

GigaDevice Semiconductor Inc.

Articles of Association

April 2026

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Chapter 1 General Provisions

- 1 To safeguard the legitimate rights and interests of GigaDevice Semiconductor Inc. (hereinafter referred to as GigaDevice or the Company), its shareholders, employees and creditors and regulate the organization and activities of the Company, the Articles of Association are formulated pursuant to 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) and other relevant regulations.
- 2 GigaDevice is a joint stock limited company promoted and established through the overall restructuring of GigaDevice Semiconductor (Beijing) Co., Ltd. (北京兆易創新科技有限公司) in accordance with the Company Law and other relevant regulations. The original shareholders of GigaDevice Semiconductor (Beijing) Co., Ltd. are the promoters of the Company.

The Company was established by means of promotion and was registered with the Beijing Administration for Industry and Commerce on December 28, 2012. The unified social credit code is 91110108773369432Y.

- 3 Upon approval by the China Securities Regulatory Commission (hereinafter referred to as the CSRC) on July 22, 2016, the Company conducted the initial public offering of 25 million RMB-denominated ordinary shares and listed the same on the Shanghai Stock Exchange on August 18, 2016.

Upon filing with the CSRC on December 9, 2025 and approval by the Stock Exchange of Hong Kong Limited (hereinafter referred to as Hong Kong Stock Exchange), the Company conducted its initial public offering of 33,253,100 overseas listed foreign shares (after the exercise of the over-allotment option), the Company was listed on the Main Board of the Hong Kong Stock Exchange on January 13, 2026.

Shares issued by the Company and listed on the Shanghai Stock Exchange shall hereinafter be referred to as A Shares; shares issued by the Company and listed on the Hong Kong Stock Exchange shall hereinafter be referred to as H Shares.

- 4 Registered name of the Company: 兆易創新科技集團股份有限公司
English name of the Company: GigaDevice Semiconductor Inc.
- 5 Address of the Company: Room 101, 1/F to 5/F, Building 8, No. 9 Fenghao East Road, Haidian District, Beijing
- 6 The registered capital of the Company is RMB701,102,451.
- 7 The Company is a joint stock limited company of perpetual duration.

- 8 The general manager of the Company is the legal representative of the Company.

If the general manager resigns, he/she shall be deemed to have resigned as the legal representative at the same time. In the event that the legal representative resigns, the Company shall determine a new legal representative within 30 days of the resignation.

The legal consequences of civil activities conducted by the legal representative in the name of the Company shall be borne by the Company. Restrictions on the powers of the legal representative under the Articles of Association or by the general meeting shall not be asserted against a bona fide counterparty. If the legal representative causes damage to others while performing his/her official duties, the Company shall bear civil liability. After assuming civil liability, the Company may recover compensation from the legal representative who is at fault in accordance with the law or the Articles of Association.

- 9 All of the capital of the Company shall be divided into shares of equal value. The shareholders shall be liable for the Company to the extent of the shares subscribed and the Company shall be liable for its debts to the extent of all of its assets.
- 10 The Articles of Association shall be a legally binding document that regulates the Company's organization and activities, the rights and obligations between the Company and its shareholders as well as among the shareholders, and a legally binding document for the Company, shareholders, directors and senior management members from the date on which it takes effect.

Pursuant to the Articles of Association, shareholders may take legal action against other shareholders, directors, general manager, other senior management members of the Company and the Company, and the Company may take legal action against its shareholders, directors, general manager and other senior management members.

- 11 Other senior management members mentioned in the Articles of Association refer to deputy general managers, the chief financial officer and the secretary to the Board of the Company.

Chapter 2 Business Objectives and Scope

- 12 The business objectives of the joint stock company are to operate with a market-oriented approach, drive growth through innovation, excel in modern management, deliver outstanding performance to its shareholders, and contribute positively to society.
- 13 The business scope of the Company includes: research and development of microelectronic products, computer hardware and software, computer systems integration, telecommunications equipment, handheld mobile terminals; commissioned processing and production, sales of self-developed products; technology transfer, technical services; import and export of commodities and technology and acting as import and export agency. (The market entity shall select business items and carry out operating activities at its own discretion in accordance with the laws; for items subject to approval in accordance with the laws, operating activities can only be conducted upon approval by relevant authorities and to the extent authorized by such approval; it is not allowed to engage in operating activities prohibited or restricted by industrial policies of the State and the municipality.)

Chapter 3 Shares

Section 1 Issuance of Shares

- 14 The shares of the Company shall take the form of registered shares. The issuance of the shares of the Company shall be conducted in the principle of openness, fairness and impartiality, and each share of the same class is entitled to equal rights. For shares of the same class issued at the same time, the issuance conditions and price per share shall be identical; and the price paid by the subscribers for each share is the same.
- 15 A Shares issued by the Company shall be centrally kept at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. H Shares issued by the Company may, in accordance with the laws and established practices for securities registration and custody of the place where the shares of the Company are listed, primarily be put under custody of the nominee company under Hong Kong Securities Clearing Company Limited and can also be held by shareholders in their own names.
- 16 The Company has issued a total of 701,102,451 shares with a par value of RMB1 per share. The Company's share capital structure comprises: 701,102,451 ordinary shares, including 667,849,351 A Shares and 33,253,100 H Shares.
- 17 The Company may issue ordinary shares and preferred shares according to law.
- 18 The Company or subsidiaries thereof (including affiliates thereof) shall not provide any financial assistance to others for the purpose of obtaining the shares of the Company or its parent company by such means as gift, advance payment, guarantee or loan, except for the implementation of the Company's employee share schemes.

For the benefits of the Company, the Company may, upon a resolution by the general meeting or the resolution adopted by the Board of Directors as authorized by the Articles of Association or by the general meeting, provide financial assistance to others for the purpose of obtaining the shares of the Company or its parent company, provided that the total accumulative amount of the financial assistance shall not exceed 10% of the total issued share capital. Resolutions made by the Board shall require approval from more than two-thirds of all directors.

Section 2 Increase, Decrease and Repurchase of Shares

- 19 The Company may, based on its operating and development needs and in accordance with the laws and regulations and the resolution of any general meeting, increase its capital by the following methods:
 - 19.1 an issue of shares to unspecified persons;
 - 19.2 an issue of shares to specified persons;
 - 19.3 offering of bonus shares to existing shareholders;

- 19.4 the conversion of capital reserve funds into share capital;
- 19.5 any other methods stipulated by laws and administrative regulations and approved by the CSRC and the securities regulatory authorities in the place where the shares of the Company are listed.
- 20 The Company may reduce its registered capital. The reduction of registered capital of the Company shall be made in accordance with the Company Law, other relevant regulations as well as procedures stipulated in the Articles of Association.
- 21 The Company shall not repurchase its own shares, except under any of the following circumstances:
- 21.1 to reduce the registered capital of the Company;
- 21.2 to merge with other companies holding the Company's shares;
- 21.3 to use the shares for the employee share schemes or as equity incentives;
- 21.4 to acquire the shares of shareholders (upon their request) who vote against any resolution adopted at general meetings on the merger or division of the Company;
- 21.5 to utilize shares to satisfy the conversion of corporate bonds that are convertible into shares issued by the Company;
- 21.6 to safeguard corporate values and shareholders' equity as the Company deems necessary.
- 22 Where the Company repurchases its shares, it shall be conducted through public and centralized trading or other methods recognized by laws, administrative regulations, the CSRC and the securities regulatory authorities in the place where the shares of the Company are listed.

Where the Company intends to repurchase its shares under the circumstances set out in Article 21.3, Article 21.5 or Article 21.6, the repurchase shall be conducted through public and centralized trading.

- 23 If the Company intends to repurchase its shares for reasons set out in Article 21.1 and Article 21.2 of the Articles of Association, it shall be approved by a resolution at a general meeting. If the Company intends to repurchase its shares for reasons set out in Article 21.3, Article 21.5 and Article 21.6 of the Articles of Association, a board resolution shall be passed by more than two-thirds of the directors attending the board meeting.

After the Company has repurchased its shares in accordance with Article 21 of the Articles of Association, the shares repurchased under the circumstance set out in Article 21.1 shall be canceled within 10 days from the date of repurchase, the shares repurchased under the circumstances set out in Article 21.2 and Article 21.4 shall be transferred or canceled within six months, and for the shares repurchased under the circumstances set out in Article 21.3, Article 21.5 and Article 21.6, the total number of the Company's shares held by the Company shall not exceed 10% of the total issued shares of the Company, and the shares so acquired shall be transferred or canceled within three years. Where it is otherwise provided in the laws, regulations and the securities regulatory rules of the place where the shares of the Company are listed in respect of matters relating to share repurchases, such provisions shall prevail.

When the Company repurchases its own shares, it shall perform the obligation of information disclosure in accordance with the Securities Law and the provisions of the stock exchange and other securities regulatory rules of the place where the shares of the Company are listed.

Section 3 Share Transfer

24 The shares of the Company shall be transferred according to law.

A Shares of the Company shall be listed for trading at the Shanghai Stock Exchange. Should A Shares of the Company be de-listed, such shares will continue to be traded under the entrusted share transfer system.

All transfers of H Shares shall be effected by instruments of transfer in writing in a general or ordinary form or in any other forms acceptable to the Board (including the standard transfer format or form of transfer that the Hong Kong Stock Exchange may provide from time to time); such instruments of transfer may be signed by hand or (where the transferor or transferee is a corporation) by the valid corporate seal. If the transferor or the transferee is a recognized clearing house (hereinafter referred to as the recognized clearing house) or its nominee as defined in the relevant regulations in force from time to time under Hong Kong laws, the instruments of transfer may be signed by hand or in printed form. All instruments of transfer shall be kept at the legal address of the Company or other place designated by the Board of Directors from time to time.

25 The Company shall not accept any of its own shares as the subject of pledge.

26 The shares issued prior to the public issuance of shares by the Company shall not be transferred within one year of the date on which the shares of the Company are listed and traded on a stock exchange.

The directors and senior management members of the Company shall report to the Company their shareholdings in the Company and changes therein. During their terms of office as determined upon appointment, directors and senior management members of the Company shall not transfer annually more than 25% of the total number of shares of the Company which they hold; the shares of the Company held by them shall not be transferred within one year from the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six months from the date of their departure from the Company.

- 27 When any shareholder, holding more than 5% of the Company's shares, of the Company or any director or senior management member of the Company disposes of his/her/its shares or other securities with an equity nature in the Company within six months of purchase, or purchases shares or other securities with an equity nature in the Company again within six months after disposal, the proceeds derived therefrom shall be retained for the benefit of the Company and be revoked by the Board of Directors of the Company. However, the disposals by brokerage companies holding more than 5% of the shares in the Company due to the fact that their underwritten shares remain unsubscribed and other circumstances stipulated by the CSRC shall not be subject to the restriction. Where it is otherwise provided in the laws, regulations and the securities regulatory rules of the place where the shares of the Company are listed, such provisions shall prevail.

The shares or other securities with an equity nature held by any director, senior management member and natural person shareholder referred to in the preceding paragraph shall include the shares or other securities with an equity nature held by their spouses, parents and children, and those held through others' accounts.

If the Board of Directors of the Company fails to comply with the first paragraph of this Article, the shareholders shall have the rights to request the Board of Directors to implement the related provisions within 30 days. If the Board of Directors of the Company fails to implement the requirements within the specified time, the shareholders may directly institute a lawsuit in the People's Court in their own names for the benefit of the Company.

If the Board of Directors of the Company fails to act in accordance with the first paragraph of this Article, the responsible directors shall be jointly and severally liable in accordance with the law.

Chapter 4 Shareholders and General Meetings

Section 1 General Provisions on Shareholders

- 28 The Company shall establish a register of members in accordance with the certificates issued by the securities registration and clearing institution. The register of members shall be sufficient evidence of the holding of shares in the Company by the shareholders. Shareholders shall enjoy rights and assume obligations in accordance with the category of shares they hold; shareholders holding the same category of shares shall enjoy equal rights and assume equal obligations.

The original register of members of H Shares listed in Hong Kong shall be kept in Hong Kong for shareholders' inspection, but the Company may close the register of members in accordance with the provisions of applicable laws and regulations and the securities regulatory rules of the place where the shares of the Company are listed. If any shareholder in the register of members of H Shares or any person requesting to have his/her name (title) recorded in the register of members of H Shares has lost his/her share certificates, the said shareholder or person may apply to the Company to reissue new share certificates for the said shares. Application for reissue of shares lost by holders of overseas listed foreign shares shall be processed pursuant to the laws, rules of the stock exchange or other relevant regulations of the place where the original register of members of overseas listed foreign shares is kept.

- 29 When the Company convenes a general meeting, distributes dividends, commences liquidation or engages in other acts requiring the confirmation of shareholder's identity, the Board of Directors or the convener of a general meeting shall decide the date of record. The shareholders whose names appear on the register of members at the close of trading on the date of record are entitled to the relevant rights of shareholders.
- 30 The shareholders of the Company shall be entitled to the following rights:
- 30.1 to be entitled to dividends and other forms of distribution in proportion to the number of shares held;
 - 30.2 the right to propose, hold, convene and preside over, to attend or appoint a proxy to attend general meetings and to speak and exercise the corresponding voting rights in accordance with the laws;
 - 30.3 to supervise the business activities of the Company and to put forward proposals or raise inquiries;
 - 30.4 to transfer, donate, or pledge shares held by them in accordance with the laws, administrative regulations and provisions of the Articles of Association;
 - 30.5 to review and copy the Articles of Association, the register of members, minutes of general meetings, resolutions of meetings of the Board of Directors and financial and accounting reports, and to review the Company's accounting books and accounting documents (for shareholders who meet the requirements);
 - 30.6 upon termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company in accordance with the number of shares held;
 - 30.7 with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, to require the Company to acquire the shares held by them;
 - 30.8 other rights conferred by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.
- 31 Where shareholders demand the review or copying of the relevant information as mentioned in the preceding Article or request any materials, they shall comply with the Company Law, the Securities Law and other relevant laws and administrative regulations and securities regulatory rules of the place where the shares of the Company are listed, and submit a written request to the Company, stating the purpose. Moreover, such shareholders shall provide written documents evidencing the class and number of shares of the Company held by them. Upon verification of the shareholder's identity and the purpose of review or copying, the Company shall provide information in accordance with relevant laws, administrative regulations, departmental rules, normative documents, rules of the stock exchange where the shares of the Company are listed and the Articles of Association.

- 32 If any resolution of the general meeting or the Board of Directors violates the laws or administrative regulations, the shareholders shall have the right to submit to the People's Court to nullify such resolution.

If the convening procedures or voting methods for the general meeting or the board meeting violate the laws, administrative regulations or the Articles of Association, or any content of the resolution thereof violates the Articles of Association, the shareholders shall have the right to submit to the People's Court within 60 days after such a resolution is made to revoke it. However, this does not apply if such procedures for convening the general meeting and the board meeting, or the voting thereat, have only minor flaws that have no substantial impact on the resolution.

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

Where the People's Court renders a judgment or ruling on relevant matters, the Company shall fulfill the obligation of information disclosure in accordance with laws, administrative regulations, and the regulations of the CSRC and the stock exchanges, fully explain the impact, and actively cooperate with the execution after the judgment or ruling takes effect. Where rectification of previous executed matters is involved, such rectification shall be promptly processed and the obligation of information disclosure shall be fulfilled accordingly.

- 33 Under any of the following circumstances, a resolution of the general meeting or the Board of Directors of the Company shall not be formed:

33.1 a resolution is adopted without holding a general meeting or a board meeting;

33.2 the matters to be resolved are not voted on at a general meeting or a board meeting;

33.3 the number of persons present at a meeting or the number of voting rights held by them is less than the number of persons or the number of voting rights held as prescribed in the Company Law, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association;

33.4 the number of persons voting for the matters to be resolved or the number of voting rights held by them is less than the number of persons or the number of voting rights held as prescribed in the Company Law, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

- 34 Where the directors and senior management members (other than members of the Audit Committee) violate laws, administrative regulations or the provisions in the Articles of Association in time of performing their duty hereof and have caused damage to the Company, the shareholder who holds more than one percent of the shares separately or aggregately in a continuous period of over 180 days can submit a written request to the Audit Committee to institute litigation at a People's Court. Where members of the Audit Committee violate laws, administrative regulations or the provisions in the Articles of Association in time of performing their duty hereof and have caused damage to the Company, the aforementioned shareholders can submit a written request to the Board of Directors to institute litigation at a People's Court.

On the conditions that the Audit Committee or the Board of Directors refuses to prosecute an action after receiving the shareholders' written request as set out in the preceding paragraph, or does not take an action within 30 days after receipt of the said request, or if there is an urgent situation and without an immediate proceedings the Company's interests will be irreparably damaged, the shareholders as specified in the preceding paragraph shall have the right to directly sue to the People's Court in their own names for the benefit of the Company.

Where others infringe upon the Company's legitimate rights and interests and have caused damages to the Company, the shareholders as specified in the first paragraph of this Article may institute legal proceedings to the People's Court pursuant to the preceding two paragraphs.

Where a director, supervisor (if any), or senior management member of a wholly-owned subsidiary of the Company violates laws, administrative regulations or the Articles of Association in fulfilling his/her duties, thereby causing losses to the Company, or where any other person infringes upon the lawful rights and interests of the wholly-owned subsidiary of the Company, thereby causing losses, the shareholders who hold more than one percent of the shares of the Company separately or aggregately in a continuous period of over 180 days may, in accordance with the first three paragraphs of Article 189 of the Company Law, request in writing the board of supervisors (or the audit committee) or the board of directors of the wholly-owned subsidiary to institute an action in a People's Court, or directly institute an action in a People's Court in their own names.

- 35 If any director or senior management member violates the laws, administrative regulations or the Articles of Association, thereby damaging the interests of the shareholders, the shareholders may institute legal proceedings to the People's Court.

- 36 Shareholders of the Company shall assume the following obligations:

36.1 Complying with the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association;

36.2 Paying subscription moneys for the shares subscribed in accordance with the agreed manner of payment;

- 36.3 No withdrawal of their share capital contribution except for the circumstances set out in the laws, regulations and the securities regulatory rules of the place where the shares of the Company are listed;
- 36.4 No abuse of shareholder's rights to damage the interests of the Company or other shareholders; no abuse of the independent legal person status of the Company and the limited liability of shareholders to damage the interests of the creditors of the Company;
- 36.5 Other obligations that should be assumed under laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.
- 37 If any shareholder of the Company abuses the shareholder's rights and causes loss to the Company or other shareholders, he/she shall be liable for the compensation according to law. If any shareholder of the Company abuses the independent legal person status of the Company and the limited liability of shareholders to evade debts and severely damage the interests of the creditors of the Company, he/she shall bear several and joint liability for the debts of the Company.

Section 2 Controlling Shareholders and De facto Controllers

- 38 The controlling shareholders and de facto controllers of the Company shall exercise their rights and fulfil their obligations in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed, the provisions of the CSRC and the stock exchanges, and safeguard the interests of the listed company.
- 39 Controlling shareholders and de facto controllers of the Company shall comply with the following provisions:
- 39.1 to exercise their rights as shareholders in accordance with the law and not to abuse their control or use their affiliation to prejudice the legitimate rights and interests of the Company or other shareholders;
- 39.2 to strictly fulfil the public statements and undertakings made, without unilateral alteration or waiver;
- 39.3 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;
- 39.4 not to appropriate the Company's funds in any way;
- 39.5 not to order, instruct or request the Company and relevant personnel to provide guarantees in violation of laws and regulations;

- 39.6 not to make use of the Company's undisclosed material information for personal gain, not to disclose in any way undisclosed material information relating to the Company, and not to engage in insider trading, short-swing trading, market manipulation and other illegal and unlawful acts;
- 39.7 not to prejudice the legitimate rights and interests of the Company and other shareholders through unfair related party transactions, profit distribution, asset restructuring, foreign investment or any other means;
- 39.8 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;
- 39.9 other provisions of laws, administrative regulations, provisions of the CSRC, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

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

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

- 40 If controlling shareholders or de facto controllers pledge the shares of the Company held by them or under their effective control, they should maintain the stability of the Company's control and production and operation.
- 41 If controlling shareholders or de facto controllers transfer the shares of the Company held by them, they shall comply with the restrictive provisions on the transfer of shares set out in the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed, the regulations of the CSRC and the stock exchanges and their undertakings in relation to the restriction on the transfer of shares.

Section 3 General Provisions of General Meetings

- 42 The general meeting of the Company comprises all shareholders. The general meeting shall be the organ of authority of the Company and shall exercise the following functions and powers in accordance with the law (such functions and powers shall not be delegated to the Board of Directors or to any other body or person):
 - 42.1 to elect and replace directors and to decide on matters relating to the remuneration of directors;
 - 42.2 to consider and approve reports of the Board of Directors;

- 42.3 to consider and approve the profit distribution plans and loss recovery plans of the Company;
- 42.4 to resolve on the increase or reduction of the registered capital of the Company;
- 42.5 to resolve on the issuance of bonds by the Company;
- 42.6 to resolve on the merger, demerger, dissolution, liquidation or change of form of the Company;
- 42.7 to amend the Articles of Association;
- 42.8 to resolve on the appointment, dismissal of the accounting firm engaged in the audit work of the Company and to determine its remuneration;
- 42.9 to review and approve the guarantee matters as stipulated in Article 43;
- 42.10 to consider acquisitions and disposals of material assets by the Company in a year exceeding 30% of the Company's latest total audited assets;
- 42.11 to consider the related party transactions between the Company and the related party, in amount of more than RMB30 million, occupying more than 5% of the audited absolute value on net asset of the Company in the latest period;
- 42.12 when a transaction of the Company (excluding financial assistance, and provision of guarantee and other transactions of the Company without involving any payment of consideration or attaching any obligations such as receiving monetary assets as gift and waiver of debts) meets one of the following criteria (if the data involved in the following index calculation is negative, the absolute value of the data shall be taken), it shall be submitted to the general meeting for consideration:
 - 42.12.1 the total amount of assets involved in the transaction (if the assets involved have both book value and valuation, whichever is higher) accounts for over 50% of the latest audited total assets of the listed company;
 - 42.12.2 the net assets involved in the subject matter (such as equity) of the transaction (if the assets involved have both book value and valuation, whichever is higher) accounts for over 50% of the latest audited net assets of the Company, and the absolute amount exceeds RMB50 million;
 - 42.12.3 the transaction value (including liabilities and expenses incurred) accounts for over 50% of the latest audited net assets of the listed company, and the absolute amount exceeds RMB50 million;
 - 42.12.4 the profit derived from the transaction accounts for over 50% of the audited net profit of the listed company in the latest accounting year, and the absolute amount exceeds RMB5 million;

42.12.5 the relevant operating income of the subject matter (such as equity) of the transaction in the latest accounting year accounts for over 50% of audited operating income of the listed company in the latest accounting year, and the absolute amount exceeds RMB50 million;

42.12.6 the relevant net profit of the subject matter (such as equity) of the transaction in the latest accounting year accounts for over 50% of the audited net profit of the listed company in the latest accounting year, and the absolute amount exceeds RMB5 million.

42.13 to consider the equity incentive plan and employee share schemes of the Company;

42.14 to consider and approve proposals for changing the purpose of the raised funds;

42.15 to consider other matters that laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association require to be resolved by the general meeting.

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

43 The following external guarantees of the Company shall be submitted for consideration and approval at a general meeting upon review and approval by the Board of Directors:

43.1 a single guarantee whose amount exceeds 10% of the latest audited net assets of the Company;

43.2 any guarantee provided after the total amount of external guarantee provided by the Company and subsidiaries in which it has controlling interest has exceeded 50% of the latest audited net assets;

43.3 any guarantee provided after the total amount of external guarantee provided by the Company and subsidiaries in which it has controlling interest has exceeded 30% of the latest audited total assets;

43.4 guarantee with a total guarantee amount for the preceding 12 consecutive months exceeding 30% of the latest audited total assets of the Company;

43.5 guarantee offered to persons whose gearing ratio has exceeded 70%;

43.6 guarantee provided to shareholders, de facto controllers and their related parties;

43.7 other guarantees that should be considered and approved by the general meeting as stipulated by the laws, administrative regulations, departmental rules, normative documents, rules of the stock exchange, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

When the guarantee stipulated in item 4 of the preceding Article is considered at a general meeting, it shall be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

- 44 General meetings are divided into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once every year and shall take place within six months of the end of the previous accounting year.
- 45 The Company shall convene an extraordinary general meeting within two months after the occurrence of any of the following circumstances:
- 45.1 where the number of directors is less than the number stipulated in the Company Law or two-thirds of the number required by the Articles of Association;
 - 45.2 where the unrecovered losses of the Company amount to one-third of its total paid-in share capital;
 - 45.3 upon the requisition of shareholders individually or in aggregate holding more than 10 per cent of the shares of the Company;
 - 45.4 when the Board of Directors deems necessary;
 - 45.5 when the Audit Committee proposes to call for such a meeting;
 - 45.6 other circumstances as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

- 46 The venue for the general meeting of the Company shall be as specified in the notice of the general meeting.

The general meetings shall be held at a meeting place in the form of on-site meeting which shareholders can attend virtually with the use of technology. The Company shall also provide the electronic voting means for the convenience of shareholders.

- 47 In convening a general meeting, the Company shall engage a lawyer to provide legal opinions and publish an announcement on the following issues:
- 47.1 whether the procedures of convening and holding the meeting comply with the laws, administrative regulations and the Articles of Association;
 - 47.2 whether the qualifications of the attendees and the convener of the meeting are lawful and valid;
 - 47.3 whether the voting procedures and results of the meeting are lawful and valid;
 - 47.4 legal opinions on other relevant matters upon request by the Company.

Section 4 Convening of General Meetings

- 48 The Board of Directors shall convene a general meeting on time and within the prescribed period.

With the approval of a majority of all independent directors, the independent directors shall be entitled to propose the convening of an extraordinary general meeting to the Board of Directors. With regard to the proposal by the independent directors on convening of an extraordinary general meeting, the Board of Directors shall, in accordance with the provisions of the laws, administrative regulations and the Articles of Association, make feedback in written form concerning approval or disapproval of the convening within 10 days after its receipt of the proposal.

If the Board of Directors agrees to hold an extraordinary general meeting, it will issue a notice calling such meeting within 5 days after it has so resolved. If the Board of Directors does not agree to hold the extraordinary general meeting, it shall give the reasons and publish an announcement.

- 49 The Audit Committee shall have the right to propose to the Board of Directors in writing to hold an extraordinary general meeting. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees to call such an extraordinary general meeting within 10 days after receiving the proposal from the Audit Committee to call such meeting.

If the Board of Directors agrees to hold an extraordinary general meeting, it will issue a notice calling such meeting within 5 days after it has so resolved. The consent of the Audit Committee shall be secured if any change is to be made in the notice to the original proposal.

If the Board of Directors disagrees to hold an extraordinary general meeting or fails to give a written response within 10 days after the receipt of the proposal, it shall be deemed that the Board of Directors is unable or fails to perform its duty of convening a general meeting. In such case, the Audit Committee may convene and preside over the meeting on its own.

- 50 Shareholders that hold, individually or collectively, more than 10% of the shares in the Company shall request in writing the Board of Directors to hold an extraordinary general meeting. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees to call such an extraordinary general meeting within 10 days after receiving the request.

If the Board of Directors agrees to hold an extraordinary general meeting, it will issue a notice calling such meeting within 5 days after it has so resolved. The consent of the relevant shareholders shall be secured if any change is to be made in the notice to the original request.

If the Board of Directors disagrees to hold an extraordinary general meeting or fails to give a response within 10 days after receipt of the request, the shareholders that hold, individually or collectively, more than 10% of the shares of the Company may propose in writing to the Audit Committee to hold an extraordinary general meeting.

If the Audit Committee agrees to hold an extraordinary general meeting, it will issue a notice calling such meeting within 5 days after receipt of the request. The consent of the relevant shareholders shall be secured if any change is to be made in the notice to the original request.

If the Audit Committee fails to issue the notice calling such meeting within the period specified, it shall be deemed to have failed to convene and preside over such meeting. The shareholders holding, individually or collectively, more than 10% of the shares in the Company for 90 days or more consecutively may convene and preside over such meeting.

- 51 The Audit Committee or the shareholders that decide to hold a general meeting by itself or themselves shall notify the Board of Directors in writing, and file it with the Shanghai Stock Exchange.

Upon issuing the notice of the general meeting and the announcement of the resolutions of such meeting, the Audit Committee or the convening shareholder shall provide relevant supporting documents to the Shanghai Stock Exchange.

The shareholders who convene the general meeting shall hold at least 10% of the shares in the Company prior to the announcement of the resolutions of such meeting.

- 52 With regard to the general meeting convened by the Audit Committee or the shareholders itself/themselves, the Board of Directors and its secretary shall offer cooperation. The Board of Directors shall provide the register of members as of the date of record.
- 53 The necessary expenses of the general meeting convened by the Audit Committee or the shareholders itself/themselves shall be borne by the Company.

Section 5 Proposals and Notices of General Meetings

- 54 A proposal of a general meeting shall fall within the terms of reference of the general meeting. There shall be definite topics and specific matters for resolution. The proposal shall comply with the relevant provisions of the laws, administrative regulations and the Articles of Association.
- 55 When convening a general meeting, the Board of Directors, the Audit Committee and shareholders individually or in aggregate holding more than 1% of the Company's shares shall be entitled to propose motions to the Company.

Shareholders individually or in aggregate holding more than 1% of the Company's shares are entitled to propose interim proposals and submit them in writing to the convener 10 days before the general meeting is to be held. The convener shall within two days upon receipt of the proposals issue a supplementary notice of the general meeting, announcing the content of the interim proposals and submitting the interim proposals to the general meeting for consideration, except for the interim proposals that violate the requirements of the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, or are not within the terms of reference of the general meeting.

Save as provided in the preceding paragraph, after the issue of the notice of the general meeting, the convener shall not make any amendment to the proposal specified in the notice of the general meeting or add any new proposal.

In respect of proposal not specified in the notice of the general meeting or not complying with the requirements of the Articles of Association, no voting and resolution shall be made at the general meeting.

56 The convener shall notify shareholders by way of announcement 20 days before the convening of an annual general meeting, and shareholders will be notified by way of announcement 15 days before the convening of an extraordinary general meeting.

57 The notice of the general meeting includes the following:

57.1 the time, place and duration of the meeting;

57.2 the matters and proposals submitted to the meeting for consideration;

57.3 the date of record of shareholders entitled to attend the general meeting;

57.4 state in plain language that all shareholders listed in the register of members as at the date of record are entitled to attend the general meeting and may appoint a proxy to attend and vote at the meeting, and that such proxy need not be a shareholder of the Company;

57.5 the time and place for the delivery of the proxy forms for voting;

57.6 the name and phone number of the permanent contact person for the meeting;

57.7 the time and procedures of voting via the internet or by other means;

57.8 other contents to be included in the notice as stipulated in relevant laws, regulations, rules, normative documents, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

58 Where the elections of directors who are not employee representatives are proposed to be discussed at the general meeting, the notice of the general meeting shall sufficiently disclose the particulars of the candidates for directors, and shall include at least the following content:

- 58.1 personal particulars, including educational background, work experience, and concurrent positions;
- 58.2 whether there is any related party relation with the Company or its controlling shareholders and de facto controllers;
- 58.3 the number of shares of the Company held;
- 58.4 whether the candidate has been punished by the CSRC or any other relevant department or reprimanded by the stock exchange;
- 58.5 whether there are any circumstances where the candidate is prohibited from acting as a director as stipulated in laws, regulations, rules, normative documents, or the securities regulatory rules of the place where the shares of the Company are listed.

Unless a director is elected via the cumulative voting system, each candidate for director who is not an employee representative shall be proposed via a single proposal.

- 59 After issuance of the notice for general meeting, the general meeting shall not be postponed or cancelled without proper reasons and the proposals specified in the notice shall not be withdrawn. In case of postponement or cancellation, the convener shall make an announcement stating the reasons at least 2 business days before the original meeting date.

Section 6 Holding of General Meetings

- 60 The Board of the Company and other conveners shall take necessary measures to ensure the proper order of the general meeting. The Company shall take steps to stop any act disturbing the general meeting, seeking trouble or infringing upon the legitimate rights and interests of shareholders, and shall report such act to relevant departments for investigation and treatment in a timely manner.
- 61 All shareholders registered on the date of record or their proxies are entitled to attend the general meetings. They shall also exercise their rights to speak and vote in accordance with the relevant laws, regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, unless individual shareholders are required by the securities regulatory rules of the place where the shares of the Company are listed to waive their voting rights in respect of individual matters.

Shareholders may attend the general meetings in person or appoint one or more persons (such persons need not be shareholders) as proxies to attend, speak and vote on their behalf.

- 62 An individual shareholder attending a general meeting in person shall present his/her identity card or other valid certificates or proofs indicating their identity; a proxy attending a general meeting on behalf of an individual shareholder shall present his/her valid identity certificate and power of attorney of the shareholder.

For a corporate shareholder, its legal representative or executive partner, or a proxy authorized by the legal representative or executive partner shall attend the meeting. If the legal representative or executive partner attends the meeting, he/she shall present his/her own identity card, valid proof evidencing his/her qualification of serving as the legal representative or executive partner. If a proxy is appointed to attend the meeting, the proxy shall present his/her own identity card and the written power of attorney issued by the legal representative or executive partner of the corporate shareholder in accordance with the law (except where any shareholder is a recognized clearing house or the nominee thereof as defined in the relevant regulations in force from time to time under Hong Kong laws or the securities regulatory rules of the place where the shares of the Company are listed). If such a corporate shareholder has appointed a proxy to attend any meeting, it shall be deemed to have attended the meeting in person.

If the shareholder is a recognized clearing houses (or its nominee) as defined in the relevant regulations enacted from time to time in Hong Kong or the securities regulatory rules of the place where the shares of the Company are listed, such shareholder may authorize its corporate representative or one or more persons as it deems fit to act as its proxy at any general meeting or meeting of creditors, provided, however, that if more than one person is authorized, the power of attorney shall specify the number and class of shares each of the said persons is authorized to represent. Persons so authorized may exercise rights on behalf of the said shareholder (without presenting shareholding certificates, notarized authorizations and/or further evidence indicating they are formally authorized), and shall enjoy the same statutory rights as other shareholders, including the rights to speak and vote, as if they were individual shareholders of the Company.

- 63 The power of attorney used by shareholders to appoint proxies to attend the general meeting shall contain the following information:

63.1 name or title of the principal and the class and number of the Company's shares held by the principal;

63.2 name or title of the proxy;

63.3 specific instructions from the shareholder, including instructions on voting in favor, against or abstaining from voting on each item on the agenda of the general meeting;

63.4 the date of issue and validity period of the power of attorney;

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

- 64 The power of attorney shall be submitted to the secretary to the Board of the Company for verification and filing prior to the meeting.
- 65 Where the proxy form for voting is signed by a person authorized by the principal, the power of attorney or other documents authorizing such person to sign the proxy form for voting shall be notarized. The notarized power of attorney and other authorization documents shall, together with the proxy form for voting, be deposited at the Company's address or at such other place as specified in the notice of the meeting. The proxy form for voting shall, at least 24 hours before the meeting to which the proxy form for voting is relevant or at least 24 hours before the designated voting time, be placed at the Company's address or at any other place designated in the notice convening the meeting.
- 66 Attendees' register shall be prepared by the Company, and shall, amongst other matters, contain the names (or corporate names) of the attendees, their identity card numbers, the number of voting shares held or represented by them, and the names (or corporate names) of the principal.

The convener and the lawyer appointed by the Company shall jointly verify the legality of the shareholders' qualifications based on the register of members provided by the securities registration and clearing institution, and shall register the names (or titles) of the shareholders as well as the amount of their voting shares. The registration of the meeting shall end before the chairperson of the meeting announces the number of shareholders and proxies physically present at the meeting and the total number of voting shares held by them.

- 67 Where any directors and senior management members are required to attend the general meeting, such directors and senior management shall be present at the meeting and reply the enquiries of shareholders.
- 68 The chairman of the Board of Directors shall preside over the general meeting. If the chairman is unable to perform his/her duties or fails to perform his/her duties, the vice chairman shall preside over the meeting; if the vice chairman is unable to perform his/her duties or fails to perform his/her duties, more than half of directors shall jointly elect one director to preside over the meeting.

The convener of the Audit Committee shall preside over the general meeting convened by the Audit Committee. If the convener of the Audit Committee cannot or does not fulfill his/her duties, a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee shall preside over the meeting.

A general meeting convened by the shareholders themselves shall be presided over by the convener or a representative elected by the convener.

At a general meeting, where the chairperson of the meeting breaches the Rules of Procedures for General Meetings, which makes the general meeting unable to carry on, one person may be elected as the chairperson of the meeting by the attending shareholders with more than half of the voting rights to resume the general meeting.

- 69 The Company shall formulate the Rules of Procedures for General Meetings, which specify the convening, holding and voting procedures of the general meeting, including notice, registration, consideration of proposal, voting, counting of votes, announcement of voting results, formation of resolutions of the meeting, minutes of the meeting and signing thereof, announcement as well as the principle of authorization of the general meeting to the Board of Directors. The content of authorization shall be clear and specific. The Rules of Procedures for General Meetings shall be annexed to the Articles of Association and shall be prepared by the Board of Directors and approved by the general meeting.
- 70 At the annual general meeting, the Board of Directors shall report to the general meeting on the work it has undertaken over the past year. Every independent director shall also make his/her work report.
- 71 Directors and senior management members shall make explanations in relation to the inquiries and suggestions made by shareholders at general meetings.
- 72 The chairperson of the meeting shall, prior to voting, announce the number of shareholders and proxies physically present at the meeting and the total number of voting shares held by them. The number of shareholders and proxies physically present at the meeting and the total number of voting shares held by them shall be based on the registration of the meeting.
- 73 The general meeting shall have minutes, which shall be taken by the secretary to the Board. The minutes of the meeting shall specify:
- 73.1 the date, venue and agenda of the meeting, and the name of the convener;
 - 73.2 the names of the chairperson of the meeting and the directors and senior management members attending the meeting as non-voting attendees;
 - 73.3 the number of shareholders and proxies attending the meeting, the total number of voting shares they hold and the proportion of these shares to the total number of shares of the Company;
 - 73.4 the process of discussion in respect of each proposal, highlights of speeches and the voting results;
 - 73.5 the inquiries or suggestions of the shareholders, and the corresponding responses or explanations;
 - 73.6 the names of the teller(s) and scrutineer(s);
 - 73.7 other content that shall be recorded in the minutes of the meeting in accordance with the Articles of Association.

- 74 The convener shall ensure that the minutes of the meeting are truthful, accurate and complete. Directors attending or present at the meeting, the secretary to the Board, the convener or his/her representative and the chairperson of the meeting shall sign on the minutes of the meeting. The minutes of the meeting shall be kept with the attendance record of shareholders present at the venue, proxy forms and valid information relating to the voting over network or by other means for at least 10 years.
- 75 The convener shall ensure that the general meeting does not end until a final resolution is made. If the general meeting is adjourned or no resolution can be made for special reasons such as force majeure, necessary measures shall be taken to resume the general meeting as soon as possible or the meeting shall be terminated directly, with prompt public announcement. Meanwhile, the convener shall report to the local office of the CSRC in the location of the Company and the stock exchange.

Section 7 Voting and Resolutions of General Meetings

- 76 The resolutions of the general meeting shall be divided into ordinary resolutions and special resolutions. An ordinary resolution shall be adopted by more than half of the votes held by the shareholders attending the general meeting. A special resolution shall be adopted by two-thirds or more of the votes held by the shareholders attending the general meeting.
- 77 The following matters shall be passed through ordinary resolutions at the general meeting:
- 77.1 work reports of the Board of Directors;
 - 77.2 profit distribution plans and loss recovery plans prepared by the Board of Directors;
 - 77.3 appointment and dismissal of the members of the Board of Directors, and their remuneration and payment methods;
 - 77.4 matters other than those which shall be passed by special resolutions as specified by laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed, or the Articles of Association.
- 78 The following matters shall be passed through special resolution at the general meeting:
- 78.1 the increase or reduction of the registered capital of the Company;
 - 78.2 the division, spin-off, merger, dissolution and liquidation (including voluntary liquidation) of the Company;
 - 78.3 the amendment to the Articles of Association;
 - 78.4 the purchases or sales of material assets by the Company within one year or the guarantee amount provided to others exceeding 30% of the latest audited total assets of the Company;

78.5 the equity incentive plan;

78.6 adjustments or changes to the profit distribution policy;

78.7 other matters stipulated by laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed, or the Articles of Association, as well as other matters which, if resolved by way of an ordinary resolution at a general meeting, will have a significant impact on the Company and need to be passed by special resolution.

- 79 Shareholders shall exercise their voting rights according to the number of voting shares they represent, and each share shall have one vote. To the extent permitted by the applicable securities regulatory rules of the place where the shares are listed, on a poll taken at a meeting, shareholders (including their proxies) entitled to two or more votes need not cast all their votes as affirmative, negative or abstention votes.

Where any major matter that has an impact on the interests of minority investors is considered at a general meeting, the votes cast by minority investors shall be counted separately. The results of the separate counting shall be disclosed to the public in a timely manner.

Shares of the Company held by the Company shall carry no voting rights, and be excluded from the total number of voting shares at a general meeting.

Shareholders, who purchase the voting shares of the Company in violation of provisions of the first clause and the second clause of Article 63 of the Securities Law, shall not exercise the voting rights of the shares that exceed the prescribed ratio within 36 months after such purchase, and such shares shall not be counted among the total number of voting shares at a general meeting.

The Board of Directors, an independent director, a shareholder holding more than 1% of voting shares of the Company or an investor protection institution formed in accordance with laws, administrative regulations, or the rules of the CSRC may publicly solicit proxies. In proxy solicitation, the voting intention and other relevant information shall be fully disclosed to the shareholders from whom proxy is solicited. Proxy solicitation with the provision of direct or indirect compensation shall be prohibited. The Company may not impose any minimum shareholding requirement for proxy solicitation, except under statutory conditions.

- 80 When the general meeting considers matters relating to a related party transaction, the related shareholders may attend the general meeting and present their views to the attending shareholders in accordance with the procedures of the general meeting but shall not participate in the vote and the number of voting shares represented by them shall not be counted toward the total number of valid voting shares. The announcement of the resolutions of the general meeting shall adequately disclose information relating to voting by non-related shareholders.

The chairperson of the meeting shall, before any proposal on related party transactions is considered at the general meeting, inform related shareholders that they are not entitled to vote on the proposal. The votes cast by any related shareholder on related party transactions in violation of this Article shall be invalid.

- 81 Unless the Company is in a crisis or any special circumstance, the Company shall not, without the approval of the general meeting by way of special resolution, enter into any contract with anyone other than a director or senior management member to have all or significant part of the Company's business in the care of such person.
- 82 List of candidates for directors shall be submitted by way of proposal to the general meetings for voting.

When the general meeting votes on the election of directors, if the number of directors to be elected is more than one, the cumulative voting system shall be implemented.

Cumulative voting system mentioned in the preceding paragraph means that when directors are being elected at a general meeting, each share shall carry the same number of voting rights as the number of directors to be elected, and the shareholders' voting rights may be used in a concentrated manner. The Board shall make an announcement to the shareholders concerning the biographies and general information of the candidates for directors.

The principles below shall be followed for voting at a general meeting under the cumulative voting system:

- 82.1 the number of director candidates can be larger than the number of directors to be elected at the general meeting, but the number of candidates voted by each shareholder cannot exceed the number of directors to be elected at the general meeting. The summation of allocated votes cannot exceed the number of votes owned by shareholders; otherwise, the votes shall be cancelled;
- 82.2 voting for independent directors and non-independent directors shall be carried out separately. For the election of independent directors, the number of votes each shareholder is entitled to shall be equal to the number of shares held by the shareholder multiplied by the number of independent directors to be elected, and such votes must be cast only for the candidates for the role of the Company's independent directors; for the election of non-independent directors, the number of votes each shareholder is entitled to shall be equal to the number of shares held by the shareholder multiplied by the number of non-independent directors to be elected, and such votes must be cast only for the candidates for the role of the Company's non-independent directors;

82.3 the candidates to be finally elected as directors shall be determined in order of the number of votes received, but the minimum number of votes for each elected candidate must exceed half of the total number of shares held by the shareholders attending the general meeting. If the number of directors elected falls short of the number proposed by the general meeting, a second vote shall be conducted for all candidates for directors who did not receive enough votes to fill the vacancies. If the shortfall is still not eliminated, the Company shall hold a supplementary election at the next general meeting. If two or more candidates for directors receive the same number of votes, but due to the limited number of positions available, only some of them can be elected, a separate second vote shall be conducted for the candidates for directors who received the same number of votes.

83 In addition to the cumulative voting system, the general meeting shall resolve on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the general meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be put aside nor denied at the general meeting.

84 When considering a proposal, the general meeting shall not revise it; if an amendment is made, it shall be deemed as a new proposal and may not be voted on during the current general meeting.

85 The same vote may only be cast once at the location of a general meeting, or by online voting or other means. Where the same vote is cast for two or more times, the first cast shall hold.

86 General meetings shall adopt voting by open ballot.

87 Before proposals are voted on at the general meeting, two shareholders' representatives shall be appointed to count, and monitor counting of, the votes. Where any shareholder has interests in any issue considered, the said shareholder or proxy thereof shall not participate in the counting of votes and the monitoring of vote counting.

When proposals are voted on at the general meeting, the lawyers and shareholders' representatives shall be jointly responsible for the counting of votes and the monitoring of vote counting and shall announce the voting results on the spot, and the relevant voting results shall be recorded in the meeting minutes.

Shareholders or their proxies voting through the Internet or otherwise shall have the right to check their own votes cast through the relevant voting system.

88 An on-site general meeting shall not end earlier than the one held over the Internet or by other methods. The chairperson of the meeting shall declare the information and results of voting on each proposal and whether such proposal has been adopted accordingly.

Before the formal declaration of the voting results, the parties involved in the voting on the spot, through the Internet and by other means, including the Company, teller(s), scrutineer(s), shareholders, and network service providers, shall have the obligation to keep confidential the information related to the voting.

- 89 A shareholder attending any general meeting shall cast one of the following votes on a proposal submitted for voting: for, against, or abstention, except where a securities registration and clearing institution (as the nominal holder of the shares under the Mainland-Hong Kong Stock Connect) or a recognized clearing house or its nominee as defined in the relevant regulations in force from time to time under Hong Kong laws or the securities regulatory rules of the place where the shares of the Company are listed (as the nominal holder) makes a declaration in accordance with the intentions of the actual holders.

In the event of any vote that is uncompleted, erroneously completed or illegible, or fails to be cast, the voter shall be deemed to have waived his/her voting right, and the votes for the shares held by him/her shall be counted as “abstention”.

- 90 If the chairperson of the meeting has any doubt as to the voting result of any resolution which has been put to vote at the meeting, he/she may request the votes cast to be counted. If the chairperson of the meeting does not request the votes to be counted, any shareholder attending the meeting in person or by proxy shall have the right to request the votes to be counted immediately after the voting result is declared by the chairperson of the meeting if such shareholder objects to the voting result; in such case, the chairperson of the meeting shall immediately have the votes counted.
- 91 Resolutions of the general meeting shall be announced in a timely manner. The announcement shall specify the number of shareholders and proxies attending the meeting, the total number of voting shares they hold and the proportion of these shares to the total number of voting shares of the Company, the voting method, the voting result for every proposal and the details of each of the resolutions passed.
- 92 Where a proposal has not been passed or the resolutions of the preceding general meeting have been changed at the current general meeting, a special note shall be made in the announcement of the resolutions of the general meeting.
- 93 If the general meeting approves a proposal for the election of directors, the newly elected directors shall assume office on the date of the resolution of the general meeting. Where a proposal on distribution of cash or stock dividends or conversion of capital reserve funds into share capital, the Company shall implement the specific scheme within two months after conclusion of the general meeting.

Chapter 5 Directors and the Board of Directors

Section 1 General Provisions on Directors

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

94.1 He/she has no capacity for civil conduct or has limited capacity for civil conduct;

94.2 He/she has been sentenced for corruption, bribery, misappropriation of property, embezzlement of property, or disruption of the socialist market economic order, or has been deprived of political rights for committing a crime, and five years have not elapsed since the completion of the sentence, or, in the case of a suspended sentence, two years have not elapsed since the expiration of the suspension period;

94.3 He/she served as a director, factory director, or manager of a company or enterprise undergoing bankruptcy liquidation and was personally liable for the bankruptcy, and three years have not elapsed since the completion of such bankruptcy liquidation;

94.4 He/she served as the legal representative of a company or enterprise whose business license has been revoked or that has been ordered to close due to violations of laws, and was personally liable for such circumstances, and three years have not elapsed since the date of such revocation or closure;

94.5 He/she has been listed by the people's court as a dishonest judgment debtor due to failure to repay significant personal debts upon maturity;

94.6 He/she is subject to a market entry restriction imposed by the CSRC, and the restriction period has not yet expired;

94.7 He/she has been publicly determined by a stock exchange to be unsuitable to serve as a director or senior management member of a listed company, and the relevant period has not yet expired;

94.8 Other circumstances as prescribed by laws, administrative regulations, departmental rules, or the securities regulatory rules of the place where the shares of the Company are listed.

Any election, appointment, or engagement of a director in violation of this Article shall be invalid. If any of the circumstances stated in this Article arises during a director's term of office, the Company shall remove such director from office and terminate his/her performance of duties.

95 Directors shall be elected or replaced by the general meeting, and may further be removed from their office prior to the conclusion of the term thereof by the general meeting. The term of office of a director shall be three years, which is renewable upon re-election.

The tenure of a director shall be from the date of appointment to the expiry of tenure of the current board of directors. If a director's tenure expires but a re-elected director is not elected in time, then before the re-elected director holding office, the original director shall still perform the duties as director, in accordance with the laws, administrative regulations, departmental rules and the Articles of Association.

Directors may be concurrently held by senior management members, but the total number of directors concurrently serving as senior management members and directors who are employee representatives shall not exceed one half of the total number of directors of the Company.

- 96 Directors shall observe the provisions of laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association with the obligations of loyalty to the Company, take measures to avoid conflicts between their own interests and the Company's interests, and must not abuse their authority to seek improper benefits.

The Directors shall fulfill the following obligations of loyalty to the Company:

- 96.1 not to misappropriate the Company's properties or divert the funds of the Company;
- 96.2 not to deposit any funds of the Company in an account opened in their names or in the names of others;
- 96.3 not to abuse their authority in bribes or accepting other unlawful income;
- 96.4 not to enter into any contract or conduct any transaction, directly and indirectly, with the Company without reporting to the Board of Directors or the general meeting and obtaining approval through resolutions by the Board of Directors or the general meeting as stipulated in the Articles of Association;
- 96.5 not to take advantage of their positions to seek any business opportunities that are due to the Company for themselves or others prior to obtaining approval from the general meeting, unless such business opportunities are not available to the Company upon reporting to the Board of Directors or the general meeting and obtaining approval through resolutions by the general meeting or as required in laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association;
- 96.6 not to conduct any businesses similar to those of the Company for themselves or others without reporting to the Board of Directors or the general meeting and obtaining approval through resolutions by the general meeting;
- 96.7 not to take any commission for any transaction between other parties and the Company as their own;

96.8 not to disclose any secret of the Company;

96.9 not to use his/her connected relationships to harm the interests of the Company;

96.10 to fulfill other obligations of loyalty stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association.

Directors' income derived from violation of this Article shall belong to the Company; and directors shall be liable to compensate any loss incurred to the Company.

Close relatives of directors and senior management members, enterprises directly or indirectly controlled by directors, senior management members or their close relatives, and other related persons having additional affiliations with directors or senior management members shall, when entering into contracts or conducting transactions with the Company, be subject to the provisions of Article 96.4.

97 Directors shall observe laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association to perform their obligations of diligence to the Company. They shall fulfill their obligations with reasonable care generally due to managers in the best interests of the Company.

Directors fulfill the following obligations of diligence to the Company:

97.1 to prudently, conscientiously and diligently exercise the rights granted him or her by the Company, so as to ensure that the commercial acts of the Company comply with state laws, administrative regulations and the requirements of the various economic policies of the state, and that its commercial activities do not exceed the scope of business specified on the business license;

97.2 to treat all shareholders impartially;

97.3 to keep informed of the operation and management conditions of the Company;

97.4 to sign the written confirmation in respect of the regular reports of the Company to assure that the information disclosed by the Company is true, accurate and complete;

97.5 to honestly provide the Audit Committee with relevant information and data, and not to prevent the Audit Committee from performing its duties and powers;

97.6 to fulfill other obligations of diligence stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

98 A director who fails to attend the meeting of the Board of Directors in person for two consecutive times and does not appoint other directors to attend the meeting shall be deemed unable to perform his/her duties and the Board of Directors shall recommend to the general meeting to replace him/her.

If an independent director fails to attend the meeting of the Board of Directors in person for two consecutive times, and does not appoint another independent director to attend the meeting on his/her behalf, the Board of Directors shall propose the convening of a general meeting to remove him/her from his/her position within 30 days from the date of occurrence of such facts.

- 99 A director may resign prior to expiry of his/her tenure. A resigning director shall submit a written resignation report to the Company, and the resignation shall become effective on the date the Company receives the resignation report. The Company shall disclose the relevant information as soon as practicable (but shall not more than two trading days). The written resignation letter of an independent director should describe any circumstances relating to his/her resignation or which he/she considers necessary to bring to the attention of the shareholders and creditors of the Company. The Company shall disclose the reasons and concerns of the resignation of independent directors.

If the number of members of the Board of Directors of the Company shall fall below the statutory quorum as a result of the resignation of a director, the said director shall continue fulfilling the duties as director pursuant to laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association until a new director is elected.

If the resignation of an independent director would result in the proportion of independent directors on the Board of Directors or its special committees not in compliance with the provisions of the Administrative Measures for Independent Directors of Listed Companies(《上市公司獨立董事管理辦法》), the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, or if there is a lack of accounting professionals among the independent directors, the resigning independent director shall continue to perform his/her duties until a new independent director is appointed. The Company shall complete the by-election within sixty days from the date on which the resignation is tendered.

- 100 When a director's resignation comes into effect or his/her term of service expires, the director shall complete all transfer procedures with the Board of Directors. His/her fiduciary duties towards the Company and the shareholders do not necessarily cease after the end of his/her term of service and will be still in effective for a reasonable period specified by the Articles of Association. Responsibilities that should be undertaken by a director in connection with his/her performance of duties during his/her term of office shall not be waived or terminated as a result of such departure.
- 101 The general meeting may, by ordinary resolution, remove a director before the expiry of such director's term of office, with the removal taking effect on the date the resolution is passed; provided, however, that such removal shall not prejudice any right to damages that the director may have under any contract.

102 Unless authorised by the Articles of Association or by a lawful resolution of the Board, no director may act in the name of the Company or the Board in his/her personal capacity. When a director acts in his/her personal capacity and a third party could reasonably believe that the director is acting on behalf of the Company or the Board, the director shall in advance declare his/her position and capacity.

103 If a director causes damages to others in performing duties for the Company, the Company shall be liable for compensation; and if such damages are out of the intent or gross negligence of the director, he/she shall also be liable for compensation.

A director who violates laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association and causes losses to the Company in performing duties of the Company shall be liable for compensation.

If, without the approval of the Board of Directors or the general meeting, a director provides guarantee for others with the Company's property without authorization, the Board of Directors shall recommend to the general meeting that he/she be replaced; and if the Company suffers any loss as a result of such a guarantee, the director concerned shall be liable to pay compensation.

104 Matters concerning the qualifications, nomination and election procedures, term of office, resignation and powers of independent directors shall be governed by the laws, administrative regulations, departmental rules and the relevant provisions issued by the CSRC.

Section 2 Board of Directors

105 The Company shall have a Board of Directors. The Board of Directors consists of nine directors, including one employee representative director and at least one third of the independent directors.

106 The Board of Directors shall exercise the following powers and duties:

106.1 to be responsible for convening the general meeting and reporting its work to the general meeting;

106.2 to implement the resolutions adopted by the general meeting;

106.3 to determine the Company's business plans and investment plans;

106.4 to formulate the Company's profit distribution plans and plans to cover losses;

106.5 to formulate the plans for the increase or reduction of the Company's registered capital and the plans for the issuance of the Company's bonds or other securities and listing plans;

- 106.6 to draft the plans for major acquisitions, acquisition of the Company's shares or merger, division, dissolution or change of the corporate form of the Company;
- 106.7 to determine, within the scope authorized by the general meeting, such matters as the Company's external investments, the purchase and sale of assets, asset mortgages, external guarantees, entrusted wealth management, related-party transactions and external donations;
- 106.8 to decide on the establishment of the Company's internal management organizations;
- 106.9 to decide to appoint or remove the Company's general manager and the secretary of the Board of Directors, and decide on matters relating to their remuneration and rewards; and according to the nomination of the general manager, to decide to appoint or remove the senior management members of the Company, such as the deputy general manager and chief financial officer and decide on matters relating to their remuneration and rewards;
- 106.10 to determine the related party transactions between the Company and related legal persons with an amount of more than RMB3 million and accounting for more than 0.5% but less than 5% of the absolute value of the Company's latest audited net assets; to determine the related party transactions between the Company and related natural persons with an amount of more than RMB300,000 and accounting for less than 5% of the absolute value of the Company's latest audited net assets;
- 106.11 to consider and approve the transaction that meets one of the following criteria (where the relevant data in the below indicators is negative, the absolute value shall be used for calculation):
- 106.11.1 the total assets (where the total assets involved in the transaction have both book value and appraised value, whatever is higher shall prevail) involved in the transaction account for more than 10% but less than 50% of the Company's latest audited total assets;
- 106.11.2 the net assets (where the net assets involved in the transaction have both book value and appraised value, whatever is higher shall prevail) involved in the subject matter of the transaction (e.g., equity interests) account for more than 10% but less than 50% of the Company's latest audited net assets and their absolute amount exceeds RMB10 million;
- 106.11.3 the transaction amount of the transaction (including the debt and expenses) accounts for more than 10% but less than 50% of the Company's latest audited net assets, with an absolute amount exceeding RMB10 million;
- 106.11.4 the profit derived from the transaction accounts for more than 10% but less than 50% of the Company's audited net profit for the latest accounting year, with an absolute amount exceeding RMB1 million;

- 106.11.5 the revenue related to the subject of the transaction (e.g., equity interest) for the latest accounting year accounts for more than 10% but less than 50% of the Company's audited revenue for the latest accounting year, with an absolute amount exceeding RMB10 million;
 - 106.11.6 the net profit related to the subject of the transaction (e.g., equity interest) for the latest accounting year accounts for more than 10% but less than 50% of the Company's audited net profit for the latest accounting year, with an absolute amount exceeding RMB1 million.
 - 106.12 to formulate a preliminary plan for the allowance standards of independent directors of the Company;
 - 106.13 to formulate the basic management systems of the Company;
 - 106.14 to formulate any proposed amendment to the Articles of Association;
 - 106.15 to manage the information disclosure of the Company;
 - 106.16 to propose to the general meeting the appointment or replacement of an accounting firm that performs audits for the Company;
 - 106.17 to listen to the work report of the general manager of the Company and inspect the work of the general manager;
 - 106.18 other powers and duties conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed, the Articles of Association or general meeting.
- 107 The Board of Directors shall provide an explanation to the general meeting regarding any non-standard audit opinion issued by the certified public accountant on the Company's financial reports.
- 108 The Board of Directors shall establish rules of procedure for the Board to ensure the implementation of resolutions of the general meeting, enhance work efficiency and guarantee scientific decision-making. Such rules of procedure shall form an annex to the Company's Articles of Association, be drafted by the Board and approved by the general meeting.
- 109 External guarantees that are required to be examined and approved by the Board of Directors must be approved by more than one half of all the directors of the Company, and shall be passed by more than two-thirds of the directors present at the Board meeting.
- 110 The Board of Directors shall have a chairman and a vice chairman, who shall be elected by the Board of Directors with approval of more than half of all the directors.

- 111 The chairman of the Board of Directors shall exercise the following powers and functions:
- 111.1 to chair the general meetings and convene and chair the board meetings;
 - 111.2 to supervise and inspect the implementation of resolutions passed by the Board of Directors;
 - 111.3 to exercise other functions and powers conferred by the Board of Directors.
- 112 The vice chairman of the Company shall assist the chairman of the board, and if the chairman of the board is unable to perform his duties or does not perform his/her duties, the vice chairman shall perform his duties, and if the vice chairman is unable to perform his duties or does not perform his duties, the majority of the directors shall jointly elect a director to perform his duties.
- 113 The Board of Directors shall convene regular board meeting at least four times each year at an interval of approximately once a quarter. The meeting shall be convened by the chairman and all the directors shall be notified in writing 14 days prior to the meeting.
- 114 Shareholders representing more than one-tenth of the voting rights, or more than one-third of the directors or the Audit Committee, may propose to convene an extraordinary board meeting. The chairman shall convene and preside over the meeting of the Board of Directors within 10 days after receiving the proposal.
- 115 Notice of an extraordinary board meeting shall be given by telephone, e-mail or other means; the notice period shall be five days before the meeting is convened.
- 116 The notice of a board meeting shall include the following:
- 116.1 the date and venue of the meeting;
 - 116.2 the duration of the meeting;
 - 116.3 the reason for convening the meeting and the agenda items;
 - 116.4 the date on which the notice is issued.
- 117 The board meeting shall be held upon the attendance by more than half of directors. Resolutions of the Board of Directors shall be passed by more than half of all directors.
- Resolutions of the Board of Directors are voted by way of poll with each director having one vote.

- 118 A director who has an affiliated relationship with any enterprise or individual involved in a matter to be resolved at a Board meeting shall promptly report such relationship in writing to the Board. Such affiliated director may not vote on the resolution nor act as proxy for any other director. The Board meeting may be held if more than half of the directors without an affiliated relationship are present, and the resolution shall be adopted by more than half of the directors without an affiliated relationship. If fewer than three directors without an affiliated relationship are present at the board meeting, the matter shall be submitted to the general meeting for consideration.
- 119 Resolutions of the Board shall be voted on by written signed ballot.
- 120 An extraordinary board meeting may, provided that directors are fully able to express their views, be held and resolved by electronic means, and the resolution shall be signed by the directors participating.
- 121 The directors shall attend in person the meetings of the Board of Directors. Any director who cannot attend for reasons may entrust another director in writing to attend. The power of attorney shall specify the name of the agent, the matters to be represented, the scope of authorization, and the period of validity, and shall be signed or stamped by the principal. The directors who attend the meeting on behalf shall exercise the rights as directors within the scope of authorization. Failure by a director to attend a meeting of the Board of Directors or to authorize a representative to attend the meeting on his/her behalf shall be deemed a waiver of the voting right at such meeting.
- 122 The Board shall prepare minutes of the decisions made on matters considered at the meeting. Directors present at the meeting shall sign the minutes.
- 123 The minutes of board meetings shall be preserved as Company archives for a period of not less than ten years.
- 124 The minutes of board meetings shall include the following content:
- 124.1 the date and venue of the meeting, and the name of the convener;
 - 124.2 the names of directors present and the names of directors (proxies) attending on behalf of others;
 - 124.3 the meeting agenda;
 - 124.4 the main points of directors' statements;
 - 124.5 the voting method and outcome for each resolution (the voting results shall specify the number of affirmative, negative, and abstention votes).

Section 3 Independent Directors

- 125 Independent directors shall diligently perform their duties in accordance with laws, administrative regulations, the provisions of the CSRC, stock exchanges, the securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association, playing roles in participation in decision-making, checks and balances, and professional advice within the Board of Directors, safeguarding the overall interests of the Company, and protecting the lawful rights and interests of minority shareholders.
- 126 Independent directors must maintain independence. The following persons shall not serve as independent directors:
- 126.1 Persons working at the Company or its affiliated enterprises, and their spouses, parents, children, and primary social contacts;
 - 126.2 Persons directly or indirectly holding more than one percent of the Company's issued shares, or natural person shareholders ranked among the top ten shareholders of the Company, and their spouses, parents, and children;
 - 126.3 Persons working at shareholders directly or indirectly holding more than five percent of the Company's issued shares or shareholders ranked among the top five shareholders of the Company, and their spouses, parents, and children;
 - 126.4 Persons working at affiliated enterprises of the Company's controlling shareholder or de facto controller, and their spouses, parents, and children;
 - 126.5 Persons having major business dealings with the Company and its controlling shareholder, de facto controller, or their respective affiliated enterprises, or persons working at entities having such major business dealings and their controlling shareholders or de facto controllers;
 - 126.6 Persons providing financial, legal, advisory, sponsorship, or other services to the Company and its controlling shareholder, de facto controller, or their respective affiliated enterprises, including but not limited to all project team members, reviewers at various levels, signatories on reports, partners, directors, senior management members, and primary responsible persons of the intermediaries providing services;
 - 126.7 Persons who fell under any of the circumstances listed in items 1 to 6 within the last twelve months;
 - 126.8 Other persons deemed non-independent pursuant to laws, administrative regulations, provisions of the CSRC, securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association.

The affiliated enterprises of the Company's controlling shareholder or de facto controller mentioned in items 125.4 to 125.6 of the preceding paragraph do not include enterprises controlled by the same state-owned assets regulatory institution as the Company that, according to relevant regulations, do not constitute an affiliated relationship with the Company.

Independent directors shall conduct an annual self-assessment of their independence and submit the assessment results to the Board of Directors. The Board of Directors shall annually assess the independence of serving independent directors and issue a specific opinion, which shall be disclosed together with the annual report.

127 A person serving as an independent director of the Company shall meet the following conditions:

127.1 Possess the qualifications to serve as a director of a listed company according to laws, administrative regulations, and other relevant provisions;

127.2 Fulfill the independence requirements stipulated in the Articles of Association;

127.3 Possess basic knowledge of the operation of listed companies and be familiar with relevant laws, regulations, and rules;

127.4 Have at least five years of work experience in law, accounting, economics, or other areas necessary for the performance of independent director duties;

127.5 Have good personal integrity and no record of significant dishonesty or other negative records;

127.6 other conditions as required under laws, administrative regulations, provisions of the CSRC, securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association.

128 The independent directors, as members of the Board of Directors, shall have fiduciary obligations and diligent obligations towards the Company and all shareholders, and shall prudently perform the following duties:

128.1 to participate in the decision-making process of the Board of Directors and offer clear opinions on the matters under deliberation;

128.2 to supervise matters relating to potential material conflicts of interest between the Company and its controlling shareholders, de facto controllers, directors and senior management members, and to protect the legitimate rights and interests of minority shareholders;

128.3 to provide professional and objective advice on the Company's operations and development, and to help improve the decision-making standards of the Board of Directors;

128.4 to perform any other duties as required by the laws, administrative regulations, the CSRC, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

129 The independent directors shall exercise the following special functions and powers:

129.1 independently engaging intermediaries to audit, consult or verify specific matters of the Company;

129.2 proposing to the Board of Directors the convening of an extraordinary general meeting;

129.3 proposing to convene a meeting of the Board of Directors;

129.4 to openly solicit shareholders' rights from shareholders in accordance with the law;

129.5 expressing independent opinions on matters that may jeopardize the interests of the Company or minority shareholders;

129.6 other powers and functions prescribed by laws, administrative regulations, the CSRC, the securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association.

The exercise of the powers and functions listed in items 1 to 3 above by an independent director shall be approved by a majority of all independent directors.

Where an independent director exercises any powers and functions listed in the first paragraph above, the Company shall promptly make a disclosure. If the normal exercise of such powers and functions is impeded, the Company shall disclose the specific circumstances and reasons.

130 The following matters shall be submitted to the Board of Directors for deliberation only after obtaining the consent of a majority of all the Company's independent directors:

130.1 Connected transactions requiring disclosure;

130.2 Plans for the Company and relevant parties to amend or exempt themselves from commitments;

130.3 Decisions made and measures taken by the board of directors of an acquired company in response to the acquisition;

130.4 other matters as required under laws, administrative regulations, the CSRC, securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association.

- 131 The Company shall establish a dedicated meeting mechanism participated in exclusively by independent directors. Where the Board of Directors deliberates on matters such as connected transactions, prior approval from the independent director special meeting shall be obtained.

The Company shall convene independent director special meetings regularly or irregularly. Matters listed in Articles 129.1 to 129.3 and Article 130 of the Articles of Association shall be deliberated by the independent director special meeting.

The independent director special meeting may discuss other Company matters as needed.

The independent director special meetings shall be convened and chaired by one independent director jointly nominated by a majority of the independent directors; if the convener fails to or is unable to perform their duties, two or more independent directors may convene the meeting themselves and nominate one representative to chair it.

The independent director special meeting shall prepare minutes in accordance with relevant requirements, and the opinions of the independent directors shall be recorded in the minutes. Independent directors shall sign to confirm the minutes.

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

- 132 The Company shall provide the necessary working conditions for independent directors to perform their duties:

- 132.1 The Company shall provide necessary working conditions and personnel support for independent directors to perform their duties, designating specific departments and personnel such as the Office of the Board and the secretary to the Board to assist independent directors in performing their duties.

The secretary to the Board shall ensure smooth information flow between independent directors and other directors, senior management members, and other relevant personnel, and ensure that independent directors have access to sufficient resources and necessary professional opinions when performing their duties.

- 132.2 The Company shall ensure that independent directors enjoy the same right to information as other directors. To ensure the effective exercise of authorities by independent directors, the Company shall regularly report on the Company's operations to independent directors, provide materials, and organize or cooperate with independent directors in conducting field investigations.

Before the Board of Directors deliberates on major or complex matters, the Company may involve independent directors in stages such as research and demonstration, fully solicit their opinions, and promptly provide feedback on the adoption of their opinions.

132.3 The Company shall promptly issue board meeting notices to independent directors and provide relevant meeting materials no later than the notice period for board meetings stipulated by laws, administrative regulations, provisions of the CSRC, or the Articles of Association, and shall provide effective communication channels for independent directors; if a special committee under the Board convenes a meeting, the Company shall, in principle, provide relevant materials and information no later than three days before the committee meeting. The Company shall retain the aforementioned meeting materials for at least ten years.

If two or more independent directors consider the meeting materials incomplete, the justification inadequate, or the provision untimely, they may submit a written request to the Board to postpone the meeting or the deliberation of the matter, which the Board shall accept, and the Company shall promptly disclose the relevant circumstances.

Board meetings and meetings of any special committee shall be held in person as a matter of principle. When necessary, meetings may be conducted via video, telephone, or other means following appropriate procedures, provided that all attending directors can fully communicate and express their opinions.

132.4 Where an independent director exercises their authorities, relevant personnel such as the Company's directors and senior management members shall provide cooperation, must not refuse, obstruct, or conceal relevant information, and must not interfere with the independent exercise of their authorities.

If an independent director encounters obstruction in lawfully exercising his/her authorities, he/she may explain the situation to the Board, request cooperation from relevant personnel such as directors and senior management members, and record the specific circumstances of the obstruction and the resolution status in their work records; if the obstruction persists, they may report to the CSRC and the stock exchange.

If matters related to the performance of duties by an independent director involve information requiring disclosure, the Company shall promptly handle the disclosure; if the Company fails to make the disclosure, the independent director may directly apply for disclosure or report to the CSRC and the stock exchange.

132.5 Costs incurred by independent directors for engaging intermediaries and other expenses necessary for exercising their authorities shall be borne by the Company.

Section 4 Special Committees of the Board of Directors

133 The Board of Directors of the Company has established the Audit Committee to exercise the powers and functions of the supervisory committee as stipulated in the Company Law as well as the powers and functions as stipulated in the securities regulatory rules of the place where the shares of the Company are listed.

- 134 The Audit Committee shall consist of at least three members, who shall be non-executive directors who do not hold senior management positions in the Company, of whom a majority shall be independent directors. The Audit Committee shall be convened by an accounting professional among the independent directors, at least one of whom shall have appropriate professional qualifications in accordance with the securities regulatory rules of the place where the shares of the Company are listed or who shall have appropriate accounting or related financial management expertise.
- 135 The Audit Committee is responsible for reviewing the Company's financial information and its disclosures, supervising and evaluating the internal and external audits and internal controls. The following matters shall be submitted to the Board of Directors for consideration after the approval by a majority of all members of the Audit Committee:
- 135.1 disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;
 - 135.2 appointment, re-appointment or dismissal of the accounting firm that undertakes the audit affair of the listed company, approval of the remuneration and terms of appointment of the accounting firm, and handling of any issues relating to the resignation or dismissal of the accounting firm;
 - 135.3 appointment or dismissal of the financial controller of the listed company;
 - 135.4 changes in accounting policies, accounting estimates or correction of material accounting errors for reasons other than changes in accounting standards;
 - 135.5 other matters as provided by laws, administrative regulations, the CSRC, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.
- 136 The Audit Committee shall hold at least one meeting each quarter, and an extraordinary meeting may be convened upon proposal by two or more members, or when deemed necessary by the convener. A meeting of the Audit Committee shall be held only when more than two-thirds of the members are present.

Resolutions of the Audit Committee shall be adopted by an affirmative vote of a majority of its members.

Each member of the Audit Committee shall have one vote in the resolution voting process.

Minutes of the Audit Committee resolutions shall be prepared in accordance with the relevant requirements, and the members of the Audit Committee present at the meeting shall sign the minutes.

The terms of reference of the Audit Committee shall be formulated by the Board.

137 In addition to the Audit Committee, the Board of Directors of the Company has established other special committees, including the Strategy and Sustainable Development Committee, the Nomination Committee and the Remuneration and Appraisal Committee to perform their duties in accordance with the securities regulatory rules of the place where the shares of the Company are listed, the Articles of Association and the authorization of the Board of Directors. The proposals of the special committees shall be submitted to the Board of Directors for deliberation and decision. The Board of Directors shall be responsible for formulating the terms of reference of the special committees.

A majority of the members of the Nomination Committee and the Remuneration and Appraisal Committee shall be independent directors, and the Nomination Committee shall have at least one director of a different gender. An independent director or the chairman of the Board of Directors shall act as the convener of the Nomination Committee, and an independent director shall act as the convener of the Remuneration and Appraisal Committee.

138 The Nomination Committee is responsible for formulating the standards and procedures for the selection of directors and senior management members, selecting and reviewing the candidates for directors and senior management members and their qualifications for office, and making recommendations to the Board of Directors on the following matters:

138.1 review the structure, number of members and composition of the Board of Directors (including the skills, knowledge and experience) at least once a year, assist the Board of Directors in maintaining a Board of Directors skills matrix, and make recommendations on any proposed changes to the Board of Directors to cooperate with the Company's corporate strategy;

138.2 identify individuals suitably qualified to become board members and select or make recommendations to the board on the selection of individuals nominated for directorships;

138.3 the nomination, appointment, removal or reappointment of directors and the succession planning for directors, in particular the chairman and general manager (if applicable);

138.4 the appointment or dismissal of senior management;

138.5 the assessment of the independence of independent directors;

138.6 support the Company's regular evaluation of the performance of the Board of Directors;

138.7 other matters as provided by laws, administrative regulations, the CSRC, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

If the Board does not adopt or does not fully adopt the recommendations of the Nomination Committee, the Board resolution shall set out the Committee's views and the specific reasons for not adopting them, and such matters shall be disclosed.

139 The Remuneration and Appraisal committee is responsible for formulating the evaluation criteria for directors and senior management and conducting the evaluation, preparing and reviewing the remuneration policies and programs for directors and senior management such as the mechanism for determining the remuneration of directors and senior management, the decision-making process, and the arrangements for the payment and stoppage of recourse, and making recommendations to the Board of Directors on the following matters:

139.1 the remuneration of directors and senior management;

139.2 formulating or changing the share incentive scheme and employee share ownership scheme, granting of rights and benefits to the targets of the incentives and fulfillment of the conditions for exercising the rights and benefits;

139.3 arranging share ownership schemes for directors and senior management in the subsidiaries proposed to be spun off;

139.4 other matters as provided by laws, administrative regulations, the CSRC, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

If the Board does not adopt or does not fully adopt the recommendations of the Remuneration and Appraisal Committee, the Board resolution shall set out the Committee's views and the specific reasons for not adopting them, and such matters shall be disclosed.

Chapter 6 Senior Management Members

140 The Company shall have one general manager, who shall decide on the appointment or dismissal by the Board of Directors. The Company shall have several deputy general managers, who shall decide on the appointment or dismissal by the Board of Directors.

141 The provisions of the Articles of Association regarding disqualifications for directorship shall also apply to senior management members.

The provisions of the Articles of Association relating to the obligations of loyalty and diligence of the directors, shall also apply to senior management members.

142 Persons who hold administrative positions other than director or supervisor in the controlling shareholder of the Company shall not act as senior management members of the Company.

143 The term of office of the general manager is three years, and he or she can be re-elected if re-appointed.

- 144 The general manager shall be accountable to the Board of Directors and shall exercise the following powers:
- 144.1 to preside over the operation and management of the Company, organize the implementation of the resolutions of the Board of Directors, and report to the Board of Directors;
 - 144.2 to organize the implementation of the Company's annual operation plans and investment plans;
 - 144.3 to draft the plan for the establishment of the Company's internal management organizations;
 - 144.4 to draft the basic management policy of the Company;
 - 144.5 to formulate specific rules and regulations of the Company;
 - 144.6 to propose to the Board of Directors on the appointment or dismissal of the Company's deputy general manager and financial controller;
 - 144.7 to determine to appoint or dismiss the management personnel except for those who should be appointed or dismissed by the Board of Directors;
 - 144.8 to formulate the plans for the salary, benefits, rewards and punishments of the Company's employees, and to determine the employment and dismissal of the Company's employees;
 - 144.9 to represent the Company in external matters and enter into contracts for the day-to-day business of the Company as authorized by the Board of Directors;
 - 144.10 such other powers granted by the Board of Directors.
- 145 The general manager shall attend the board meetings as a non-voting attendee.
- 146 The general manager shall formulate the terms of reference of the general manager, which shall be implemented after approval by the Board.
- 147 The terms of reference of the general manager shall include the following:
- 147.1 the conditions and procedures for convening the general manager meetings and participants;
 - 147.2 the specific responsibilities and division of labor of the general manager and other senior management members;
 - 147.3 the use of the Company's funds and assets, the authority for signing of major contracts, and the system of reporting to the Board;
 - 147.4 other matters deemed necessary by the Board.

- 148 The general manager may resign before the expiration of his/her term of office. The specific procedures and methods regarding the resignation of the general manager shall be stipulated in the labor contract between the general manager and the Company.
- 149 The Company has a secretary to the Board of Directors. The secretary to the Board of Directors is a senior management of the Company and shall be accountable to the Company and the Board of Directors. The secretary to the Board of Directors shall have the requisite professional knowledge in terms of finance, management and law, and possess good professional ethics and personal quality. The provisions of the Articles of Association regarding disqualifications for directorship shall apply to the secretary to the Board.
- 150 The secretary to the Board of Directors shall primarily perform the following duties:
- 150.1 to be responsible for the Company's information disclosure affairs, coordinate the Company's information disclosure, organize and formulate the Company's information disclosure affairs management system, and urge the Company and the relevant information disclosure obligors to comply with the relevant information disclosure regulations;
 - 150.2 to be responsible for investor relations management, coordinate the information communication between the Company and securities regulatory authorities, investors, de facto controllers, intermediary agencies, media, etc.;
 - 150.3 to prepare and organize board meetings and general meetings, attend the general meetings, meetings of the Board of Directors, meetings of the special committees and meetings of the senior management, and be responsible for making records for the meetings of the Board of Directors and sign such records;
 - 150.4 to be responsible for the confidentiality of the Company's information disclosure, and to report and disclose any leakage of major undisclosed information to the Shanghai Stock Exchange in a timely manner;
 - 150.5 to pay attention to media coverage and take the initiative to verify the truth, and urge the relevant parties in the Company to reply to the inquiries of the Shanghai Stock Exchange in a timely manner;
 - 150.6 to arrange trainings on the relevant laws and regulations and the relevant rules of the Shanghai Stock Exchange for the Company's directors and senior management, and to assist such persons to understand their responsibilities in respect of information disclosure;
 - 150.7 to urge the directors and senior management to abide by the laws and regulations, the relevant rules of the Shanghai Stock Exchange and the Articles of Association, and to effectively fulfil their commitments; when he/she is aware that the Company, directors and senior management have made or may make resolutions that violate the relevant provisions, he/she shall remind them and report the same to the Shanghai Stock Exchange in a timely manner;

150.8 to be responsible for the management of the changes in the Company's shares and the derivatives thereof;

150.9 other duties as required under the laws, regulations and the Shanghai Stock Exchange.

The secretary to the Board shall comply with the relevant provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

151 If any senior management member causes any damage to any other person in the performance of his/her duties to the Company, the Company shall be liable for compensation; if the senior management member is intentional or has gross negligence, he/she shall also be liable for compensation. If any senior management member violates the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association in the performance of his/her duties to the Company, and causes losses to the Company, he/she shall be liable for compensation.

152 The senior management members of the Company shall faithfully perform their duties and safeguard the maximum interests of the Company and all shareholders. If any senior management member of the Company fails to faithfully perform his/her duties or breaches his/her duty of good faith, causing damage to the interests of the Company and its public shareholders, he/she shall be liable for compensation according to law.

Chapter 7 Financial Accounting System, Distribution of Profits and Audit

Section 1 Financial Accounting System

153 The Company adopts Renminbi as its recording currency. The Company adopts the accounting methods and principles recognized in China as its accounting methods and principles.

154 The Company shall formulate its financial accounting systems in accordance with laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and regulations of relevant departments of the State.

155 The Company's fiscal year begins on January 1 and ends on December 31. The Company's first fiscal year begins on the date when its business license is issued and ends on December 31 of that year.

156 The Company shall submit and disclose the annual report to the local branch of CSRC and the stock exchanges within four months after the end of each accounting year, and submit and disclose the interim report to the local branch of CSRC and the stock exchanges within two months after the end of the first half of each accounting year.

The above annual reports and interim reports shall be prepared in accordance with the provisions of relevant laws, administrative regulations, the CSRC, the securities regulatory rules of the place where the shares of the Company are listed and the stock exchanges.

157 The Company's annual financial report, as well as interim financial reports for the distribution of interim profits, shall include the following:

157.1 balance sheet;

157.2 income statement;

157.3 statement of changes in owners' equity;

157.4 cash flow statement;

157.5 notes to the financial statements.

If the Company does not distribute interim profits, the interim financial reports shall include the financial statements and notes referred to in the preceding paragraph, excluding item 3.

158 The Company shall not establish accounts books 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.

159 When distributing after-tax profits of the year, the Company shall allocate 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 does not need to 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 provision.

Subject to a resolution passed by the 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 from its after-tax profits.

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

If the general meeting distributes profits to shareholders in violation of the provisions of the Company Law, shareholders shall refund to the Company the profits distributed in violation of the provisions; if losses are caused to the Company, the shareholders, the responsible directors and senior management shall be liable for compensation.

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

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

The discretionary reserve and the statutory reserve shall first be used in making up the losses of the Company, and for any losses left to be set off, the capital reserve may be utilized in accordance with the provisions.

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

- 161 The Company shall distribute its after-tax profits in accordance with the PRC laws, regulations, and the securities regulatory rules of the place where the shares of the Company are listed.

- 162 After necessary adjustments according to national regulations, the Company's profits shall be distributed in the following order:

162.1 payment of income tax in accordance with law;

162.2 offsetting of losses from previous years;

162.3 provision for statutory reserve fund at 10%;

162.4 provision for discretionary reserve fund, as determined by a resolution of the general meeting;

162.5 payment of dividends to shareholders.

- 163 After the general meeting makes a resolution on the profit distribution plan, or after the Board of the Company formulates a specific plan based on the conditions and upper limits for interim dividends for the following year, as considered and approved by the annual general meeting, the Board of the Company shall complete the distribution of dividends (or shares) within two months after the convening of the general meeting.

- 164 Principle of profit distribution: The Company's profit distribution shall emphasise reasonable investment returns to public shareholders, aim at sustainable development and protection of shareholders' rights and interests, and shall maintain the continuity and stability of the profit distribution policy in compliance with the relevant provisions of laws and regulations.

Method of profit distribution: The Company may distribute profits in the form of cash, shares or a combination of both, or in any other manner permitted by laws with cash dividends taking precedence over other profit distribution methods. In principle, profit distribution shall be made on an annual basis if the conditions for profit distribution are met, and the Company may make interim profit distribution if conditions are met. Where the conditions for cash dividend are met, the Company shall adopt cash dividend for profit distribution. Where share dividends are adopted for profit distribution, real and reasonable factors such as the growth of the Company and the dilution of net assets per share should be taken into account.

Conditions and minimum proportion for cash dividends: Under the condition that the funding needs for the Company's normal production and operation are met, and if no material adverse change occurs in the Company's external operating environment and operational status, and when the Company's distributable profit for the current year is positive, the Company shall annually distribute profits in cash at an amount of no less than 20% of the distributable profit achieved for that year. Furthermore, the profits cumulatively distributed in cash over any three consecutive years shall not be less than 60% of the average annual distributable profit achieved during the three years.

Conditions and minimum proportion for stock dividend distribution: When the Company's distributable profit for the current year is positive, the Company may distribute profits in the form of stock dividends. For each stock dividend distribution, shareholders shall receive a stock dividend of no less than one share for every 10 shares held.

If the Company distributes profits through both cash and stock dividends, provided that it meets the funding needs for normal production and operations, the Company shall implement a differentiated cash dividend policy:

164.1 If the Company is in its mature development stage and has no significant capital expenditure arrangements, the proportion of cash dividends in profit distributions shall be no less than 80%;

164.2 If the Company is in its mature development stage and has significant capital expenditure arrangements, the proportion of cash dividends in profit distributions shall be no less than 40%;

164.3 If the Company is in its growth stage and has significant capital expenditure arrangements, the proportion of cash dividends in profit distributions shall be no less than 20%.

If the Company's development stage is not easily distinguishable but it has significant capital expenditure arrangements, it may be treated in accordance with the preceding provision.

The general meeting shall authorize the Board to propose the profit distribution plan for the current year annually, based on the aforementioned principles, after comprehensively considering factors such as the characteristics of the Company's industry, its development stage, its own business model, profitability levels, and whether there are any significant capital expenditure arrangements.

The Company shall promptly exercise its shareholder rights in its wholly-owned or controlled subsidiaries. In accordance with the articles of association of its wholly-owned or controlled subsidiaries, the Company shall ensure that these subsidiaries implement financial and accounting systems consistent with those of the Company. Each subsidiary shall distribute annual cash dividend at an amount of no less than 20% of its distributable profit for the current year, and ensure that the Company has the capacity to implement its cash dividend plan for the year and that such dividend payments are made to the Company before the Company distributes dividends to its shareholders.

- 165 Before submitting a profit distribution proposal to the Board for review, the Board of the Company shall study and deliberate on the profit distribution proposal, while fully considering the Company's ability to continue its operations, ensuring sufficient funds for normal production and development, and prioritizing reasonable returns for investors.

The Company shall communicate with shareholders, particularly minority shareholders, through various channels such as investor hotlines and emails, fully solicit the opinions and demands of minority shareholders and provide timely responses to issues of concern to them.

When the Board of the Company formulates a specific profit distribution proposal, it shall comply with the profit distribution policies stipulated in laws, regulations, and the Articles of Association. The profit distribution proposal shall include an explanation of the use plan or principles for any retained undistributed profits of the current year.

When formulating a specific cash dividend plan, the Board shall diligently study and deliberate on matters such as the timing, conditions, and minimum proportion of cash dividends, the conditions for adjustments, and the decision-making procedure requirements. Independent directors shall have the right to express their independent opinions if they believe that the specific cash dividend plan may harm the interests of the Company or minority shareholders. If the Board does not adopt or does not fully adopt the opinions of the independent directors, it shall record in the Board resolution the independent directors' opinions and the specific reasons for not adopting them, and shall disclose that. The Audit Committee shall pay attention to whether the Board is executing the cash dividend policy and shareholder return plan, and whether it is fulfilling the corresponding decision-making procedures and information disclosure requirements. If the Audit Committee discovers that the Board has failed to strictly implement the cash dividend policy and shareholder return plan, has not strictly followed the corresponding decision-making procedures, or has failed to disclose the relevant information truthfully, accurately, and completely, it shall urge the Board to make corrections in a timely manner. Before the general meeting considers a specific cash dividend plan, the Company shall proactively communicate with shareholders, particularly minority shareholders, through various channels, fully solicit the opinions and demands of minority shareholders and provide timely responses to issues of concern to them.

The Board of the Company shall review and announce in its periodic report the profit distribution proposal and submit it to the general meeting for approval. If the Board of the Company does not present a cash profit distribution proposal, it shall consult the opinions of the independent directors and disclose the reasons in its periodic report.

In the course of relevant decision-making and deliberation, the Board and the general meeting shall give full consideration to the opinions of independent directors and public investors.

166 Deliberation procedures required for profit distribution

Decision-making procedures required for profit distribution: A profit distribution proposal shall be submitted to the general meeting for consideration only after it has been considered and approved by the Board of the Company. When considering a profit distribution proposal, the Board shall obtain the affirmative vote cast by more than half of all directors.

When a profit distribution plan is considered at the general meeting, it shall be approved by more than half of the voting rights held by the shareholders attending the meeting. During voting at a general meeting, the Company shall provide shareholders with online voting options.

When the Company adjusts the plans or principles for the use of its retained undistributed profits, such adjustments shall be submitted to the Board and the general meeting for approval in accordance with the aforementioned consideration procedures. The reasons for the adjustments shall be thoroughly deliberated on and explained in the relevant proposals.

167 Adjustment of profit distribution policy

If the Company needs to adjust its profit distribution policy due to significant changes in the external operating environment or its own operating conditions, the adjusted profit distribution policy shall not violate the relevant regulations of the CSRC and the stock exchanges.

“Significant changes in the external operating environment or the Company’s own operating conditions” refer to any of the following circumstances:

- 167.1 major changes in laws, regulations, and industry policies enacted by the State, which lead to operating losses of the Company not attributable to its own reasons.
- 167.2 the occurrence of force majeure events such as earthquakes, typhoons, floods, wars, or other unforeseeable, unavoidable, and insurmountable factors that have a significant adverse impact on the Company’s production and operations, leading to operating losses of the Company;
- 167.3 after the Company’s statutory reserve fund is used to cover the losses from previous years, the Company’s net profit for the current year is still insufficient to cover the losses from previous years;
- 167.4 other matters stipulated by the CSRC and the stock exchanges.

During the adjustment of the profit distribution policy, the Board of the Company shall fully consider the opinions of the independent directors and public investors.

Adjustments to the profit distribution policy shall be considered and approved by the Board before being submitted to the general meeting for consideration. The Company shall, with the protection of shareholder interests as its starting point, provide detailed argumentation and explanation of the reasons in the proposal to the general meeting. When the general meeting considers the adjustments to the profit distribution policy, it shall be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

- 168 The Company's profit distribution shall not exceed the scope of accumulated distributable profits.
- 169 If a shareholder misappropriates the Company's funds in violation of regulations, the Company shall deduct the cash dividends allocated to that shareholder to repay the misappropriated funds.

Section 2 Internal Audit

- 170 The Company shall implement its internal audit system, which specifies the leadership system, duties and responsibilities, staffing, financial protection, the use of audit results and accountability for internal audit.

The Company's internal audit system is implemented after approval by the Board of Directors and is disclosed to the public.

- 171 The internal audit department of the Company conducts supervision and inspection of the business activities, risk management, internal control, financial information and other matters of the Company.
- 172 The internal audit department shall be accountable to the Board.

In the process of supervising and inspecting the Company's business activities, risk management, internal controls, and financial information, the internal audit department shall accept the supervision and guidance of the Audit Committee. If the internal audit department discovers any material issues or leads, it shall immediately report directly to the Audit Committee.

- 173 The specific organization and implementation of the Company's internal control evaluation shall be undertaken by the internal audit department. Based on the evaluation report issued by the internal audit department and reviewed by the Audit Committee, along with relevant materials, the Company shall issue an annual internal control evaluation report.
- 174 When the Audit Committee communicates with external audit entities such as accounting firms and national audit institutions, the internal audit department shall proactively cooperate and provide necessary support and collaboration.
- 175 The Audit Committee shall participate in the performance appraisal of the head of internal audit.

Section 3 Appointment of an Accounting Firm

- 176 The Company shall appoint such accounting firm which has complied with the Securities Law, and the securities regulatory rules of the place where the shares of the Company are listed for carrying out the audit for the accounting statements, net asset verification, and other relevant consultancy services. The term of appointment shall be 1 year and is renewable.
- 177 The appointment or dismissal of accounting firm by the Company shall be subject to the approval of the general meeting. The Board of Directors shall not appoint accounting firm before the approval of the general meeting.
- 178 The accounting firm engaged by the Company shall have the following rights:
- 178.1 to inspect the Company's financial statements, records, and vouchers, and to request directors and senior management of the Company to provide relevant information and explanations;
 - 178.2 to request the Company to provide information and explanations regarding its subsidiaries or affiliated companies that are necessary for the accounting firm to perform its duties;
 - 178.3 to attend general meetings as a non-voting attendee, receive notices of general meetings or other information relating to general meetings, and speak at the general meetings on matters concerning its role as the accounting firm engaged by the Company.
- 179 The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting proofs, accounting books, financial accounting reports and other accounting information, and that it engages without any refusal, withholding, and misrepresentation.
- 180 The audit fee of the accounting firm shall be determined by the general meeting.
- 181 In the event of termination of the appointment or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm 10 days in advance; when the shareholders cast their votes at the general meeting on termination of appointment of an accounting firm, the accounting firm shall be allowed to make its representation thereat.

An accounting firm proposing to resign shall state its opinions in the general meeting on whether the Company has committed any improper act.

Chapter 8 Notice and Announcement

- 182 Notices of the Company shall be sent by the following means:
- 182.1 by hand;
 - 182.2 by post;
 - 182.3 by fax or email;
 - 182.4 in case of urgency, an oral notification may be made, subject to written confirmation by the person to be notified;
 - 182.5 by announcement;
 - 182.6 by other means acceptable to the securities regulatory rules of the place where the shares of the Company are listed or provided by the Articles of Association.
- 183 Where a notice issued by the Company is in the form of an announcement, all relevant persons are deemed to have received the notice once the announcement is made.
- 184 Notice of a general meeting of the Company shall be given by announcement. Notice of a meeting of the Board of Directors convened by the Company shall be given by hand, post, fax or e-mail, except for otherwise provided in the Articles of Association when an extraordinary meeting of the Board of Directors is convened for urgent reasons.
- 185 When a notice of the Company is delivered by hand, it shall be deemed as served on the date when the recipient affixes his/her signature (or seal) on the return receipt; when a notice of the Company is sent by post, it shall be deemed as served on the fifth working day from the date of delivery to the post office; when a notice of the Company is sent by fax, it shall be deemed as served on the date when the fax is sent as recorded on the fax machine; when a notice of the Company is sent by email, it shall be deemed as served on the date when the email is sent as recorded on the computer.
- 186 The accidental omission to give a notice of a meeting to, or the failure to receive a notice of a meeting by, any person entitled to receive the notice shall not invalidate the meeting or any resolution passed thereat.
- 187 Within the scope of media stipulated by the CSRC and the Hong Kong Stock Exchange, the Company shall designate one or more newspapers, as well as the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) as the media for the publication of its announcements and other information requiring disclosure.

Chapter 9 Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation

Section 1 Merger, Division, Capital Increase and Capital Reduction

- 188 The mergers of the Company can take the form of a merger by absorption or a merger by formation of a new company.

When one company absorbs another company, it is a merger by absorption, and the absorbed company shall be dissolved. When two or more companies merge to establish a new company, it is a merger by formation of a new company, and all parties to the merger shall be dissolved.

- 189 If the consideration paid for a merger of the Company does not exceed 10% of the net assets of the Company, the resolution of the general meeting may not be required, unless otherwise stipulated in the Articles of Association.

If the Company is involved in a merger in accordance with the preceding paragraph without resolution of the general meeting, it shall be subject to a Board resolution.

- 190 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 and shall publish an announcement through designated media or on the National Enterprise Credit Information Publicity System 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 as of the date of the announcement, demand the Company to repay its debts or provide guarantees for such debts.

- 191 If the Company is involved in a merger, the rights and liabilities of the parties to the merger shall be succeeded by the surviving company or the newly established company after the merger.

- 192 Where there is a division of the Company, its assets 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 and shall publish an announcement through designated media or on the National Enterprise Credit Information Publicity System within 30 days as of the date of such resolution.

- 193 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.

- 194 Where the Company needs to reduce its registered capital, it shall 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 by the general meeting and shall publish an announcement through designated media or on the National Enterprise Credit Information Publicity System 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 as of the date of the announcement, demand the Company to repay its debts or provide guarantees for such debts.

If the Company reduces its registered capital, it shall reduce the amount of capital contribution or shares in accordance with the proportion of shares held by shareholders, unless otherwise provided by law or otherwise provided in the Articles of Association.

- 195 If the Company still has losses after making up losses in accordance with paragraph 2 of Article 160 of the Articles of Association, its registered capital may be reduced to make up for such losses. When registered capital is reduced to make up for losses, the Company shall not make any distribution to shareholders, or exempt shareholders from their obligation to pay the capital contributions or share capital.

If the Company reduces its registered capital according to the preceding paragraph, the provisions of paragraph 2 of Article 194 of the Articles of Association shall not apply. However, it shall publish an announcement through designated media or on the National Enterprise Credit Information Publicity System within 30 days as of the date of the resolution for the reduction of its registered capital by the general meeting.

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

- 196 If registered capital is reduced in violation of the Company Law and other relevant regulations, shareholders shall return any funds they have received, and any reduction or waiver of shareholder contributions shall be restored to its original state. If losses are caused to the Company, the shareholders, the responsible directors and senior management members shall be liable for compensation.
- 197 When the Company issues new shares to increase its registered capital, shareholders do not have preemptive rights, unless otherwise stipulated in the Articles of Association or a resolution of the general meeting grants shareholders preemptive rights.
- 198 If the Company is involved in a merger or division, and there is a change in registered matters, the approval and registration procedures shall be completed in accordance with the law. If the Company is dissolved, the approval and deregistration procedures shall be completed in accordance with the law. If a new company is established, the approval and the registration procedures for the company's establishment shall be completed in accordance with the law.

For an increase or decrease in the Company's registered capital, the approval and registration procedures for the change in the Company shall be completed in accordance with the law.

Section 2 Dissolution and Liquidation

199 The Company shall be dissolved upon the occurrence of the following events:

199.1 other cause of dissolution as specified in the Articles of Association;

199.2 a resolution on dissolution is passed by the general meeting;

199.3 dissolution is required due to the merger or division;

199.4 the business license of the Company is revoked or the Company is ordered to close down or dissolved in accordance with the laws;

199.5 the Company suffers significant hardships in operation and management, and its continued existence would cause significant losses to shareholders' interests, and such issues cannot be resolved through other means, shareholders representing 10% or above of the total voting rights of the Company may plead the people's court to dissolve the Company.

On the occurrence of the events of dissolution set out in the preceding provisions, the Company shall make an announcement via the National Enterprise Credit Information Publicity System within ten days.

200 If the Company is involved in the circumstances set forth in items 1 and 2 in paragraph 1 of Article 199 of the Articles of Association, and has not yet distributed assets to shareholders, it may continue to exist through amendments to the Articles of Association or a resolution of the general meeting.

Any amendment to the Articles of Association or any resolution by the general meeting made in accordance with the preceding paragraph shall be approved by more than two-thirds of the voting rights held by shareholders attending the general meeting.

201 Where the Company is dissolved under items 1, 2, 4 and 5 in paragraph 1 of Article 199, it shall be liquidated. The directors, being the liquidation obligors of the Company shall form a liquidation team within fifteen days from the date of occurrence of the cause for dissolution to carry out liquidation. The liquidation team shall consist of the directors, unless the Articles of Association provide otherwise or the general meeting resolves to elect another person(s).

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

202 The liquidation team shall exercise the following functions and powers during liquidation:

202.1 to inform creditors by notice or announcement;

202.2 to examine and take possession of the assets of the Company and prepare the balance sheet and a property inventory;

202.3 to deal with the outstanding businesses of the Company relating to liquidation;

202.4 to pay all outstanding taxes and taxes incurred during the liquidation proceedings;

202.5 to settle creditor's rights and debts;

202.6 to distribute the remaining assets of the Company after repayment of debts;

202.7 to represent the Company in civil proceedings.

203 The liquidation team shall, within 10 days of its formation, notify the creditors, and shall, within 60 days, make a public announcement on the designated media of the place where the Company locates or on National Enterprise Credit Information Publicity System. Creditors shall, within 30 days of the receipt of the notice or within 45 days of the release of the public announcement in the case of failure to receive the said notice, file their creditors' rights with the liquidation team.

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

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

204 After the liquidation team has liquidated the Company's property and prepared a balance sheet and property list, it shall formulate a liquidation plan and submit such plan to the general meeting or the people's court for confirmation.

The Company's property remaining after payment of the liquidation expenses, the wages, social insurance premiums and statutory compensation of the employees, the taxes owed and all the Company's debts, shall be distributed by the Company to the shareholders in proportion to the shares they hold.

During liquidation, the Company shall continue to exist but may not engage in any business activities unrelated to the liquidation. The Company's property will not be distributed to the shareholders until repayment of its debts in accordance with the preceding paragraph.

- 205 If, during the process of liquidating the Company's assets and preparing the balance sheet and the property list, the liquidation team deems that the Company's assets are insufficient to cover its debts, it shall apply to the people's court for bankruptcy liquidation. After the people's court accepts the bankruptcy application, the liquidation team shall transfer the liquidation affairs to the bankruptcy administrator designated by the people's court.
- 206 Following the completion of liquidation, the liquidation team shall formulate a liquidation report, submit the same to the general meeting or the people's court for confirmation, and submit the aforementioned documents to the company registration authority to apply for company deregistration.
- 207 The members of the liquidation team shall perform their liquidation duties with loyalty and diligence.

If the members of the liquidation team are negligent in performing their liquidation duties and cause losses to the Company, they shall be liable for compensation. The members of the liquidation team shall be liable for compensation in respect of any loss to the creditors caused by willful or material default; and shall be liable for compensation in respect of any loss to the Company or the creditors caused by willful or material default.

- 208 When the Company is declared bankrupt according to law, bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

Chapter 10 Amendments to the Articles of Association

- 209 Under any of the following circumstances, the Company would amend the Articles of Association:
- 209.1 upon revision of the Company Law or the relevant laws, administrative regulations and the securities regulatory rules of the place where the shares of the Company are listed, any item contained in the Articles of Association contradict the stipulations of the revised laws, administrative regulations and the securities regulatory rules of the place where the shares of the Company are listed;
 - 209.2 the Company's situation has changed and is inconsistent with the items recorded in the Articles of Association;
 - 209.3 the general meeting has decided on making amendments to the Articles of Association.
- 210 Where the amendments to the Articles of Association approved by the resolution of the general meeting shall be subject to the approval by competent authorities, such amendments shall be submitted to the competent authorities for approval. Where the amendments involve matters in relation to company registration, the procedures for change in registration shall be completed in accordance with the laws.

211 The Board of Directors shall amend the Articles of Association pursuant to the resolution of the general meeting on the amendments to the Articles of Association and the review and approval opinion of competent authorities.

Chapter 11 Supplementary Provisions

212 The Articles of Association shall be governed by the laws of the People's Republic of China.

213 Definitions

213.1 A controlling shareholder is a shareholder whose shares account for more than 50% of the Company's total share capital; or a shareholder whose shares carry voting rights sufficient to significantly influence the resolutions of the general meeting, even if his/her shareholding percentage does not exceed 50%.

213.2 A de facto controller refers to a natural person, legal person, or other organization that can actually control the Company's actions through investment relations, agreements, or other arrangements.

213.3 A related party relationship refers to the relationship between the Company's controlling shareholder, de facto controller, directors or senior management members, and enterprises they directly or indirectly control, as well as other relationships that may lead to the transfer of the Company's interests. However, state-controlled enterprises have related party relationship not solely due to their common control under the State.

213.4 In the Articles of Association, "accounting firm" has the same meaning as that of "auditor" in the Hong Kong Listing Rules, and "independent director" has the same meaning as that of "independent non-executive director" in the Hong Kong Listing Rules.

214 The Board may, in accordance with the provisions of the Articles of Association, formulate articles and submit them to the general meeting for approval by special resolution. The articles shall not conflict with the provisions of the Articles of Association.

215 The Articles of Association shall be prepared in Chinese. In case of any discrepancy between the Articles of Association of any other language versions or different versions, the Chinese version of the Articles of Association as most recently approved and registered with the Beijing Haidian District Administration for Market Regulation shall prevail.

216 In the Articles of Association, "above" and "within" shall include the given number; "over", "below", "less than", "beyond", and "more than" shall exclude the given number.

- 217 The Articles of Association shall take effect from the date of approval by the general meeting. The interpretation of the Articles of Association shall rest with the Board of the Company.
- 218 The appendixes to the Articles of Association shall include the rules of procedures for general meetings and the rules of procedures for meetings of the Board of Directors.