

**ARTICLES OF ASSOCIATION OF
REMEGEN CO., LTD.**

RemeGen Co., Ltd.
August 2025

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CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to protect the legal interests of RemeGen Co., Ltd.* (the “**Company**”), its shareholders, employees and creditors and to regulate the organization and activities of the Company, the Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (中華人民共和國公司法) (the “**Company Law**”), the Securities Law of the People’s Republic of China (the “**Securities Law**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), the Guidelines for Articles of Association of Listed Companies (the “**Guidelines for Articles of Association**”), the Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange (the “**STAR Market Listing Rules**”), the Code of Corporate Governance for Listed Companies, the Measures for the Management of Independent Directors of Listed Companies (the “**Management Measures**”) and other relevant provisions.

Article 2 The Company is a joint stock limited company established in accordance with the Company Law, the Securities Law and other relevant provisions.

RemeGen Co., Ltd.* was established on 4 July 2008. The Company was established by means of promotion based on the change of RemeGen Co., Ltd.* into a joint stock limited company as a whole under the laws of the PRC, and was registered with the Administration for Industry and Commerce of Yantai Economic and Technological Development Area (煙台經濟技術開發區市場監督管理局) on 12 May 2020 and obtained a business license. The Company’s unified social credit code is 91370600676820877R. All the shareholders of the former RemeGen Co., Ltd.* are the founders of the Company as follows: Yantai Rongda Venture Capital Center (Limited Partnership) (煙台榮達創業投資中心(有限合夥)), I-NOVA Limited, Fang Jianmin, Fund for the transformation of National Science and Technology Major Project (國投(上海)科技成果轉化創業投資基金企業(有限合夥)), PAG Growth Prosperity Holding I (HK) Limited, Yantai Rongqian Enterprise Management Center (Limited Partnership) (煙台榮謙企業管理中心(有限合夥)), Yantai Rongyi Enterprise Management Center (Limited Partnership) (煙台榮益企業管理中心(有限合夥)), Wholly Sunbeam Limited, Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司), RongChang Holding Group LTD., RC-Biology Investment Ltd., Yantai Rongshi Enterprise Management Center (Limited Partnership) (煙台榮實企業管理中心(有限合夥)), Metroplus International Limited, SDIC Chuanghe National Leading Fund of Emerging Industries VC (Limited Partnership) (國投創合國家新興產業創業投資引導基金(有限合夥)), Beijing Lapam Healthcare Investment Center LLP (北京龍磐健康醫療投資中心(有限合夥)), LBC Sunshine Healthcare Fund L.P., LAV Remegen Limited, Vivo Capital Fund IX, L.P., Lu Thai Textile Co., Ltd. (魯泰紡織股份有限公司), Janchor Partners Pan-Asian Master Fund, TIBET Lapam Yijing Venture Capital Center LLP (西藏龍磐怡景創業投資中心(有限合夥)), Nanjing Huatai Healthcare Investment I LLP (南京華泰大健康一號股權投資合夥企業(有限合夥)), Shandong Jifu Jingu New Kinetic Energy Equity Investment Fund Partnership (Limited Partnership) (山東吉富金谷新動能股權投資基金合夥企業(有限合夥)), Suzhou Likang Equity Investment Center (Limited Partnership) (蘇州禮康股權投資中心(有限合夥)), Hangzhou Chuanghe Select Venture Capital (Limited Partnership) (杭州創合精選創業投資合夥企業(有限合夥)), Weihai Luxin Fuwei Equity Investment Fund Partnership (Limited Partnership) (威海魯信福威股權投資基金合夥企業(有限合夥)), Govtor Capital Co., Ltd. (江蘇高科技投資集團有限公司), Jiangsu International Trust Corporation Limited (江蘇省國際信託有限責任公司), MINTU Infrastructure Development Holdings Co., Limited (民圖基礎設施發展控股有限公司), ORBIMED PARTNERS MASTER FUND LIMITED, Small Medium Enterprises Development Fund (Shenzhen) LLP (中小企業發展基金(深圳有限合夥)), Yantai Rongjian Enterprise Management Center (Limited Partnership) (煙台榮建企業管理中心(有限合夥)), Yan Tai Hong Da Investment Limited (煙台鴻大投資有限公司), Yantai Economic Development Investment Company (煙台市經濟發展投資公司), Hudson Bay Master Fund Ltd., PAG Growth Holding IV (HK) Limited, Suzhou Lirui Equity Investment Center (Limited Partnership) (蘇州禮瑞股權投資中心(有限合夥)), Senming Capital Limited, CRF Investment Holdings Company Limited, Shanghai Tan Ying Investment Partnership (L.P.) (上海檀英投資合夥企業(有限合夥)), ORBIMED GENESIS MASTER FUND, L.P., Nanjing Huatai Healthcare Investment II LLP (南京華泰大健康二號股權投資合夥企業(有限合夥)), Nanjing Daoan Management Center GP (南京道安企業管理中心(普通合夥)).

* For identification purposes only

Article 3 The Company's overseas listed foreign shares ("H Shares") were listed on the main board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on 9 November 2020.

The Company was registered with the China Securities Regulatory Commission (the "CSRC") on 11 January 2022 for the initial public offering of 54,426,301 RMB ordinary shares ("A Shares"), which were listed on the Science and Technology Innovation Board of Shanghai Stock Exchange on 31 March 2022.

Article 4 The Chinese registered name of the Company: 榮昌生物製藥(煙台)股份有限公司

The English registered name of the Company: RemeGen Co., Ltd.

Article 5 Domicile: No. 58 Middle Beijing Road, Yantai Development Zone, Yantai, China (Shandong) Pilot Free Trade Zone

Postcode: 264006

Article 6 The registered capital of the Company is RMB563,608,243.

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

Article 8 The legal representative of the Company is the chairman of the Board of the Company. If the chairman of the Board resigns, he/she shall be deemed to have resigned as the legal representative at the same time. If the legal representative resigns, the Company shall appoint a new legal representative within thirty days from the date of the legal representative's resignation.

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

Restrictions imposed on the powers of the legal representative by the Articles of Association or by shareholders' meetings shall not be invoked against a bona fide counterparty.

If the legal representative causes damage to others while performing his/her duties, the Company shall assume civil liability for such damage. The Company may, after assuming the civil liability, seek compensation from the legal representative at fault in accordance with laws or the Articles of Association.

Article 10 Shareholders bear responsibilities to the Company to the extent of the number of the shares they subscribe. The Company bears responsibilities for its debts with all its properties.

Article 11 The Articles of Association shall be a legally binding public 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 from the date on which it takes effect and shall be binding to the Company, its shareholders, directors and senior management members. Pursuant to the Articles of Association, the shareholders may pursue actions against other shareholders, the shareholders may pursue actions against the directors and senior management members of the Company, the shareholders may pursue actions against the Company and the Company may pursue actions against its shareholders, directors and senior management.

Article 12 “Senior management members” referred to in the Articles of Association include general manager, chief financial officer and the secretary to the Board of the Company and other personnel specified herein.

Article 13 In accordance with the relevant provisions under the Constitution of the Communist Party of China, the Company shall establish a Communist Party of China organisation to carry out the activities of the Party. The Company shall provide necessary conditions for activities organized by the Party.

CHAPTER 2 BUSINESS OBJECTIVES AND SCOPE

Article 14 The business objective of the Company: to introduce advanced management technologies, to reach the domestic and international advanced level, and to achieve satisfactory economic benefits for all parties of the joint venture.

Article 15 Upon registration according to the law, the Company’s business scope is as follows: research and development, production and sales of pharmaceutical products, diagnostic reagent products, and engaging in the technical services related to the above products and their research and development, technology transfer, import or export of goods or technologies (except for those prohibited by the State or requiring administrative approval). (The projects requiring approvals according to the law can be carried out only after being approved by the relevant authorities.)

CHAPTER 3 SHARE

Section 1 Issuance of Shares

Article 16 The stock of the Company shall take the form of shares.

Article 17 The Company shall issue shares in a transparent, fair and just manner, and each share of the same class shall have the same right. All shares of the same class issued at the same time shall be issued under the same conditions and at the same price; subscribers shall pay the same price for each share.

Article 18 All the par value shares issued by the Company shall be denominated in RMB with each share having a par value of RMB1.00.

Article 19 The A Shares issued by the Company shall be held in central custody at Shanghai Branch of China Securities Depository and Clearing Corporation Limited. The H Shares of the Company shall be held in custody by the authorized depository companies of Hong Kong Securities Clearing Company Limited and may also be held by shareholders in their own names.

Article 20 The Company may offer its shares to both domestic and foreign investors upon registration or filing with the relevant securities regulatory authority under the State Council.

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

Article 21 The total number of issued shares of the Company is 563,608,243 ordinary shares, of which 355,027,004 shares are A Shares, accounting for approximately 62.99% of the total share capital, and 208,581,239 shares are H Shares, accounting for approximately 37.01% of the total share capital.

Article 22 If the share capital of the Company contains different classes of shares, any alteration made to the rights attached to any shares of such class shall be approved by shareholders attending shareholders' meetings of such class of shares with voting rights by special resolutions unless otherwise required. For the purpose of this Article, A Shares and H Shares of the Company shall be deemed as same class of shares.

Article 23 The Company or the Company's subsidiaries (including affiliates of the Company) shall not provide financial assistance in the form of grants, advances, guarantees, borrowings to others for the acquisition of shares of the Company or those of its parent company, except where the Company has implemented an employee stock ownership plan.

In the interests of the Company, the Company may, by the resolution(s) of the shareholders' meetings, or by the resolution(s) of the Board of Directors in accordance with the Articles of Association or a mandate granted by the shareholders' meetings, provide financial assistance to others for the acquisition of shares of the Company or those of its parent company, provided that the cumulative total of such financial assistance shall not exceed ten percent of the total issued share capital. The relevant resolution(s) of the Board of Directors shall be passed by more than two-thirds of all directors.

Section 2 Increase, Decrease and Buyback of Shares

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

- (I) Issuance of shares to non-specific investors;
- (II) Issuance of shares to specific investors;
- (III) Bonus shares to existing shareholders;
- (IV) Conversion of the reserve into share capital;
- (V) Other means stipulated by laws and administrative regulations and required by the CSRC.

When the Company issues new shares for the purpose of increasing its registered capital, the shareholders shall not be entitled to pre-emptive rights, unless otherwise provided by the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association or resolved by a resolution of the shareholders' meeting that the shareholders shall be entitled to pre-emptive rights.

When the Company increases its registered capital, it shall register the change with the registration authority of the Company in accordance with the laws.

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

Article 26 The Company shall not repurchase its shares, except in any of the following circumstances:

- (I) When decreasing the registered capital of the Company;
- (II) When merging with other companies holding shares of the Company;
- (III) When shares are being used in the employee stock ownership plan or as equity incentive;
- (IV) When shareholders objecting to resolutions of the shareholders' meeting concerning merger or division of the Company require the Company to buy their shares;
- (V) When shares are being used to satisfy the conversion of corporate bonds convertible into shares issued by the Company;
- (VI) When safeguarding corporate value and shareholders' equity as the Company deems necessary.

Article 27 The Company may repurchase its shares by an open and centralized trading manner, or other means as recognized by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the CSRC.

If the Company repurchases its own shares under the circumstances as required in items (III), (V) and (VI) of the first paragraph of Article 26 of the Articles of Association, the transaction(s) shall be carried out in an open and centralized manner.

Article 28 Where the Company repurchases its shares in the circumstances set out in items (I) and (II) of Article 26 of the Articles of Association, it shall be subject to approval at the shareholders' meeting;

Where the Company repurchases its shares in the circumstances set out in items (III), (V) and (VI) of Article 26 of the Articles of Association, it shall be resolved by more than two-thirds of directors present at a meeting of the Board according to the provisions of the Articles of Association or a mandate granted by the shareholders' meetings.

In the event that the Company repurchases its shares in accordance with the first paragraph of Article 26 of the Articles of Association, such Shares shall be cancelled within ten days upon such repurchase in the circumstance set out in item (I); shall be transferred or cancelled within 6 months in the circumstances set out in items (II) and (IV); the aggregate number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within three years in the circumstances set out in items (III), (V) and (VI).

Section 3 Transfer of Shares

Article 29 The shares of the Company shall be transferrable in accordance with the laws.

Article 30 The Company shall not accept its own shares being held as security under a pledge.

Article 31 Shares already issued by the Company before public offering shall not be transferred within one year after the A Shares of the Company are listed on the Shanghai Stock Exchange.

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

Article 32 Where a shareholder holding more than 5% of the shares, a director and a senior management member sells the Company's shares and other securities with an equity nature held by him/her within 6 months after purchase, or buys them again within 6 months after sale, the proceeds thus earned shall belong to the Company, and the Board of Directors of the Company shall recover the proceeds. However, this provision shall not apply if the securities company holds more than 5% of the shares as a result of the purchase of the remaining shares after the sale upon underwriting or under other circumstances stipulated by the CSRC.

Shares or other securities with an equity nature held by directors, senior management members and natural person shareholders referred to in the preceding paragraph include shares or other securities with an equity nature held by their spouses, parents and children and held under others' accounts.

If the Board of Directors of the Company does not abide by the provisions of the first paragraph of this Article, the shareholders have the right to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to do so within the said period, the shareholder shall have the right to file a lawsuit directly with the People's Court in his own name for the benefit of the Company.

If the Board of Directors of the Company does not abide by the provisions of the first paragraph of this Article, the responsible directors shall be jointly and severally liable according to law.

Article 33 Where the relevant regulations of the securities regulatory authorities of the place where the shares of the Company are listed provide otherwise in respect of any transfer of any listed shares, such regulations shall apply.

CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Section 1 General Requirement of Shareholders

Article 34 The Company shall establish a register of shareholders in accordance with the certificates issued by the securities registration and clearing institution. The shareholders' register shall constitute sufficient evidence of shareholdings in the Company. Shareholders shall enjoy rights and have obligations in accordance with the class of shares held by them. Shareholders holding the same class of shares shall be entitled to equal rights and have equal obligations.

Article 35 When the Company convenes a shareholders' meeting, distributes dividends, commences liquidation or participates in other activities requiring the identification of shareholders, the shareholders, whose names appear on the register of members after the close of trading on the record date as determined by the Board of Directors or the convener of the shareholders' meetings, are entitled to the relevant rights.

Article 36 Shareholders of the Company shall enjoy the following rights:

- (I) The rights to receive dividends and other forms of distribution in proportion to the number of shares held by them;
- (II) The rights to request, convene, chair, attend or appoint proxy to attend shareholders' meetings and exercise corresponding voting rights in accordance with laws;
- (III) The rights to supervise the operation of the Company and to put forward proposals and raise inquiries;
- (IV) The rights to transfer, donate, or pledge shares held by them in accordance with laws, administrative regulations and the Articles of Association;
- (V) The rights to inspect and copy the Articles of Association, the register of members, minutes of shareholders' meetings, resolutions of Board of Directors' meetings, financial and accounting reports and qualified shareholders in compliance with the regulations may have rights to inspect the Company's accounting books and vouchers;
- (VI) The rights to participate in the distribution of remaining assets of the Company corresponding to the number of shares held in the event of the termination or liquidation of the Company;
- (VII) The rights to demand the Company to acquire the shares held by them with respect to shareholders voting against any resolution adopted at the shareholders' meeting on the merger or division of the Company;
- (VIII) Other rights under the laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Article 37 The shareholder who requests to inspect or copy the relevant information of the Company shall comply with the requirements of laws and administrative regulations including the Company Law, the Securities Law, the securities regulatory rules of the place where the shares of the Company are listed.

Article 38 If the resolutions of shareholders' meeting and the Board are in violation of laws and administrative regulations, shareholders are entitled to request the People's Court to identify them invalid.

If the procedures for convening and voting of shareholders' meeting and the Board meeting are in violation of laws, administrative regulations or the Articles of Association, or the resolutions violate the Articles of Association, shareholders are entitled to request the People's Court to revoke such resolutions within 60 days. However, this does not apply if such procedures for convening the shareholders' meeting and the board meeting, or the voting thereat, have only minor flaws that have no substantial impact on the resolution.

Where the Board of Directors, shareholders and other stakeholders dispute the validity of a resolution of a shareholders' meeting, they shall promptly file a lawsuit with the People's Court. Before the People's Court makes a judgement or ruling, such as a cancellation of a resolution, the stakeholders shall execute the resolution of the shareholders' meeting. The Company, its directors and senior management members shall perform their duties diligently to ensure the normal operation of the Company.

Where the People's Court makes a judgement or ruling on the relevant matter, the Company shall fulfil its obligations to disclose the information in accordance with laws, administrative regulations, the regulations of the CSRC and stock exchanges, fully explain the impact of the judgement or ruling on the Company, and actively cooperate with the authorities in the enforcement of the judgement or ruling after it has come into effect. Where previous matters need to be corrected, the Company shall handle the correction in a timely manner and fulfil its obligations to disclose the information accordingly.

Article 39 A resolution of the shareholders' meeting or board meeting of the Company shall be deemed invalid under any of the following circumstances:

- (I) the resolution is adopted without convening a shareholders' meeting or board meeting;
- (II) the resolution is not voted on at the shareholders' meeting or board meeting;
- (III) the number of attendees of the meeting or their voting rights do not meet the quorum or the number of voting rights as stipulated in the Company Law or the Articles of Association;
- (IV) the number of attendees voting in favor of the resolution or their voting rights do not meet the quorum or the number of voting rights as stipulated in the Company Law or the Articles of Association.

Article 40 If Directors and senior management personnel, other than a member of the audit committee, cause losses to the Company for violation of the requirements of laws, administrative regulations or the Articles of Association during the performance of their duties, shareholders who hold more than 1%, individually or jointly, of the Company's shares for more than 180 days continuously, have the right to request the audit committee to bring a suit to the People's Court; if a member of the audit committee causes losses to the Company for violation of the requirements of laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association during the performance of their duties, Shareholders can request the Board in written form to file a suit in the People's Court.

If the audit committee or the Board refuses to file a suit after receiving the written request from shareholders as set out in the preceding paragraph, or fails to file a suit within 30 days since the date of receiving the request, or in case of emergency where failure to file a suit immediately will cause irreparable losses to the Company's interests, the shareholders as mentioned in the preceding paragraph have the right to bring a suit directly to the People's Court in their own name for the interests of the Company.

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

If Directors, supervisors or senior management members of a wholly-owned subsidiary of the Company cause losses to the Company for violation of the requirements of laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association during the performance of their duties, or if others infringe on the legitimate rights and interests of a wholly-owned subsidiary of the Company and cause losses to it, shareholders who have held, individually or in aggregate, more than 1% of the shares of the Company for more than 180 consecutive days, may, in accordance with the provisions of the first three paragraphs of Article 189 of the Company Law, request in writing that the audit committee or the Board of Directors of the wholly-owned subsidiary bring a lawsuit to the People's Court, or bring a lawsuit directly to the People's Court in their own name.

Article 41 If Directors and senior management personnel cause damage to the shareholders' interests for violation of the requirements of laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, shareholders can bring a suit to the People's Court.

Article 42 Shareholders of the Company shall have the following obligations:

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

Article 43 Where the shareholder's abuse of its power causes damage to the Company or other shareholders, he shall be liable to compensation in accordance with the law. Where the shareholder has abused the Company's independent legal person status and shareholder's limited liability for debt evasion and caused serious damage to the creditor's interests, it shall bear joint liability for the debts of the Company.

Section 2 Controlling Shareholders and De Facto Controllers

Article 44 Controlling shareholders and de facto controllers of the Company shall exercise their rights and perform their obligations in accordance with laws, administrative regulations, the provisions of the CSRC, and the rules of the stock exchanges, and shall safeguard the interests of the listed company.

Article 45 The controlling shareholders and de facto controllers of the Company shall comply with the following provisions:

- (I) to exercise shareholder rights lawfully, and shall not abuse controlling rights or take advantage of related party relationships to harm the legitimate rights and interests of the Company or other shareholders;
- (II) to strictly fulfil all public statements and commitments made, and shall not arbitrarily modify or seek exemption therefrom;
- (III) to fulfil information disclosure obligations in strict accordance with the relevant regulations, actively cooperate with the Company in information disclosure, and promptly notify the Company of any material events that have occurred or are expected to occur;
- (IV) not to misappropriate the Company's funds in any form;
- (V) not to compel, instruct, or demand the Company or its relevant personnel to provide illegal or non-compliant guarantees;

- (VI) not to exploit undisclosed material information of the Company for personal gain, disclose any undisclosed material information relating to the Company in any manner, or engage in illegal activities such as insider trading, short-swing trading, or market manipulation;
- (VII) not to impair the legitimate rights and interests of the Company and other shareholders through non-arm's length related party transactions, profit distribution, asset reorganization, external investments, capital use and loans and guarantees and related party (connected) transactions or any other means;
- (VIII) to ensure the Company's asset integrity, personnel independence, financial independence, organizational independence, and business independence, and shall not in any way compromise the Company's independence;
- (IX) to comply with other requirements under laws, administrative regulations, CSRC rules, the business rules of the stock exchanges, and the Articles of Association.

Where a controlling shareholder or de facto controller does not serve as a director of the Company but de facto manages the Company's affairs, the provisions of the Articles of Association regarding directors' fiduciary duties of loyalty and diligence shall apply.

If a controlling shareholder or de facto controller of the Company instructs a director or a senior management member to act in a manner detrimental to the Company or shareholders' interests, such shareholder/controller shall bear joint and several liability with such director or senior management member.

Article 46 Where a controlling shareholder or de facto controller pledges the shares of the Company that he/she holds or actually controls, he/she shall maintain the stability of the Company's control and production operations.

Article 47 Where a controlling shareholder or de facto controller transfers the shares of the Company held by him/her, he/she shall comply with the restrictive provisions on the transfer of shares set out in the laws, administrative regulations, the regulations of the CSRC and the stock exchanges, as well as his/her undertakings in respect of the restriction on the transfer of shares.

Section 3 General Requirement of Shareholders' Meetings

Article 48 The shareholders' meeting of the Company shall comprise all shareholders. The shareholders' meeting is the organ of the authority of the Company, which exercises its functions and powers in accordance with laws:

- (I) to elect and replace the directors, and to decide on matters relevant to the remuneration of directors;
- (II) to consider and approve reports of the Board;
- (III) to consider and approve the profit distribution plan and loss recovery plan of the Company;
- (IV) to determine the increase or decrease of the registered capital of the Company;

- (V) to determine the issuance of corporate bonds by the Company;
- (VI) to determine matters such as the merger, division, dissolution, liquidation or change of corporate form of the Company;
- (VII) to amend the Articles of Association;
- (VIII) to determine the appointment and removal of the Company's accounting firm engaged in the audit work of the Company;
- (IX) to consider and approve the provision of guarantees to third parties that shall be approved at a shareholders' meeting required by the Articles of Association;
- (X) to consider matters relating to the purchases and disposals of material assets, which are more than 30% of the latest audited total assets of the Company, within one year;
- (XI) to consider and approve the change in use of proceeds;
- (XII) to consider and approve the share incentive plans and employee stock ownership plans;
- (XIII) to review other matters which, in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules of the places where the shares of the Company are listed, or the provisions of the Articles of Association, shall be approved at a shareholders' meeting.

The Board may be authorized by the shareholders' meeting to adopt resolutions on the issuance of corporate bonds.

Article 49 The following guarantees to third parties to be provided by the Company shall be considered and approved by the shareholders' meeting.

- (I) A single guarantee for an amount in excess of 10% of the Company's latest audited net assets;
- (II) Any guarantee provided after the total amount of guarantee to third parties provided by the Company, and its controlling subsidiary exceeds 50% of the Company's latest audited net assets;
- (III) A guarantee to be provided to a party which has an asset-liability ratio in excess of 70%;
- (IV) Any guarantee provided after the total amount of guarantee exceeds 30% of the Company's latest audited total assets;
- (V) Any guarantee provided by the Company to others, the amount of which within one year exceeds 30% of the Company's latest audited total assets;
- (VI) Guarantee to be provided to shareholders, de facto controllers and their related (connected) parties.

Article 50 Shareholders' meetings shall be divided into annual shareholders' meetings and extraordinary shareholders' meetings. Annual shareholders' meetings are held once every year and within 6 months from the end of the preceding accounting year.

Article 51 The Company shall convene an extraordinary shareholders' meeting within 2 months after the occurrence of any one of the following circumstances:

- (I) where the number of directors falls short of the minimum number required by the Company Law or is no more than two-thirds of the number required by the Articles of Association;
- (II) where the unrecovered losses of the Company amount to one-third of its total paid up share capital;
- (III) where a request is made by shareholder(s), individually or jointly, holding 10% or more of the Company's shares with voting rights (including preferred shares with restored voting rights but excluding treasury shares (as defined in the Hong Kong Listing Rules));
- (IV) where the Board considers it necessary;
- (V) where the audit committee proposes to call for such a meeting;
- (VI) other circumstances stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

Article 52 The venue of a shareholders' meetings of the Company shall be the place where the Company is located or the place specified in the notice of the shareholders' meeting. The shareholders' meeting shall have a venue for convening the meeting, and be held in the form of an on-site meeting. The Company will also provide internet voting to facilitate shareholders' attendance and voting at the shareholders' meeting.

Article 53 The Company will engage a lawyer to issue and announce a legal opinion on the following issues when convening a shareholders' meeting:

- (I) Whether the convening and holding procedures of the meeting are in compliance with the laws, administrative regulations and the Articles of Association;
- (II) Whether the qualifications of the persons attending the meeting and the convener are legal and valid;
- (III) Whether the voting procedures and results of the meeting are lawful and valid;
- (IV) Legal opinions on other relevant issues at the request of the Company.

Section 4 Convening of Shareholders' Meetings

Article 54 The Board shall convene shareholders' meetings within the prescribed time limit.

Upon approval by the majority of all independent directors, an independent director has the right to propose the Board to convene an extraordinary shareholders' meeting. In respect to the proposal by the independent director for convening an extraordinary shareholders' meeting, the Board shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to such proposal for convening an extraordinary shareholders' meeting within 10 days upon receipt of such proposal.

In the event that the Board agrees to convene an extraordinary shareholders' meeting, a notice for convening such meeting shall be given within 5 days after the Board resolution is passed. In the event that the Board disagrees to convene an extraordinary shareholders' meeting, an explanation shall be given and an announcement shall be made.

If the securities regulatory authorities in the place where the shares of the Company are listed have special provisions, such provisions shall apply.

Article 55 Where the audit committee propose to the Board for the convening of an extraordinary shareholders' meeting, it shall submit it to the Board in writing. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to such proposal for convening an extraordinary shareholders' meeting within 10 days upon receipt of such proposal.

In the event that the Board agrees to convene an extraordinary shareholders' meeting, a notice for convening such meeting shall be given within 5 days after the relevant Board resolution is passed and consent of the audit committee shall be obtained in case of any changes to the original proposal in the notice.

In the event that the Board disagrees to convene an extraordinary shareholders' meeting or does not furnish any reply within 10 days after having received such proposal, the Board is deemed to be unable or unwilling to perform the duty of convening a shareholders' meeting, in which case the audit committee may convene and preside over such meeting by itself.

Article 56 Any shareholder(s) individually or jointly holding 10% or more of the Company's shares with voting rights (including preferred shares with restored voting rights but excluding treasury shares (as defined in the Hong Kong Listing Rules)) is/are entitled to request in writing the Board to convene an extraordinary shareholders' meeting. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply to such shareholder(s) stating its agreement or disagreement to the convening of the extraordinary shareholders' meeting within 10 days after having received such requisition.

In the event that the Board agrees to convene an extraordinary shareholders' meeting, a notice for convening such meeting shall be given within 5 days after the relevant Board resolution is passed and consent of the relevant shareholder(s) shall be obtained in case of any changes to the original requisition in the notice.

In the event that the Board disagrees to convene an extraordinary shareholders' meeting or does not furnish any reply within 10 days after having received such requisition, shareholder(s) individually or jointly holding 10% or more of the Company's shares with voting rights (including preferred shares with restored voting rights but excluding treasury shares (as defined in the Hong Kong Listing Rules)) may propose in writing the audit committee to convene the extraordinary shareholders' meeting.

In the event that the audit committee agrees to convene an extraordinary shareholders' meeting, a notice for convening such meeting shall be given within 5 days after having received such requisition and consent of the relevant shareholder(s) shall be obtained in case of any changes to the original proposal in the notice.

In the event that the audit committee fails to serve any notice of an extraordinary shareholders' meeting within the prescribed period, the audit committee is deemed not to convene and preside over such meeting, in which case the shareholder(s) individually or jointly holding 10% or more of the Company's shares with voting rights (including preferred shares with restored voting rights but excluding treasury shares (as defined in the Hong Kong Listing Rules)) for more than 90 consecutive days may convene and preside over such a meeting by himself/themselves.

Article 57 Where the audit committee or shareholders decide to convene a shareholders' meeting on its/their own, it/they shall send a written notice to the Board and also file with the Shanghai Stock Exchange for the record.

The audit committee or the shareholders convening the shareholders' meeting shall submit relevant supporting materials to the Shanghai Stock Exchange when issuing the notice of the shareholders' meeting and the announcement of the resolution of the shareholders' meeting.

Prior to the announcement of the resolution(s) of a shareholders' meeting, the shareholdings (including preferred shares with restored voting rights but excluding treasury shares (as defined in the Hong Kong Listing Rules)) of the shareholders convening the shareholders' meeting shall not be less than 10%.

Article 58 Where a shareholders' meeting is convened by the audit committee or shareholders on its/their own, the Board and the secretary to the Board shall work in a cooperative manner. The Board shall provide the register of shareholders prepared on the date of record date.

Article 59 Where a shareholders' meeting is convened by the audit committee or shareholders on its/their own, the expenses necessary for the shareholders' meeting shall be borne by the Company.

Section 5 Proposals and Notices of Shareholders' Meetings

Article 60 The contents of a proposal shall be within the functions and powers of the shareholders' meeting, shall have definite issues for discussion and specific resolutions, and shall comply with the relevant provisions of the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Article 61 Where the Company convenes a shareholders' meeting, the Board, the audit committee and shareholders individually or jointly holding more than 1% of the shares (including preferred shares with restored voting rights, etc.) of the Company shall have the right to put forward proposals to the Company.

Shareholder(s) individually or jointly holding more than 1% of the shares (including preferred shares with restored voting rights, etc.) of the Company may submit written provisional proposals to the convener 10 days before the shareholders' meeting. The convener shall serve a supplemental notice of the shareholders' meeting within 2 days after receipt of the provisional proposals, announce the contents of the said provisional proposals, and submit the provisional proposals to the shareholders' meeting for consideration, unless the provisional proposals violate laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, or does not fall within the scope of authority of the shareholders' meeting.

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

Proposals not set out in the notice of the shareholders' meeting or not complying with the Articles of Association shall not be voted on or resolved at the shareholders' meeting.

Article 62 The convener will notify all shareholders by announcement 20 days before the annual shareholders' meeting, and the extraordinary shareholders' meeting will notify all shareholders by announcement 15 days before the meeting. If the laws, regulations and the securities regulatory authorities of the place where the shares of the Company are listed provide otherwise, such provisions shall prevail.

Article 63 The notice of the shareholders' meeting shall contain the following:

- (I) the date, venue and duration of the meeting;
- (II) matters and proposals submitted for consideration at the meeting;
- (III) an obvious statement that all ordinary shareholders (including preferred shareholders with restored voting rights), shareholders holding shares with special voting rights and other shareholders are entitled to attend the shareholders' meeting in person, or appoint in writing proxies to attend and vote on his or her behalf and that such proxies need not be shareholders of the Company;
- (IV) the record date for the determination of the entitlements of shareholders to the shareholders' meeting;
- (V) name and telephone number of permanent contact person;
- (VI) the voting times and procedures by network or other means.

Article 64 If the election of directors is proposed to be discussed at a shareholders' meeting, the notice of the meeting shall adequately specify the detailed information on the director candidates, which shall at least include:

- (I) personal particulars, including academic qualifications, working experience and concurrent positions;
- (II) whether or not such candidate has any related party (connected) relationship with the Company, its directors, senior management, controlling shareholders and de facto controller;
- (III) the number of shares of the Company held by such candidate, including the interests in shares of the Company within the meaning of Part XV of the SFO;

- (IV) whether they have been punished by the CSRC and other relevant authorities or disciplined by the stock exchange;
- (V) other contents required by relevant laws, administrative regulations, and the securities regulatory rules of the place where the shares of the Company are listed.

In addition to the cumulative voting system to elect directors, each candidate for a director shall be proposed via a single proposal.

Article 65 After issuing a notice of the shareholders' meeting, the shareholders' meeting shall not be delayed or cancelled without justified reasons, and proposals, as set out in the notice, shall not be called off. Once delay or cancellation occurs, the convener shall make an announcement and explanation at least 2 working days before the original convening date.

Section 6 Holding of Shareholders' Meetings

Article 66 The Board of the Company or any other conveners shall take necessary measures to guarantee the good order of the shareholders' meeting, take measures to deter any act disturbing the shareholders' meeting, picking quarrels and provoking troubles or infringing the legal rights and interests of any shareholder, and shall report in a timely manner such act to the relevant department for investigation and punishment.

Article 67 All ordinary shareholders whose names appear on the register of members on the record date (including preferred shareholders with restored voting rights), shareholders holding shares with special voting rights and other shareholders or their proxies are entitled to attend the shareholders' meeting, have the right to speak at the shareholders' meeting, and exercise their voting rights 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 abstain from voting on certain matters.

Shareholders can attend the shareholders' meeting in person, or they can appoint proxies (who need not be shareholders of the Company) to attend, speak and vote on their behalf.

Article 68 A shareholder attending the shareholders' meeting in person shall present his or her identity card or other valid certificate or proof showing his or her identity. The proxy appointed by the shareholder shall present his or her identity card and power of attorney issued by the shareholder.

A corporate shareholder shall entrust the legal representative (person in charge) or its agent to attend the shareholders' meeting and such corporate shareholder shall be deemed to be present in person at any meeting if it has appointed a representative to attend such meeting. The legal representative (person in charge) attending the shareholders' meeting shall present his or her identity card and valid proof showing the status of the legal representative; the agent attending the shareholders' meeting shall present his or her identity card and a power of attorney in writing issued by the legal representative (person in charge) of the corporate shareholder in accordance with the law.

Hong Kong Securities Clearing Company Limited shall have the right to appoint proxies or legal representatives to attend the shareholders' meeting and meeting of creditors of the Company, and these proxies or legal representatives shall enjoy the same statutory rights as those enjoyed by other shareholders, including the right to speak and vote.

Article 69 The power of attorney issued by the shareholder authorizing his or her proxy to attend the shareholders' meeting should contain the following:

- (I) the name of the appointer and the class and quantity of the Company's shares held by such person;
- (II) the name of the proxy;
- (III) the specific instructions of the shareholders, including instruction to vote for or against or abstain from voting on each and every issue included in the agenda of the shareholders' meeting, etc.;
- (IV) the date of issue and validity period of the power of attorney;
- (V) signature (or seal) of the appointer. If the appointer is a corporate shareholder, the chop of the corporate shall be affixed.

Article 70 Where an instrument appointing a voting proxy is signed by a person under a power of attorney or other authority on behalf of the appointer, that power of attorney or other authority is required to be notarized. A notarized copy of that power of attorney or other authority together with the instrument appointing a proxy is required to be deposited at the Company's domicile or such other place as specified in the notice of the meeting.

Article 71 The register of attendees of the shareholders' meeting shall be prepared by the Company. Such register shall specify information such as the name of the persons (or units) attending the shareholders' meeting, identity card number, number of shares or voting shares held, name of the persons (or units) the proxy represents.

Article 72 The convener and the lawyer engaged by the Company will jointly verify the qualification of shareholders with the register of members provided by the securities depository and clearing authority, and shall register the name of the shareholders as well as the number of their voting shares. Such registration shall be ceased prior to the announcement by the chairman of the shareholders' meeting of the number of shareholders and their proxies present at the meeting and the total number of their respective voting shares.

Article 73 Where directors and senior management members are required to be present at shareholders' meeting, such directors and senior management members shall be present at the meeting and answer the queries from shareholders.

Article 74 A shareholders' meeting shall be presided over by the chairman of the Board. Where the chairman of the Board is unable or fails to perform his duties, a director shall be jointly elected by more than half of the directors to preside over the meeting.

A shareholders' meeting convened by the audit committee on its own shall be presided over by the convener of the audit committee. Where the convener of the audit committee is unable or fails to perform its duties, a member of the audit committee shall be jointly elected by more than half of the audit committee members to perform relevant duties.

A shareholders' meeting convened by shareholders on their own shall be presided over by the convener or a representative elected by the convener.

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

Article 75 The Company shall formulate the rules of procedures of the shareholders' meeting to specify in details the convening, holding and voting procedures of the shareholders' meeting, including notice, registration, deliberation of proposal, votes, vote counting, announcement of voting results, formation of resolutions, minutes and the signatures thereon, announcements, as well as the principles of authorization by the shareholders' meeting to the Board, the contents of such authorization shall be expressly specified.

Article 76 At the annual shareholders' meeting, the Board shall report its work of the previous year to the shareholders' meeting. Each independent director shall also prepare a work report.

Article 77 Directors and senior management members shall provide explanation and clarification to the inquiries and suggestions raised by the shareholders at the shareholders' meeting.

Article 78 The presider of the shareholders' meeting shall, before voting, announce the number of shareholders and their proxies attending the meeting as well as the total number of their voting shares carrying the voting shares, and the number of shareholders and their proxies attending the meeting and the total number of their shares shall be subject to the registration of the shareholders' meeting.

Article 79 The shareholders' meetings shall have meeting minutes, which shall be recorded by the secretary to the Board.

The meeting minutes shall record the following:

- (I) the date, venue and agenda of the meeting, and the name of the convener;
- (II) the names of the presider, and the directors and senior management members attending or present at the meeting;
- (III) the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the shares of the Company;
- (IV) the consideration process of each proposal, summaries of the speeches and the voting result;
- (V) details of the inquiries or recommendations of the shareholders, and the corresponding response or explanations;
- (VI) the name of lawyer, vote counters and scrutineer;
- (VII) other contents that shall be recorded in the minutes in accordance with the Articles of Association.

Article 80 The convener shall ensure the meeting minutes are true, accurate and complete. Directors attending or present at the meeting, the secretary to the Board, the convener or representative thereof and the presider shall sign the meeting minutes. The meeting minutes and the signed attendance record of the shareholders who attended in person, the proxy forms for the proxies present at the meeting and the valid information relating to voting online and by other means shall be kept together for at least 10 years.

Article 81 The convener shall ensure that the continuity of the shareholders' meeting until the final resolution is formed. Where the shareholders' meeting is suspended or no resolution can be made due to force majeure, or any other special reasons, necessary measures shall be taken to resume or directly terminate the shareholders' meeting, and a timely announcement shall be made. At the same time, the convener should report to Shandong Securities Regulatory Bureau of the CSRC and the Shanghai Stock Exchange.

Section 7 Voting and Resolutions of Shareholders' Meetings

Article 82 Resolutions of the shareholders' meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution of a shareholders' meeting shall be passed by more than one half of the voting rights (excluding the voting rights attached to treasury shares) held by the shareholders (including proxies) present at the meeting.

A special resolution of a shareholders' meeting shall be passed by two-thirds of the voting rights (excluding the voting rights attached to treasury shares) held by the shareholders (including proxies) present at the meeting.

Article 83 The following matters shall be approved by ordinary resolution at a shareholders' meeting:

- (I) work reports of the Board;
- (II) profit distribution plan and loss recovery plan formulated by the Board;
- (III) removal of members of the Board, their remuneration and method of payment;
- (IV) any matters not otherwise required by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association to be passed by special resolution.

Article 84 The following matters shall be approved by special resolution at a shareholders' meeting:

- (I) to increase or reduce the registered capital of the Company;
- (II) to resolve on the division, spin-off, merger, dissolution, liquidation of the Company;
- (III) to make amendments to the Articles of Association;

(IV) to consider purchase or sale of material assets by the Company within one year, or a guarantee amount provided to others exceeding 30% of the total assets in the most recent audit period of the Company;

(V) share incentive scheme;

(VI) other matters as stipulated by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, and matters deemed by the shareholders' meeting by ordinary resolution to have material effect on the Company and necessary for passing by special resolution.

Article 85 A shareholder (including his/her proxy) shall exercise his/her voting rights based on the number of shares held. Each share shall have one vote.

No voting rights shall attach to the shares held by the Company, and such shares shall not be counted among the total number of shares with voting rights present at a shareholders' meeting.

When the shareholders' meeting considers important matters affecting the interests of small and medium-sized investors, the votes of small and medium-sized investors shall be counted separately. The results of the separate vote counting shall be publicly disclosed in a timely manner.

If a shareholder purchases shares with voting rights of the Company in violation of the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised within 36 months after the purchase, and such shares will not be included in the total number of voting shares attending the shareholders' meeting.

The Board of Directors, independent directors, shareholders holding more than 1% of the shares with voting rights or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit shareholders' voting rights. The solicitation of shareholders' voting rights shall fully disclose the specific voting intention and other information to the solicited persons. The solicitation of shareholders' voting rights based on remuneration or disguised remuneration is prohibited. Except for statutory conditions, the Company shall not propose a minimum percentage of shareholding for the solicitation of voting rights.

If the laws, administrative regulations, regulatory rules of the place where the shares of the Company are listed stipulate that any shareholder shall waive his/her voting right on a certain resolution or limit any shareholder to cast an affirmative or negative vote on a certain matter, and in case of any violation of such relevant stipulation or limitations, votes casted by such shareholders or proxies thereof shall not be adopted.

Article 86 Where matters relating to related party (connected) transactions are deliberated at the shareholders' meeting, the related party (connected) shareholders should not participate in voting, and the shares carrying the voting rights they represent shall not be counted in the total number of valid votes. The announcement of resolutions of the shareholders' meeting should fully disclose the voting status of the non-related party (connected) persons.

Article 87 Except in special circumstances such as a crisis, unless approved at the shareholders' meeting by a special resolution, the Company shall not enter into contract with any person other than a director or senior management member of the Company whereby such person undertakes the management of the whole or any substantial part of the business of the Company.

Article 88 The name list of candidates for directors shall be submitted by way of proposal to the shareholders' meeting for voting.

When a voting is made on election of directors at a shareholders' meeting, the cumulative voting system may be adopted in accordance with the requirements of the Articles of Association or the resolutions of the shareholders' meeting, each share shall have the same number of votes as the number of directors to be elected, and the voting rights owned by the shareholders may be used centrally.

In the election of two or more independent directors at the shareholders' meeting, the cumulative voting system shall apply.

Article 89 Except for the cumulative voting system, the shareholders' meeting shall resolve on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the shareholders' meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the shareholders' meeting.

Article 90 No amendment shall be made to a proposal when it is considered at a shareholders' meeting, and if there is any change, the relevant amendment shall be deemed as a new proposal and shall not be voted on at the shareholders' meeting.

Article 91 The same voting rights shall be exercised in one manner only, i.e. on-site, online, or other voting methods. The first vote shall prevail in cases when a given voting rights is exercised repeatedly.

Article 92 Voting for a shareholders' meeting shall be made by ballot.

Article 93 Prior to the voting on proposals at a shareholders' meeting, two shareholders' representatives shall be elected to perform vote counting and scrutiny. For the related party/connected shareholders having interests in the item to be considered, such shareholders and their proxies shall not participate in vote counting and scrutiny.

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

Shareholders of the Company or their proxies who vote online or by other means have the right to check their voting results through the corresponding voting system.

Article 94 The conclusion time of shareholders' meeting on-site shall not be earlier than that of online or other methods. The presider shall announce the voting result of every proposal and announce whether the proposal is passed or not according to the voting result.

Before the voting result is formally announced, the relevant parties including the company, counting officer, monitoring officer, shareholders and internet service provider involved in onsite voting, online voting or voting by other means at the shareholders' meeting shall have the confidentiality obligation.

Article 95 A shareholder attending a shareholders' meeting shall express one of the following opinions on any proposal to be voted on: pro, con or abstention. As an exception, the securities registration and clearing institutions, as the notional holder of the shares traded under the Interconnection Mechanism for Mainland and Hong Kong Stock Markets, may make declaration in accordance with the intentions of the actual holders.

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

Article 96 If the presider has any doubt as to the result of a resolution which has been put to vote at the shareholders' meeting, he may have the ballots counted. If the presider has not counted the ballots, any shareholder who is present in person or by proxy and who objects to the result announced by the presider may, immediately after the declaration of the voting result, demand that the ballots be counted and the presider shall have the ballots counted immediately.

Article 97 Resolutions of the shareholders' meeting shall be announced in due time. The announcement shall specify the number of attending shareholders and their proxies, the total number of voting shares held by the holders of shares who are entitled to attend the meeting and vote on the resolution at the meeting and their proportion to the total number of voting shares of the Company, the total number of shares who are entitled to attend the meeting but are required to abstain from voting in favor of the resolution as set out in Rule 13.40 of the Hong Kong Listing Rules, the total number of shares held by the holders of shares who are required to abstain from voting in favor of the resolution under the Hong Kong Listing Rules, the total number of shares actually voting in favor of the resolution and the total number of shares actually voting against the resolution, the voting method, the voting result of each resolution and the details of each of the resolutions passed, whether the person who expresses his/her intention to vote against the relevant resolution or abstain from voting right actually acts according to it at the shareholders' meeting, and the attendance rate of directors at the shareholders' meeting.

Article 98 If the proposal is not approved, or if the current shareholders' meeting changes the resolution of the previous shareholders' meeting, a special reminder shall be included in the announcement of the resolution of the shareholders' meeting.

Article 99 Where a proposal on election of directors is passed at the shareholders' meeting, the term of office of a new director shall commence on the date on which resolutions of the shareholders' meeting for election of such director is approved.

Article 100 When the resolutions regarding cash distribution, bonus issue or conversion of capital reserve into share capital have been passed at the shareholders' meeting, the specific plans shall be implemented by the Company within two months after the conclusion of the shareholders' meeting.

CHAPTER 5 DIRECTORS AND THE BOARD

Section 1 General Requirement of Directors

Article 101 Directors of the Company shall be natural persons. The following person may not serve as a director of the Company:

- (I) a person without capacity or with limited capacity for civil conduct;

- (II) a person who has been convicted of an offence of corruption, bribery, embezzlement or misappropriation of property, or the destruction of socialist market economy, or who has been deprived of his political rights due to his crimes, and the expiry of execution of such deprivation is less than five years, or who has been granted a suspended sentence of which the expiry of the probation period of the suspended sentence is less than two years;
- (III) a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- (IV) a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law and has been ordered to close down by law and was personally liable therefor, where less than three years have elapsed since the date of the revocation of business license and order to close down of such company or enterprise;
- (V) a person who is liable for a relatively large amount of debts that are overdue and has been listed as dishonest debtor by the People's Court;
- (VI) a person who has been banned from the securities market by the CSRC and the time limit has not expired;
- (VII) a person who has been publicly declared by any stock exchange to be unsuitable for serving as the director and senior management of any listed company and the time limit has not expired;
- (VIII) other contents required by the laws, administrative regulations or departmental rules.

If the election or appointment of directors violates this Article, such election, appointment or employment shall be invalid. If any of the circumstances described in this Article occurs during the term of office of a director, the Company shall remove the director from the position and stop the director from performing his/her duty.

Article 102 Directors shall be elected or replaced at the shareholders' meeting and may be removed by the shareholders' meeting before the expiration of their terms of office. The term of office of the directors is three years and they are eligible for re-election.

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

Any person appointed by the Board to fill a temporary vacancy on or as an addition to the Board shall hold office only until the first annual shareholders' meeting of the Company after his/her appointment, and shall then be eligible for re-election.

Where not otherwise provided by laws, regulations and regulatory rules of the place where the shares of the Company are listed, the Company shall have power by ordinary resolution at the shareholders' meeting to remove any director (including a managing or other executive director), but without prejudice to any claim for damages under any contract before the expiration of his/her term of office.

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

Article 103 The directors shall comply 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, and directors owe fiduciary duties to the Company and shall take measures to avoid conflicts of interest between their personal interests and the interests of the Company, and shall not use their authority to seek improper benefits.

The directors undertake the following fiduciary duties to the Company:

- (I) not to misappropriate the properties and the money of the Company;
- (II) not to deposit any assets or money of the Company in any accounts under their names or in the names of other persons;
- (III) not to abuse their rights to accept bribes or other illegal income;
- (IV) without reporting to the Board or in the shareholders' meeting, and without being passed by the Board or shareholders' meeting by way of resolutions in accordance with the provisions of the Articles of Association, not to directly or indirectly enter into contracts or conduct transactions with the Company;
- (V) not to use their position to obtain business opportunities which should be available to the Company for themselves or others, but except when such business opportunities have been reported to the Board or in shareholders' meeting and passed by way of resolutions of the shareholders' meeting, or when the Company shall not take advantage of such business opportunities in accordance with the provisions of laws, administrative regulations or the Articles of Association;
- (VI) without reporting to the Board or in shareholders' meeting and being passed by resolutions of the shareholders' meeting, not to run his/her own or others' business which is similar to the Company's business;
- (VII) not to accept commissions in relation to transactions between any third party and the Company;
- (VIII) not to disclose the secrets of the Company without consent;
- (IX) not to use their connections (association) to harm the interests of the Company;
- (X) to be bound by other duties of loyalty stipulated by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

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

The provisions of item (IV) of paragraph 2 of this Article shall apply to the close relatives of directors and senior management members, enterprises directly or indirectly controlled by directors or senior management members or their close relatives, and related persons otherwise related (connected) with directors or senior management members, who enter contracts or conduct transactions with the Company.

Article 104 The directors shall comply 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 and shall diligently perform their duties to the Company, perform duties with reasonable care that managers should ordinarily exercise in the best interests of the Company.

The directors owe the following diligent duties to the Company:

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

Article 105 A director who fails to attend the meetings of the Board in person for two consecutive times or by proxy shall be deemed as unable to perform his/her duties. The Board shall propose to the shareholders' meeting for removal of such director.

Article 106 A director may resign before expiry of his/her term of service. When a director resigns, he/she shall submit a written resignation notice to the Company, and the resignation shall take effect on the date the Company receives the resignation report. The Company shall make a relevant disclosure as soon as practicable. If the member of directors falls below the minimum statutory requirement due to a director's resignation, or the resignation of independent directors leads to the proportion of independent directors in the Board of the Company or its special committees not complying with laws, regulations or the Articles of Association, or there is a lack of accounting professionals among the independent directors, the former directors shall still perform their duties as directors in accordance with the requirements of laws, administrative regulations, departmental rules and the Articles of Association before the appointment of the re-elected directors.

Article 107 The Company has established a management system for director resignations, clearly specifying the accountability and compensation measures for unfulfilled public commitments and other outstanding matters. When a director's resignation takes effect or his/her term of service expires, the director shall complete all transfer procedures with the Board. His/her loyal duties towards the Company and the shareholders do not necessarily cease after the end of his/her term of service, which shall still be effective within the reasonable duration specified by the Articles of Association. The responsibility that a director bears during their term of office due to the performance of his/her duties shall not be waived or terminated upon leaving office.

Article 108 A director may be removed by resolution of the shareholders' meeting, with such removal taking effect on the date the resolution is passed.

Where a director is removed prior to the expiration of their term without proper cause, the director may claim against the Company for compensation.

Article 109 Unless legally authorized by the Articles of Association or the Board, no director shall act on behalf of the Company or the Board in his/her own name. When a director acts in his/her own name and a third party reasonably considers such director acts on behalf of the Company or the Board, such director shall declare in advance his/her position and capacity.

Article 110 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 shall be personally liable for any loss suffered by the Company as a result of a violation by him/her of any laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association in the course of performing his/her duties.

Section 2 The Board

Article 111 The Company shall have a Board, which shall comprise 7 to 11 directors and shall have one Chairman, at least three independent (non-executive) directors representing at least one-third of the members of the Board, and at least one of them shall be an accounting professional.

Article 112 The Board shall exercise the following functions and powers:

- (I) to convene shareholders' meetings and report to shareholders' meetings;
- (II) to implement resolutions of shareholders' meetings;
- (III) to resolve on the Company's business plans and investment plans;
- (IV) to prepare the profit distribution plan and loss makeup plan of the Company;
- (V) to formulate proposals for the Company in respect of increase or reduction of registered capital, issue of bonds or other securities and the listing thereof;
- (VI) to formulate plans for material acquisitions, acquisition of shares of the Company, merger, division, dissolution or transformation of the Company;

- (VII) to determine, within the authority granted by the shareholders' meeting, such matters as external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, related party (connected) transactions, external financing, etc.;
- (VIII) to decide on the establishment of internal management organizations of the Company;
- (IX) to determine the appointment or dismissal of the general manager and secretary to the Board and other senior management of the Company, and to determine their remunerations, rewards and penalties; to determine the appointment or dismissal of senior management officers including the chief finance officer of the Company in accordance with the nominations by general manager, and to determine their remunerations, rewards and penalties;
- (X) to set up the basic management system of the Company;
- (XI) to formulate the proposals for any amendment to the Articles of Association;
- (XII) to propose to the shareholders' meeting the appointment or replacement of the accounting firms which provide audit services to the Company;
- (XIII) to listen to work reports of the general manager and review his/her work;
- (XIV) to manage the information disclosure of the Company;
- (XV) to exercise other functions and powers as stipulated by laws, administrative regulations, department rules, the securities regulatory rules of the place where the shares of the Company are listed, the Articles of Association or the shareholders' meeting.

The Board may resolve on the issues specified in the above paragraphs by approval of more than half of the directors save for the issues specified in (V), (VI) and (XI), for which approval of more than two-thirds of the directors is required.

Article 113 The Board of the Company shall explain at the shareholders' meeting for the non-standard auditing opinions provided by the certified public accounts with respect to the Company's financial reports.

Article 114 The Board shall formulate the rules of procedure for meetings of the Board to ensure the implementation by the Board of the resolutions of shareholders' meeting, to improve efficiency and to have scientific decision-making. The rules of procedures for the Board shall be formulated by the Board and approved by the shareholders' meeting.

Article 115 The Board shall formulate stringent examination and approval system to determine the authority with respect to external investment, acquisition and disposal of assets, mortgage of assets, external guarantee, entrusted wealth management, related party (connected) transactions, and external donations of the Company. Specialists or professionals shall be retained to evaluate major investment projects and report to shareholders' meeting for approval.

Article 116 The Board of Directors shall consider transactions such as purchase or sale of assets, foreign investment (except for the purchase of bank financial products), transfer or assignment of research and development projects, entering into license agreements, leasing in or leasing out assets, entrusting or accepting entrustment for assets management and business, giving or being given assets, debts, debt restructuring, and provision of financial assistance, and matters in relation to the transactions determined by the SSE and not within the scope of approval by the shareholders' meeting, where the single or cumulative transaction amount within 12 consecutive months meets one of the following criteria:

- (I) The total amount of assets involved in the transaction accounts for more than 10% of the Company's latest audited total assets, and where both book value and appraised value of the total amount of assets involved in the transaction exist, the higher of the two values shall be used for calculation;
- (II) The transaction amount of the transaction represents more than 10% of the market value of the Company;
- (III) The subject of the transaction (e.g. equity interest) accounts for more than 10% of the Company's market value in terms of net assets in the latest accounting year;
- (IV) The operating revenue related to the subject of the transaction (e.g. equity interest) in the latest accounting year accounted for more than 10% of the audited operating revenue of the Company in the latest accounting year and exceeded RMB10 million;
- (V) The profit generated from the transaction accounts for more than 10% of the audited net profit of the Company in the latest accounting year and exceeds RMB1 million in absolute amount;
- (VI) The net profit related to the subject of the transaction (e.g. equity interest) for the latest accounting year accounts for more than 10% of the audited net profit of the Company for the latest accounting year, and exceeds RMB1 million in absolute amount.

If the data involved in the calculation of the transaction indicators in items (I) to (VI) above is negative, the absolute value shall be taken for calculation. The net profit indicator in the above criteria may be exempted from application until the Company makes profit.

- (VII) Matters of external guarantees other than those to be considered by the shareholders' meeting as stipulated in the Articles of Association.
- (VIII) Matters of related party (connected) transactions that shall be considered by the Board of Directors in accordance with the STAR Market Listing Rules and the Hong Kong Listing Rules.

The purchase or sale of assets mentioned in this Article does not include the purchase of raw materials, fuel and power, and the sale of products or commodities, and other transactions related to daily operations.

Article 117 The Chairman of the Company shall be elected by a majority of all members of the Board.

Article 118 The chairman of the board shall exercise the following powers:

- (I) to preside over shareholders' meetings, and convene and preside over meetings of the Board;
- (II) to supervise and check the implementation of resolutions passed by the Board;
- (III) to sign the share certificates, corporate bonds and other securities issued by the Company;
- (IV) to sign the important documents of the Board;
- (V) in the event of emergency situations such as the occurrence of large-scale natural disasters, to take special steps in handling the Company's business according to the laws and the Company's interest; and to report to the Company's Board and shareholders' meeting afterwards;
- (VI) Other powers conferred by the Board or regulatory rules of the place where the shares of the Company are listed.

The authorization to the Chairman by the Board shall be made by resolutions passed by the Board, which shall include specific authorization matters, content and limits of authority. Issues involving material interests of the Company shall be subject to collective decision by the Board and shall not authorize Chairman or individual director to decide by himself.

Article 119 Where the chairman is unable to or does not perform the duty, a director nominated by more than half of the directors shall perform the duty.

Article 120 The Board meetings shall be held at least twice a year and shall be convened by the chairman. Notice of the Board meetings shall be given to all directors at least 10 days in advance.

Article 121 An extraordinary Board meeting may be held by request of shareholders representing more than 10% of the voting rights or by request of more than one-third directors or the audit committee. The chairman shall convene and preside over a Board meeting within 10 days after receipt of the proposal.

Article 122 Notice of meetings of the Board shall be given by personal delivery, express mail, facsimile, electronic mail, telephone or other means of communication or in such other manner as may be provided for in these Articles. The notice of an interim Board meeting shall be served on all directors three days before the meeting. In case of emergency, the service of notices for an interim Board meeting shall not be subject to the time-limit stated in the preceding paragraph.

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

- (I) date and place of the meeting;

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

Article 124 The Board meeting shall be held upon the attendance of more than half of directors. A resolution of the Board must be passed by more than half of all directors of the Company.

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

Article 125 If any director is related (connected) with the enterprise or individual involved in the resolution made at a Board meeting, or if a director or any of his close associates (as defined in the Hong Kong Listing Rules) has a material interest in any contract, arrangement or any other proposal resolved at the Board meeting (except for the exceptions stipulated in the Hong Kong Listing Rules), the director shall report to the Board in writing in a timely manner. Related (connected) directors or directors who have material interests shall not vote on the said resolution for themselves or on behalf of other directors, nor shall they be included in the quorum present at the meeting. The Board meeting may be held when more than half of the non-related (connected) directors attend the meeting. The resolution of the Board meeting shall be passed by more than half of the non-related (connected) directors. If the number of non-related (connected) directors attending the Board meetings is less than 3, the issue shall be submitted to the shareholders' meeting for consideration.

In terms of this Article, related (connected) relationship shall have the same meaning ascribed to it under the STAR Market Listing Rules or the Hong Kong Listing Rules. If the listing rules of other stock exchanges where the shares of the Company are listed set out stricter provisions on the abstaining of directors, such stricter provisions shall apply.

Article 126 Voting at Board meetings shall be conducted by open ballot or by a show of hands.

Board meetings may be held by a meeting on-site, by a communications conference or by a combination of both.

For the convenience of directors attending a Board meeting, Board meetings convened by a communications conference may be held by means of telephone, video, written resolution or other real-time means of communication. Directors who participated in a Board meeting by the aforementioned means shall be deemed to have attended such meeting.

Article 127 Directors shall attend the meetings of the Board in person. Where a director is unable to attend a meeting for any reason, he/she may, by a written power of attorney, appoint another director to attend the meeting on his/her behalf. The power of attorney shall set out the name of the attorney, issues under authorization, scope of authorization and valid period, which will be signed or sealed with the chop by the appointing director. A Director appointed as a representative of another director to attend the meeting shall exercise the rights of a director within the scope of authority conferred by the appointing director. Where a director is unable to attend a meeting of the Board and has not appointed a representative to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting.

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

Minutes of the Board meeting shall be kept as the Company's record for a period of no less than 10 years.

Article 129 The minutes of a Board meeting shall include the following contents:

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

Section 3 Independent Directors

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

Article 131 Independent directors shall maintain their independence and the following persons shall not act as an independent director:

- (I) persons working for the Company or its affiliates and their spouses, parents, children, and major social relations;
- (II) any natural person shareholder who directly or indirectly holds more than 1% of the issued shares of the Company or is among the top ten shareholders of the Company and their spouses, parents and children;
- (III) any person who works for a shareholder who directly or indirectly holds more than 5% of the issued shares of the Company or who works for the top five shareholders of the Company and their spouses, parents and children;
- (IV) any person who works for affiliates of the Company's controlling shareholders (as defined under the Hong Kong Listing Rules) and de facto controller and their spouses, parents and children;

- (V) any person who has significant business dealings with the Company and its controlling shareholder, de facto controller or their respective affiliates, or holds a position in an entity or controlling shareholder or de facto controller of the entity with which significant business dealings are conducted, or has a material interest in any principal business activity of or is involved in any material business dealings with the Company, its holding company or their respective subsidiaries or with any core related (connected) persons (as defined under the Hong Kong Listing Rules) of the Company;
- (VI) any person who provides financial, legal, advisory and sponsorship services to the Company and its controlling shareholder, de facto controller or their respective affiliates, including but not limited to all members of the project team of the intermediary providing the services, reviewers at all levels, persons signing the reports, partners, directors, senior management and primary responsible persons;
- (VII) any person who falls into items (I) to (VI) in the latest twelve months;
- (VIII) any person who is on the Board specifically to protect the interests of an entity whose interests are not the same as those of the shareholders as a whole;
- (IX) any person who has received an interest in any securities of the Company as a gift, or by means of other financial assistance, from the Company or its core related (connected) person;
- (X) any person who is or has been an executive, director (other than an independent non-executive director), partner or principal of the Company, its holding company, or their respective subsidiaries or core related (connected) persons of the Company, or a director, partner, principal or employee of a professional adviser providing services to the above-mentioned company, or to any person who was a controlling shareholder of the Company or, where there was no controlling shareholder, any person who was the chief executive or a director (other than an independent non-executive director) of the Company, or any of their close associates, within two years prior to his or her appointment. Nevertheless, with no violation of item (II), the independence of such person shall not be questioned if he receives shares or interests in securities from the Company or its subsidiaries (but not from core related (connected) persons) as part of his director's fees or pursuant to a share scheme established in accordance with Chapter 17 of the Hong Kong Listing Rules;
- (XI) any person who is or was connected (as defined under the Hong Kong Listing Rules) with a director, the chief executive or a substantial shareholder (as defined under the Hong Kong Listing Rules) of the Company within two years prior to his or her appointment;
- (XII) any person who is financially dependent on the Company, its holding company or any of their respective subsidiaries or core related (connected) persons of the Company;
- (XIII) other person who is not independent as stipulated by laws, administrative regulations, the requirements of the CSRC, the regulatory rules of the stock exchange in the place where the shares of the Company are listed and the Articles of Association.

The “affiliates” of the Company’s controlling shareholders and de facto controller as described in the preceding paragraphs shall not include the enterprises that are under common control of a state-owned asset management institution and do not constitute related relationship with the Company in accordance with relevant requirements.

Independent directors shall conduct an annual self-review of their independence and report the review results to the Board. The Board shall assess and give special opinions on the independence of the incumbent independent directors on an annual basis, and disclose the same in the annual report.

Article 132 An independent director shall meet the following conditions:

- (I) being qualified to act as a director of a listed company in accordance with the laws, administrative regulations and other relevant provisions;
- (II) meeting the independence requirements stipulated under the Hong Kong Listing Rules and the Articles of Association;
- (III) having the basic knowledge of the operation of listed companies and being familiar with relevant laws, regulations and rules;
- (IV) having at least five years of legal, accounting or economic work experience necessary to fulfil the duties of an independent director;
- (V) having good personal integrity with no adverse records such as major breach of trust;
- (VI) other conditions as stipulated by laws, administrative regulations, CSRC regulations, rules of the stock exchange in the place where the shares of the Company are listed and the Articles of Association.

Article 133 As a member of the Board, an independent director owes the Company and all the shareholders loyalty and diligent duties, and shall be prudent in performing the following duties:

- (I) participating in the decision-making of the Board and expressing clear opinions on matters discussed;
- (II) overseeing the matters of potential material conflicts of interest between the Company and its controlling shareholders, de facto controllers, directors and senior management, so as to protect the legitimate interests of minority shareholders;
- (III) providing professional and objective advice on the operation and development of the Company and promoting the decision-making level of the Board;
- (IV) other duties as stipulated by laws, administrative regulations, CSRC regulations, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Article 134 The independent directors shall exercise the following special functions and powers:

- (I) to independently engage intermediaries to audit, consult or verify specific matters of the Company;
- (II) to propose to the Board the convening of an extraordinary shareholders' meeting;

- (III) to propose the convening of a Board meeting;
- (IV) to openly solicit shareholders' rights from shareholders in accordance with the law;
- (V) to express independent opinions on matters that may jeopardize the rights and interests of the Company or minority shareholders;
- (VI) other functions and powers as stipulated by laws, administrative regulations, CSRC regulations, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Where an independent director exercises the functions and powers listed in items (I) to (III) of the preceding paragraph, the exercise of which shall be approved by a majority of all independent directors.

The Company shall disclose in a timely manner any exercise of the functions and powers listed in (I) by independent directors. If the above functions and powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons thereof.

Article 135 The following matters shall be submitted to the Board for consideration after being approved by a majority of all independent directors of the Company:

- (I) related transactions that shall be disclosed;
- (II) plans for the Company and related parties to change or waive commitments;
- (III) decisions made and measures taken by the Board of Directors of the acquired listed company in response to the acquisition;
- (IV) other matters as stipulated by laws, administrative regulations, CSRC regulations, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Article 136 The Company shall establish a mechanism for special meeting attended solely by independent directors. Matters such as related party (connected) transactions to be considered by the Board shall be approved in advance by a special meeting of the independent directors.

The Company shall convene special meetings of the independent directors on a regular or ad hoc basis. Matters specified in items (I) to (III) of Article 134 and Article 135 of the Articles of Association shall be considered by a special meeting of the independent directors.

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

The special meetings of the independent directors shall be convened and presided over by an independent director jointly elected by a majority of the independent directors; where the convenor fails or is unable to perform his/her duties, two or more independent directors may convene and elect a representative to preside over the meeting on their own.

Minutes of meetings of the special meetings of the independent directors shall be prepared in accordance with the regulations, and the opinions of the independent directors shall be set out in the minutes. The independent directors shall sign and confirm the minutes.

The Company shall facilitate and support the convening of the special meetings of the independent directors.

Section 4 Special Committees of the Board

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

Article 138 The audit committee shall consist of three members, all of whom shall be non-executive directors not holding senior management positions in the Company, and 2 of whom shall be independent directors. The committee shall be convened by an independent director possessing accounting profession skills.

Article 139 The audit committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work, as well as internal control. The following matters shall be submitted to the Board for consideration upon approval by more than half of the members of the audit committee:

- (I) disclosure of financial information contained in financial accounting reports and periodic reports, and internal control evaluation report;
- (II) appointment or dismissal of the accounting firm responsible for the Company's audit work;
- (III) appointment or dismissal of the officer in charge of financial affairs of the Company;
- (IV) changes in accounting policies and accounting estimates or correction of material accounting errors for reasons other than changes in accounting standards;
- (V) other matters as 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.

Article 140 The audit committee shall convene at least one meeting every quarter.

An extraordinary meeting may be convened when it is proposed by two or more members, or when it is deemed necessary by the convener. Meetings of the audit committee shall be held only if more than two-thirds of the members are present.

The audit committee shall pass a resolution upon the approval of more than half of its members.

The voting on the resolutions of the audit committee shall be one person, one vote.

Minutes shall be prepared for the resolutions of the audit committee as required and shall be signed by the members of the audit committee present at the meetings.

The Board shall be responsible for establishing the rules of procedure for the audit committee.

Article 141 The Board of the Company has established the strategy committee, the audit committee, the nomination committee and the remuneration and appraisal committee, all of which shall perform their duties in accordance with the Articles of Association and the authorization of the Board. Proposals of special committees shall be submitted to the Board for consideration and decision. The working procedures of the special committees shall be formulated by the Board.

Each committees are all comprised of directors. In particular, the majority of the members of the audit committee, the nomination committee, the remuneration and appraisal committee are independent directors, the conveners of the audit committee, the remuneration and appraisal committee and the convener of the nomination committee shall be held by an independent director. All members of the audit committee shall be non-executive directors or independent directors, who are not senior management of the Company, at least one of whom shall be an independent director who possesses appropriate professional qualifications provided in the Hong Kong Listing Rules or possesses appropriate accounting or relevant financial management expertise. The convener shall be accounting professional. Chairman of each of the special committees shall be appointed and dismissed by the Board.

Article 142 The nomination committee is responsible for formulating the criteria and procedures for the selection of directors and senior management, selecting and reviewing the candidates for directors and senior management and their qualifications for appointment, and making recommendations to the Board on the following matters:

- (I) nomination, appointment or removal of directors;
- (II) appointment or dismissal of senior management;
- (III) other matters as stipulated 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, it shall record the opinion of the nomination committee and the specific reasons for its non-adoption in a resolution of the Board and disclose the same.

Article 143 The remuneration and appraisal committee is responsible for setting appraisal standards for directors and senior management and conducting appraisals, formulating and reviewing the remuneration decision mechanisms, decision-making processes, payment and cessation of payment recovery arrangements, and other remuneration policies and programs for directors and senior management, and making recommendations to the Board on the following matters:

- (I) remuneration of directors and senior management;
- (II) formulation or change of the share incentive plan, employee stock ownership plan, granting of incentives to scheme participants, and fulfilment of the conditions for exercising the rights;

- (III) arrangement of stock ownership plans by directors and senior management in the subsidiaries to be spun off;
- (IV) other matters as stipulated 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, it shall record the opinion of the remuneration and appraisal committee and the specific reasons for its non-adoption in a resolution of the Board and disclose the same.

CHAPTER 6 SENIOR MANAGEMENT

Article 144 The Company shall have 1 general manager, 1 chief financial officer, and 1 secretary to the Board, who shall be appointed and dismissed by the Board.

Article 145 The provisions of the Articles of Association concerning the circumstances where a person shall not serve as a director and the management system for resignations shall also apply to senior management.

The provisions in the Articles of Association regarding the duties of loyalty and diligence of the directors shall also apply to the senior management.

Article 146 Any person holding any administrative position working in the controlling shareholder of the Company other than as a director and supervisor shall not serve as senior management of the Company.

The senior management members of the Company shall receive remuneration from the Company only, and the controlling shareholder shall not pay any remuneration to them on behalf of the Company.

Article 147 The term of office of the general manager shall be 3 years and renewable upon re-appointment of the general manager.

Article 148 The general manager, who reports to the Board, may exercise his/her functions and powers:

- (I) to manage the production, operation and administration of the Company, arrange for the implementation of the resolutions of the Board, and report to the Board;
- (II) to arrange for the implementation of the Company's annual operation plans and investment proposals;
- (III) to formulate proposals for the establishment of the Company's internal management organs;
- (IV) to formulate the fundamental management system of the Company;
- (V) to formulate the specific rules and regulations of the Company;
- (VI) to recommend the appointment or dismissal of chief financial officer of the Company by the Board;

(VII) to appoint or dismiss management personnel (other than those required to be appointed or dismissed by the Board);

(VIII) to exercise any other functions and powers conferred by the Articles of Association or the Board.

The general manager shall be present at meetings of the Board. However, the general manager shall have no voting rights at meetings of the Board unless he/she concurrently serves as a director.

Article 149 The general manager shall formulate working rules of the general manager, and shall be implemented after being approved by the Board.

Article 150 The working rules of the general manager shall include:

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

Article 151 The general manager may resign before expiry of his term of office. The specific procedures and methods for such resignation shall be specified in the employment contract concluded by the general manager and the Company.

Article 152 The chief financial officer shall be nominated by the general manager and appointed and dismissed by the Board.

Article 153 The Company shall have a secretary to the Board. The secretary to the Board is responsible for the preparation and documentation of shareholders' meetings and board meetings of the Company, as well as the management of shareholders' information of the Company, information disclosure matters and other matters.

The secretary to the Board shall abide by the relevant provisions of the laws, administrative regulations, department rules, and the Articles of Association.

Article 154 If the senior management 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 senior management, he/she shall also be liable for compensation.

If the senior management violates laws, administrative regulations, department rules, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association when performing his duties in the Company, he/she shall indemnify the Company against losses incurred due to such violation.

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

Where any member of the senior management of the Company fails to perform duties faithfully or violate his/her fiduciary duties resulting in any loss to the interests of the Company and the general public shareholders, such member shall be liable for compensation in accordance with the law.

CHAPTER 7 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Section 1 Financial and Accounting System

Article 156 The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the requirement of relevant regulatory departments of the PRC. Any other requirements as required by the securities regulatory authority at the place where the shares of the Company are listed shall prevail.

Article 157 At the end of each fiscal year, the Company shall prepare a financial report which shall be audited and verified according to law.

Article 158 The Board shall submit the financial reports required by relevant laws, regulations, rules and normative documents to be submitted to shareholders at each annual shareholders' meeting.

The Company's financial reports shall be made available for shareholders' inspection at the Company twenty days before the date of every annual shareholders' meeting. Each shareholder of the Company shall be entitled to obtain a copy of the financial reports referred to the Articles of Association.

Unless otherwise specified in the Articles of Association, the Company shall send to each shareholder of overseas listed shares at the address registered in the register of shareholders the said reports, the report of directors not later than twenty-one days before the date of every annual shareholders' meeting. However, such documents may also be delivered to shareholders of overseas listed shares through the Company's website, the website of the Hong Kong Stock Exchange and other websites as may be provided by the Hong Kong Listing Rules from time to time, provided that the laws, administrative regulations and requirements of the securities regulatory authority at the place where the shares of the Company are listed are observed.

Article 159 The financial statements of the Company shall, in addition to being prepared in accordance with the PRC accounting standards and regulations, be prepared in accordance with either international amounting standards, or that of the overseas listing place. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be stated in an appendix to the financial statements. When the Company is to distribute its after-tax profits, the lower of the after-tax profits as shown in the two financial statements shall be adopted.

Article 160 Any interim results or financial information published or disclosed by the Company must also be prepared and presented in accordance with the PRC accounting standards and regulations, and also in accordance with either international accounting standards or that of the overseas listing place.

Article 161 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 relevant laws, administrative regulations and the provisions of CSRC and the stock exchanges.

Article 162 The Company shall not establish account books other than the statutory account books. The capital of the Company shall not be deposited in any personal account.

Article 163 When the Company allocates the after-tax profits for the current year, it shall extract 10% of the profits into the Company's statutory reserve fund. Should the accumulated amount of the Company's statutory reserve fund be more than 50% of the Company's registered capital, no appropriation shall be made.

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

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

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

If the shareholders' meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return the profits distributed in violation of the regulations to the Company; if losses are caused to the Company, the shareholders and the responsible Directors and members of the senior management shall bear liability for compensation.

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

Article 164 The cash dividend policy objective of the Company is to distribute dividends in accordance with the conditions and requirements for cash dividend distribution as stipulated in the Articles of Association.

Profit distribution is not required when the Company has any of the following circumstances: the audit report for the latest year is a non-unqualified opinion or an unqualified opinion with a paragraph on significant uncertainty related to going concern, the asset-liability ratio is higher than 70%, and the net operating cash flow is negative or the Company deems that the distribution of profit is not appropriate under other circumstances.

Article 165 The Company's reserve funds shall be used to make up the losses or expand the production operations, or be converted to increase the share capital of the Company.

In case reserve funds are used to make up the Company's losses, discretionary reserve funds and statutory reserve funds shall be prioritized. If the losses still cannot be made up, the capital reserve may be used in accordance with the provisions.

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

Article 166 After the resolution on the profit distribution plans is made by the shareholders' meeting of the Company or after the Board of the Company has formulated a specific plan based on the conditions and cap of the interim dividend for the next year considered and approved by the annual shareholders' meeting, the Board of the Company shall, within two months after the shareholders' meeting, complete the distribution of the dividend (or shares).

Article 167 Attaching great importance to reasonable investment returns to shareholders, the Company implements a continuous and stable profit distribution policy in consideration of the actual operations and long-term strategic development goals of the Company.

Article 168 The profits of the Company may be distributed in cash, by shares or a combination of cash and shares. If the conditions permit for cash dividends, the Company shall give priority to cash dividends for profit distribution.

Article 169 The implementation of cash dividends by the Company shall meet the following conditions concurrently:

- (I) The Company's distributable profit (i.e. the Company's after-tax profit after making up for losses and withdrawing provident funds) for the year is positive and the cash flow is sufficient, and the implementation of cash dividends will not affect the Company's subsequent sustainable operation;
- (II) The auditor issues a standard unqualified audit report on the Company's financial report for the year;
- (III) There is sufficient capital needed for normal production and operation of the Company, and no major investment plan or major cash expenditure occurs (except for the fund-raising projects).

Article 170 Subject to the foresaid conditions for cash dividends, the Board of Directors of the Company shall, by comprehensively considering factors such as the characteristics of the sector it belongs to, its development stage, its operating mode, its profitability, and whether it has any major expenditure arrangements, propose differential cash dividend distribution policies by the procedure stipulated in the bylaws of the Company in light of the following circumstances:

- (I) If the Company is in a mature stage and has no major expenditure arrangements, the proportion of cash dividends shall account for at least 80% in its profit distribution;
- (II) If the Company is in a mature stage and has major expenditure arrangements, the proportion of cash dividends shall account for at least 40% in its profit distribution; and
- (III) If the Company is in a growth stage and has major expenditure arrangements, the proportion of cash dividends shall account for at least 20% in its profit distribution.

Where it is difficult to determine the development stage of the Company, the above-mentioned provisions may still apply as long as the Company has major expenditure arrangements.

The profit distributed by the Company in cash each year shall in principle be at least 10% of the distributable profit realized in that year, or the profit cumulatively distributed in cash in the last three years shall be at least 30% of the average annual distributable profit realized in the last three years.

In determining the specific amount of profit to be distributed in cash, the Company shall fully consider the impact of future operating and investment activities and pay full attention to the social capital cost, bank credit and debt financing environment in order to ensure that the distribution plan is in the overall interest of all shareholders.

Article 171 The Company adopts the following decision-making procedures and mechanism for profit distribution:

- (I) The profit distribution plan of the Company shall be formulated by the Board of Directors with comprehensive consideration of the actual operation, future profitability, business development plan, cash flow, shareholders' return, social capital cost and external financing environment, and other factors. The Board of Directors shall carefully study and demonstrate the timing, conditions and minimum ratio of the Company's cash dividends, the conditions for adjustment and the requirements of its decision-making procedures when drawing up new profit distribution plan, subject to the approval by a majority of all directors;
- (II) Before convening the meeting of Board of Directors for profit distribution, the independent directors shall put forward clear opinions on the profit distribution plan. If they agree with the profit distribution plan, it shall be approved by a majority of all independent directors; if they disagree with the profit distribution plan, the independent directors shall present the facts and reasons for their disagreement and request the Board of Directors to reformulate the profit distribution plan, and if necessary, they may request the convening of a shareholders' meeting. Independent directors may solicit the opinions of small and medium-sized shareholders to put forward dividend proposals and submit them directly to the Board of Directors for consideration;
- (III) The Audit Committee shall give clear opinions on the profit distribution plan, and if it agrees with the profit distribution plan, it shall be approved by a majority of all members and resolved to finalize the profit distribution plan; if it does not agree with the profit distribution plan, the Audit Committee shall present the facts and reasons for disagreement and recommend the Board of Directors to reformulate the profit distribution plan and, if necessary, request the convening of a shareholders' meeting;
- (IV) If the profit distribution plan is agreed under the foresaid procedures, the Board of Directors shall propose to convene a shareholders' meeting and report to the shareholders' meeting for approval; the profit distribution plan shall be approved by more than 1/2 of the votes held by shareholders attending the shareholders' meeting;
- (V) If the Company makes profit in the year but does not draw up a cash dividend plan, it shall disclose the reasons in accordance with the relevant regulations, and the independent directors shall express their independent opinions on the profit distribution plan, which shall be considered and approved by the Board of Directors and submitted to the shareholders' meeting for consideration and approval, and the Board of Directors shall make an explanation on it to the shareholders' meeting;

(VI) The profit distribution policy of the Company shall not be changed at will. If the existing profit distribution policy conflicts with the Company's operation, investment planning and long-term development needs so that there is a need to adjust it, the Board of Directors shall propose a revised profit distribution policy to the shareholders' meeting. The Board of Directors shall fully discuss with the independent directors and fully consider the opinions of the small and medium-sized shareholders in the process of amending the profit distribution policy. At the meeting of the Board of Directors to consider the modification of the profit distribution policy, it shall be approved by a majority of all directors and by more than 1/2 of the independent directors, and the independent directors shall express their independent opinions on the formulation or modification of the profit distribution policy. The shareholders' meeting shall consider the adjustment plan of the profit distribution policy, subject to the approval by more than 2/3 of the votes held by the shareholders attending the shareholders' meeting, and disclose the reasons for the adjustment in the periodic report.

Article 172 The Company shall appoint a payment receiving agent for holders of overseas listed foreign shares. The payment receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect of the overseas listed foreign shares.

The payment receiving agent appointed by the Company shall satisfy the requirements under the laws of the place where the Company's shares are listed or the rules of the relevant stock exchange.

Section 2 Internal Audit

Article 173 The Company shall have an internal audit system, which specifies the leadership system, duties and responsibilities, staffing, financial security, use of audit results and accountability for internal audit work.

The internal audit system of the Company shall take effect upon approval by the Board of Directors and be publicly disclosed.

Article 174 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.

Article 175 The internal audit department shall be accountable to the Board.

The internal audit department shall be subject to the supervision and guidance of the Audit Committee in the course of its supervision and inspection of the business activities, risk management, internal control and financial information of the Company. If the internal audit department discovers relevant major problems or clues, it shall report directly to the Audit Committee immediately.

Article 176 The internal audit department shall be responsible for the specific organization and implementation of the evaluation of the Company's internal control. The Company shall issue an annual internal control evaluation report based on the evaluation report and relevant information issued by the internal audit department and reviewed by the Audit Committee.

Article 177 The internal audit department shall actively cooperate and provide necessary support and collaboration when the Audit Committee communicates with the external audit institutions such as accounting firms and national audit authorities.

Article 178 The Audit Committee shall participate in the assessment of the person in charge of internal audit.

Section 3 Appointment of Accounting Firm

Article 179 The Company shall appoint an accounting firm that complies with the requirements of the Securities Law to conduct accounting statement auditing, net assets verification and other related consulting services for a term of one year and may be renewed.

Article 180 The appointment and dismissal of an accounting firm by the Company shall be determined by the shareholders' meeting. The Board shall not appoint an accounting firm before the decision is made by the shareholders' meeting.

Article 181 The accounting firm appointed by the Company shall have the following rights:

- (I) To access the account books, records or vouchers of the Company at any time, and to ask directors, general manager or other senior management to provide relevant documents and explanations;
- (II) To ask the Company to take every action possible to obtain documents and explanations from its subsidiaries needed for the accounting firm to perform its duties;
- (III) To be present at the shareholders' meetings, get notice of the shareholders' meeting that any shareholder has the right to receive or other information relating to the shareholders' meetings, and deliver speeches at any shareholders' meeting in relation to the matters concerning the accounting firm.

Article 182 Regardless of the terms in the contract concluded between the accounting firm and the Company, the shareholders' meeting may, through an ordinary resolution, resolve to dismiss the said accounting firm before the expiration of the term thereof. In the event of any rights claimed by the accounting firm against the Company, the said rights shall not be affected.

Article 183 The Company ensures to provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or falsification of information.

Article 184 The audit fees of an accounting firm shall be determined by the shareholders' meeting.

Article 185 Should the Company dismiss or no longer re-appoint the accounting firm, it shall notify such accounting firm in advance. When the shareholders' meeting votes for the dismissal of such accounting firm, such accounting firm shall be allowed to express their opinions.

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

CHAPTER 8 NOTICES AND ANNOUNCEMENTS

Article 186 The notices of the Company shall be sent out in the following ways:

- (I) by hand;
- (II) by post;
- (III) by way of announcement;
- (IV) by other means stipulated in the Articles of Association.

There is no restriction in the Articles of Association on giving notice to shareholders with registered addresses outside Hong Kong.

Any notice of the Company given by announcement shall be deemed to be received by all relevant persons once such announcement is published. Where the securities regulatory authority of the place where the shares of the Company are listed provides otherwise, such provisions shall prevail.

Article 187 Notices of convening shareholders' meetings of the Company shall be given to the shareholders by way of announcement.

Article 188 Notices of convening a meeting of the Board of Directors shall be given by hand, by express service, by fax, by e-mail, by telephone or other means specified in the Articles of Association.

Article 189 The date of service of the Company's notice:

- (I) If sent by hand, the recipient or its agent shall affix signature (or seal) to the return on service and the signing date shall be the date of service;
- (II) If sent by post, the third business day after the post shall be the date of service;
- (III) If sent by announcement, the date of first announcement shall be the date of service;
- (IV) If sent by fax, the date of the fax report printed by the fax machine of the Company indicating that the fax was successful shall be the date of service;
- (V) If sent by e-mail, the date when the information message enters the specific system designated by the recipient shall be the date of service;
- (VI) If sent by telephone, the date on which the notification is made shall be the date of service.

Article 190 Only the accidental omission to give notice of meeting to, or the non-receipt of notice of meeting by, any person entitled to receive notice shall not invalidate the meeting and the resolutions adopted at such meeting.

Article 191 The media designated by the Company for the publication of announcements and other information required to be disclosed are the website of the Shanghai Stock Exchange and other media that meet the requirements prescribed by the CSRC.

Article 192 If the securities regulatory authority at the location where the shares of the Company are listed stipulates that the Company shall send, post, distribute, issue, announce or otherwise provide relevant documents of the Company in English and Chinese, if the Company has made appropriate arrangement to confirm whether the shareholders hope to receive only the English version or the Chinese version, the Company may (as per the intent stated by the shareholders) send only the English version or the Chinese version to the related shareholders within the range allowed by the applicable laws and regulations and pursuant to the applicable laws and regulations.

Article 193 The Company shall issue announcements and disclose information to holders of domestic shares through newspapers or websites designated by the laws, administrative regulations or relevant domestic regulatory authorities for information disclosure. If it is required to make public announcements to the holders of H Shares pursuant to the Articles of Association, the announcement shall also be published in such manner as required by the Hong Kong Listing Rules.

CHAPTER 9 MERGER, DIVISION, INCREASE AND DECREASE OF CAPITAL, DISSOLUTION AND LIQUIDATION

Section 1 Merger, Division, Increase and Decrease of Capital

Article 194 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

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

Article 195 Subject to the compliance with the rules of the securities regulatory authority of the place where the shares of the Company are listed, if the consideration paid by the Company for the merger does not exceed 10% of the Company's net assets, a resolution of the shareholders' meeting is not required, unless otherwise provided by the Articles of Association.

Mergers conducted in accordance with the preceding paragraph without a resolution of the shareholders' meeting must be approved by a resolution of the Board.

Article 196 In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days after the date of the Company's resolution approving the merger and shall publish a public notice in newspapers or on the National Enterprise Credit Information Publicity System within thirty days thereafter.

The creditors are entitled to require the Company to settle the loans or to provide corresponding guarantees within thirty days after the receipt of the written notification, or in the event that no such notification is received, within forty-five days after the date of the announcement.

Article 197 Upon the merger, receivables and indebtedness of each of the merging parties shall be assumed by the company which survives the merger or the newly established company.

Article 198 Where there is a division of the Company, its assets shall be divided up accordingly.

In the event of division of the Company, a balance sheet and an inventory list for assets shall be prepared. The Company shall notify its creditors within 10 days from passing of the resolution on division, and make an announcement within 30 days in newspapers or on the National Enterprise Credit Information Publicity System.

Article 199 Debts of the Company prior to division shall be assumed jointly by the companies which exist after the division, unless agreed otherwise in the written agreement signed between the Company and creditors in respect of settlement of such debts prior to the division.

Article 200 A balance sheet and an inventory of assets should be prepared by the Company if it needs to reduce registered capital.

The Company shall notify its creditors within ten days from the date of the resolution approved at the shareholders' meeting for reduction of registered capital and shall publish a public announcement in newspapers or on the National Enterprise Credit Information Publicity System within thirty days thereafter. The creditors are entitled to require the Company to settle the loans or to provide corresponding guarantees within thirty days after the receipt of the written notification, or in the event that no such notification is received, within forty-five days after the date of the announcement.

Where the Company reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to the shareholders' shareholdings, unless it is otherwise stipulated by laws or the Articles of Association.

Article 201 Where the Company still incurs losses after making up its losses in accordance with the provisions of paragraph 2 of Article 165 of the Articles of Association, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for losses, the Company shall not make distribution to its shareholders, nor exempt the shareholders from their obligation to make capital contribution or calls on share.

The provisions of paragraph 2 of Article 200 of the Articles of Association shall not apply to the reduction in the registered capital in accordance with the preceding paragraph. The Company shall publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within thirty days from the date of the resolution on the reduction of its registered capital at the shareholders' meeting.

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

Article 202 If the reduction of the registered capital is in violation of the Company Law and other relevant regulations, shareholders shall return the funds they have received and the reduced capital contribution of the shareholders shall be restored to its original amount; in case of losses caused to the Company, the shareholders and the responsible directors, and senior management members shall be held liable for compensation.

Article 203 When the Company issues new shares to increase its registered capital, shareholders do not have pre-emptive rights, unless otherwise stipulated in the Articles of Association or a resolution of the shareholders' meeting grants shareholders pre-emptive rights.

Article 204 The Company shall, in accordance with law, apply for change in its registration particulars with the company's registration authority where a change in any item in its registration arises as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with law. Where a new company is established, that company shall apply for registration in accordance with the law.

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

Section 2 Dissolution and Liquidation

Article 205 The Company shall be dissolved upon the occurrence of the following events:

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

If any of the circumstances as mentioned in the preceding paragraph arises, the Company shall disclose the reasons for dissolution on the National Enterprise Credit Information Publicity System within ten days.

Article 206 The Company may continue to exist by amending the Articles of Association or with approval of the shareholders' meeting in the event of the circumstance described in items (I) and (II) of Article 205 in the Articles of Association, if no property has been distributed to its shareholders.

The amendment to the Articles of Association or obtaining approval of the shareholders' meeting according to the preceding article shall be passed by 2/3 of the voting rights held by shareholders present at the shareholders' meeting.

Article 207 In the case of dissolution of the Company under items (I), (II), (IV) and (V) of Article 205 hereof, the Company shall be liquidated. Directors shall be the liquidation obligors, and a liquidation committee shall be formed within fifteen days from the date of occurrence of events giving rise to dissolution.

The members of the liquidation committee shall be directors, unless otherwise stipulated in the Articles of Association or otherwise selected by a resolution of the shareholders' meeting.

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

Article 208 The liquidation committee shall exercise the following functions and powers during the period of liquidation:

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

Article 209 The liquidation committee shall, within ten days of its formation, notify the creditors, and shall, within sixty days, make a public announcement in newspapers or on the National Enterprise Credit Information Publicity System. Creditors shall, within thirty days of the receipt of the notice or within forty-five days of the release of the public announcement in the case of failure to receive said notice, file their creditors' rights with the liquidation committee.

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

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

Article 210 After the liquidation committee has sorted the Company's assets and prepared a balance sheet and an inventory of assets, it shall prepare a liquidation plan and submit it to the shareholders' meeting or the People's Court for confirmation.

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

During the period of liquidation, the Company continues to exist but may not carry out any business operation that is not related to liquidation.

Before the settlement of repayments as provided in the preceding article has been made, the Company's assets shall not be distributed to shareholders.

Article 211 If the liquidation committee, having sorted the Company's assets and prepared the balance sheet and an inventory of assets, discovers that there are insufficient assets in the Company to pay off its debts, it shall apply to the People's Court immediately for bankruptcy liquidation of the Company.

Upon the Company's bankruptcy application is accepted by the People's Court, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the People's Court.

Article 212 Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, which shall be submitted to the shareholders' meeting or the People's Court for confirmation. The liquidation committee shall submit the document to the companies registration authority, and apply for cancellation of registration of the Company.

Article 213 The members of the liquidation committee shall fulfill their obligations of liquidation with duties of loyalty and diligence.

Members of the liquidation committee shall bear the liability for damages suffered by the Company due to their negligence in performing the obligations of liquidation; if a member of the liquidation committee causes loss to the creditors due to intentional misconduct or gross negligence, he/she shall be liable for damages.

Article 214 Where the Company is declared bankruptcy in accordance with laws, it shall implement bankruptcy liquidation in accordance with relevant laws relating to bankruptcy of enterprise.

CHAPTER 10 AMENDMENTS OF ARTICLES OF ASSOCIATION

Article 215 The Company may amend the Articles of Association in accordance with the requirements of laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association.

Article 216 Under any one of the following circumstances, the Company will amend its articles of association:

- (I) after amendment has been made to the Company Law or relevant laws, administrative regulations and the rules of the securities regulatory authority of the place where the shares of the Company are listed, the contents of the Articles of Association conflict with the amended laws, administrative regulations and the rules of the securities regulatory authority of the place where the shares of the Company are listed;
- (II) the changes that the Company have undergone are inconsistent with the records made in the Articles of Association;
- (III) the shareholders' meeting decides that the Article of Association should be amended.

Article 217 Amendments to the Articles of Association passed by resolutions at the shareholders' meeting shall be required to be examined and approved by the competent authorities, and shall be submitted to the competent authorities for approval; where the amendments involve the registered particulars of the Company, procedures for change of registration shall be handled in accordance with the law.

Article 218 The Board of Directors shall amend the Articles of Association in accordance with the resolution of the shareholders' meeting on the amendments to the Articles of Association and the approval opinions of relevant competent authorities.

Article 219 The amendment to these Articles of Association related to the information required to be disclosed by the laws and regulations shall be announced in accordance with regulations.

CHAPTER 11 SUPPLEMENTARY ARTICLES

Article 220 Definitions

- (I) a controlling shareholder refers to a shareholder whose shares represent more than 50% of the total share capital of a limited liability company, or a shareholder with shareholding ratio less than 50%, but the voting rights of the shares held by such shareholder are sufficient to have a significant impact on the resolutions of the shareholders' meeting.
- (II) a de facto controller means a natural person, legal person or unincorporated organization through investment relationships, agreements, or other arrangements, may actually control the activities of the Company.
- (III) the “connected transaction” refers to that as defined in the Hong Kong Listing Rules; “related party transaction” refers to that as defined in the STAR Market Listing Rules.
- (IV) the meaning of an “accounting firm” is the same as that of “auditors”.

Article 221 The Board of Directors may formulate by-laws in accordance with the Articles of Association, provided that such by-laws shall not contravene the provisions of the Articles of Association.

Article 222 The Articles of Association are written in Chinese. In case of any inconsistency between the articles of association in any other language or of different version and the Articles of Association, the Chinese version of the Articles of Association shall prevail.

Article 223 The term “more than”, “within”, “below”, as stated in the Articles of Association shall all include the given figure; the term “lower”, “above”, “less than” shall all exclude the given figure.

Article 224 The Board shall be responsible for the interpretation of the Articles of Association. Any matters not covered by the Articles of Association or in the event of a conflict with the laws and regulations, the provisions of the securities regulatory authorities of the places where the Company's shares are listed, and the Listing Rules shall be dealt with in accordance with the laws and regulations, the provisions of the securities regulatory authorities of the places where the Company's shares are listed and the Listing Rules together with the Company's actual situation.

Article 225 If the State provides otherwise for preferred shares, such provisions shall prevail.

Article 226 The Articles of Association shall take effect and put into force from the date of adoption by special resolution on the shareholders' meeting of the Company. Since the effective date of the Articles of Association, the original Articles of Association of the Company shall be automatically invalidated.