the liquidation committee shall perform their liquidation obligations and bear duties of loyalty and diligence.

Any member of the liquidation committee shall bear the liability for damages suffered by the Company due to their negligence to perform the obligations of liquidation; where any member of the liquidation committee causes any loss to the Company or the creditors with will or serious negligence, the said member shall be liable for compensation.

Article 207 Where the Company is declared bankruptcy in accordance with law, it shall implement bankruptcy liquidation in accordance with the relevant laws relating to bankruptcy of enterprise.

CHAPTER X AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 208 The Company shall amend the Articles of Association in any of the following circumstances:

- (i) after amendments are made to the Company Law or other relevant laws, administrative regulations and the securities regulatory rules of the place where shares of the Company are listed, any terms contained in the Articles of Association become inconsistent with the said amendments;
- (ii) if certain changes of the Company occur resulting in the inconsistency with certain terms specified in the Articles of Association;
- (iii) the general meeting has resolved to amend the Articles of Association.

Article 209 Where the amendments to the Articles of Association passed by resolutions of the general meetings require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the involved change shall be registered in accordance with the laws.

Article 210 The Board shall amend these Articles of Association in accordance with the resolution of the general meetings on amendment to the Articles of Association and the examination and approval opinions from relevant competent authorities.

Article 211 Where the amendments to the Articles of Association involve matters requiring disclosure by law and regulations, the amendments shall be announced as required.

CHAPTER XI SUPPLEMENTARY PROVISIONS

Article 212 In these Articles of Association, the following terms shall have the following meanings:

- (i) Controlling shareholder refers to a shareholder whose shares account for over 50% of the total share capital of the Company, or a shareholder whose shareholding ratio is no more than 50%, but his/her voting rights based on his/her shareholdings are sufficient to exercise significant influence over the resolutions of the general meeting.

- (ii) De facto controller refers to a natural person, legal person or other organization that is able, through investment relationships, agreements or other arrangements, to actually control the conduct of the Company.
- (iii) Connected relations refer to the relations between a controlling shareholder, de facto controller, director, or senior management of the Company and the enterprise directly or indirectly controlled by the same, and other relations which may give rise to a transfer of interests of the Company, provided however that there should be no connected relations between state-controlled enterprises solely because they are under the common control of the State.
- (iv) Treasury shares refer to corporate shares acquired but not yet transferred or cancelled by the Company in accordance with the provisions of the Company Law, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association, and for the purposes of the Hong Kong Listing Rules, include the shares repurchased by the Company and held or deposited in the CCASS for sale on the Hong Kong Stock Exchange. Save as otherwise provided by the Company Law, the securities regulatory rules of the place where the Company's shares are listed or relevant laws and regulation, the Company shall not vote directly or indirectly in respect of the treasury shares at any meeting of the Company, and such treasury shares shall not be included in determining the total number of shares in issue at any particular point of time.

Article 213 The Board may formulate the rules of Articles of Association in accordance with these Articles of Association. The rules shall not conflict with the Articles of Association.

Article 214 These Articles of Association shall be drafted in Chinese. Where the Articles of Association in any other language or version disagree with these Articles of Association, the Chinese version of the Articles of Association last approved by and registered with Nanjing Administration for Market Regulation shall prevail.

Article 215 For the purpose of these Articles of Association, references to “more than”, and “within” shall include the actual figures, while references to “over”, “other than”, “lower than” and “higher than” shall exclude the actual figures.

- Article 216** Unless otherwise expressly specified in relevant national laws, administrative regulations and relevant regulatory rules of the place where the Company's shares are listed, the term "independent non-executive director" herein shall have the same meaning as the term "independent director".
- Article 217** The Board shall be responsible for the interpretation of these Articles of Association.
- Article 218** The appendices to these Articles of Association include the Rules of Procedure for Shareholders' Meetings and the Rules of Procedure for the Board Meetings.
- Article 219** Matters not covered herein shall be dealt with in accordance with the relevant laws, regulations, normative documents and securities regulatory rules in the place where the Company's shares are listed. In the event of any conflict between these Articles of Association and the provisions of laws, regulations, normative documents and securities regulatory rules promulgated from time to time in the place where the Company's shares are listed, the provisions of relevant laws, regulations, normative documents and securities regulatory rules shall prevail.
- Article 220** These Articles of Association shall come into force upon consideration and approval at the general meeting.

(The remainder of this page is left blank)

Jiangsu Lopal Tech. Group Co., Ltd.

March, 2026