

Articles of Association of

CIG Shanghai Co., Ltd. (Draft)

(Applicable upon issuance and listing of H Shares)

(Amended in accordance with the resolutions of the
second extraordinary general meeting in 2025 held on September 3, 2025)

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CHAPTER 1 GENERAL PROVISIONS

Article 1 The Articles of Association of CIG Shanghai Co., Ltd. (the “Articles of Association”) are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Guidelines for Articles of Association of Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other related regulations to protect the legitimate rights and interests of CIG Shanghai Co., Ltd. (the “Company”), its shareholders, employees and creditors and regulate the organization and conduct of the Company.

Article 2 The Company is a joint stock company with limited liability established in accordance with the Company Law and other relevant regulations and provisions. The Company was established by conversion from 上海劍橋科技有限公司 in accordance with the law, and the original shareholders of 上海劍橋科技有限公司 are the promoters of the Company. The Company was registered with the Shanghai Administration for Industry and Commerce and obtained its business license on July 6, 2012. The Company’s unified social credit code is 9131000078585112XY.

Article 3 As approved by the China Securities Regulatory Commission (“CSRC”) on October 13, 2017, the Company initially issued 24,467,889 RMB-denominated ordinary shares (the “A Shares”) to the public which were listed on the Shanghai Stock Exchange on November 10, 2017.

Upon the filing with the CSRC on [•] and approval by The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on [•], the Company conducted the initial public offering of [•] overseas listed shares (the “H Shares”) and [•] H Shares may be issued pursuant to the exercise of the Over-allotment Option, such H Shares were listed on the Main Board of the Hong Kong Stock Exchange on [•] and [•], respectively.

Article 4 The registered name of the Company:

Full Chinese name: 上海劍橋科技股份有限公司

Full English name: CIG SHANGHAI CO., LTD.

Article 5 Address of the Company: Room 501, Building 8, No. 2388 Chenhang Road, Minhang District, Shanghai

Article 6 The registered capital of the Company is RMB[•].

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

Article 8 The chairman of the Board who represents the Company in executing its affairs is the legal representative of the Company. If the chairman of the Board who is the legal representative 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 30 days from the date of resignation of the legal representative. The method for the appointment and change of the legal representative shall be the same as the method for the appointment and removal of the Chairman of the Board of the Company.

Article 9 The legal consequences of civil activities performed by a legal representative in the name of the Company shall be borne by the Company. No restrictions on the authority of the legal representative set forth in the Articles of Association or by the general meetings may be asserted against a bona fide counterparty. Where the legal representative causes damage to any other person in the performance of his/her duties, the Company shall assume civil liability for such damage. The Company may, after assuming such civil liability, claim reimbursement from the legal representative at fault in accordance with the law or the Articles of Association.

Article 10 The shareholders are liable for the Company to the extent of the shares held by them, while the Company is liable for its debts to the extent of its entire assets.

Article 11 The Articles of Association shall, with effect from the effective date, constitute a legally binding document for governing the constitution and activities of the Company, and the rights and obligations between the Company and its shareholders, and among shareholders, and is a legally binding document with respect to the Company, its shareholders, Directors, general managers and other senior management personnel. Pursuant to the Articles of Association, shareholders may institute legal proceedings against the Company, shareholders may institute legal proceedings against Directors, senior management personnel of the Company, shareholders may institute legal proceedings against shareholders, and the Company may institute legal proceedings against shareholders, Directors and senior management personnel.

Article 12 The senior management personnel stated in the Articles of Association refers to the general manager (Chief Executive Officer), the deputy general manager, the Board secretary, the financial officer (Chief Financial Officer) of the Company and other persons explicitly appointed by the Board as senior management personnel of the Company.

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

CHAPTER 2 PURPOSE AND SCOPE OF BUSINESS OF THE COMPANY

Article 14 The business purpose of the Company: To take technological innovation as the core driving force, and focus on network solutions for AI applications; to deeply cultivate high-speed optical communication modules, AI interconnection and intelligent terminal equipment, and to promote independent research and development and vertical integration, so as to provide high-value products and services for global customers, and to work with partners to build an open and sustainable global ecosystem.

Article 15 Upon registration in accordance with the law, the business scope of the Company includes: the development, design and production of computer and communication software, maintenance of computer and communication network equipment; production of fiber-optic switches and other telecommunications terminal equipment (only for branch operations), sales of self-produced products, and provision of relevant technical services, consulting services and repair and remanufacturing businesses of related products; business information consulting, business management consulting, marketing planning, wholesale of communication equipment, manufacturing of communication equipment (except satellite TV broadcasting ground receiving facilities and key production), wholesale of computers, software and ancillary equipment, and import and export businesses of goods and technologies. For items subject to approval in accordance with the law, business activities shall only be carried out upon approval by the relevant authorities.

CHAPTER 3 SHARES

Section 1 Issuance of Shares

Article 16 The shares of the Company are in the form of registered shares.

Article 17 The Company shall issue shares under the principles of openness, fairness and equality and shares of the same class shall carry the equal rights. Shares of the same class issued at the same time shall be issued under the same conditions and at the same price; the same price shall be paid for each share subscribed for by any subscribers.

Article 18 All shares with par value issued by the Company shall be denominated in RMB.

Article 19 A Shares issued by the Company shall be deposited collectively in the Shanghai Branch of the China Securities Depository and Clearing Corporation Limited. The H Shares issued by the Company shall be primarily deposited in the custodian company under the Hong Kong Securities Clearing Company Limited in accordance with the laws, securities regulatory rules and requirements for securities registration and depository of the place where the shares of the Company are listed, or may also be held by shareholders in their own names.

Article 20 The Company or its subsidiaries (including affiliates of the Company) shall not by way of gift, advance, guarantee or lending provide financial assistance for others to acquire shares of the Company or its parent company, except when the Company implements the employee share ownership scheme.

For the interests of the Company, by resolution of the general meeting, or by resolution of the Board in accordance with the Articles of Association or the authorization of the general meeting, the Company may provide financial assistance for others to acquire shares of the Company or its parent company, provided that the cumulative total amount of the financial assistance shall not exceed ten percent of the total issued share capital. Such resolution made by the Board shall be passed by two-thirds or more of all Directors.

Article 21 At the time of the establishment of the Company, a total of 75 million shares were issued, each with a par value of RMB1. The promoters of the Company at the time of its formation, along with their respective methods and timing of capital contributions, are as follows:

Name of Promoter	Subscribed Share Number	Shareholding (%)	Capital Contribution Method	Timing of Capital Contribution
Cambridge Industries Company Limited	21,682,575	28.9101	Contribution of net assets to capital	Before June 30, 2012
Shanghai Kangyiqiao Investment Partnership (Limited Partnership)* (上海康宜橋投資合夥企業(有限合夥))	14,179,200	18.9056	Contribution of net assets to capital	Before June 30, 2012

Name of Promoter	Subscribed Share Number	Shareholding (%)	Capital Contribution Method	Timing of Capital Contribution
Shanghai Kangguiqiao Investment Partnership (Limited Partnership)* (上海康桂橋投資合夥企業(有限合夥))	2,538,375	3.3845	Contribution of net assets to capital	Before June 30, 2012
Shanghai Kangwuqiao Investment Partnership (Limited Partnership)* (上海康梧橋投資合夥企業(有限合夥))	761,475	1.0153	Contribution of net assets to capital	Before June 30, 2012
Shanghai Kangling Investment Consulting Company Limited* (上海康令投資諮詢有限公司)	6,528,600	8.7048	Contribution of net assets to capital	Before June 30, 2012
Hong Kong CIG Holding Company, Limited	5,076,675	6.7689	Contribution of net assets to capital	Before June 30, 2012
Hangzhou Anfeng Hezhong Venture Capital Partnership (Limited Partnership)* (杭州安豐和眾創業投資合夥企業(有限合夥))	5,789,850	7.7198	Contribution of net assets to capital	Before June 30, 2012
Shanghai Shengwan Investment Company Limited* (上海盛萬投資有限公司)	1,015,725	1.3543	Contribution of net assets to capital	Before June 30, 2012
Tianjin Shengyan Equity Fund Investment Partnership (Limited Partnership)* (天津盛彥股權投資基金合夥企業(有限合夥))	2,574,000	3.4320	Contribution of net assets to capital	Before June 30, 2012
Tianjin Shengwan Investment Partnership (Limited Partnership)* (天津盛萬投資合夥企業(有限合夥))	1,015,725	1.3543	Contribution of net assets to capital	Before June 30, 2012

Name of Promoter	Subscribed Share Number	Shareholding (%)	Capital Contribution Method	Timing of Capital Contribution
Shanghai Jianxin Equity Investment Co., Ltd.* (上海建信股權投資有限公司)	2,640,975	3.5213	Contribution of net assets to capital	Before June 30, 2012
Hangzhou Anfeng Leading Venture Capital Partnership (Limited Partnership)* (杭州安豐領先創業投資合夥企業(有限合夥))	812,625	1.0835	Contribution of net assets to capital	Before June 30, 2012
Yantai Jianxin Blue Economy Venture Capital Company Limited* (煙台建信藍色經濟創業投資有限公司)	429,675	0.5729	Contribution of net assets to capital	Before June 30, 2012
Jiangsu Gaotou Growth Value Equity Investment Partnership (Limited Partnership)* (江蘇高投成長價值股權投資合夥企業(有限合夥))	5,078,775	6.7717	Contribution of net assets to capital	Before June 30, 2012
Shanghai Jinmu Investment Management Center (Limited Partnership)* (上海金目投資管理中心(有限合夥))	2,742,600	3.6568	Contribution of net assets to capital	Before June 30, 2012
Shanghai Zhongying Equity Investment Management Center (Limited Partnership)* (上海仲贏股權投資管理中心(有限合夥))	2,133,150	2.8442	Contribution of net assets to capital	Before June 30, 2012
Total	75,000,000	100.0000	—	—

Article 22 Upon completion of the initial public offering of H Shares (assuming the Over-allotment Option has not been exercised/the Over-allotment Option has been exercised), the share capital structure of the Company on the date of listing on the Hong Kong Stock Exchange shall be comprising of [•] ordinary shares, among which, [•] shares, representing [•]% of the total share capital of the Company, are ordinary A Shares and [•] shares, representing [•]% of the total share capital of the Company, are ordinary H Shares.

Section 2 Increase, Reduction and Repurchase of Shares

Article 23 Based on its operating and development needs, the Company may, pursuant to the laws and administrative regulations and upon the adoption of respective resolutions by the general meeting, increase its capital in the following ways:

- (I) offering of shares to non-specific investors;
- (II) offering of shares to specific investors;
- (III) allotment of bonus shares to existing shareholders;
- (IV) conversion of capital reserve to share capital;
- (V) other methods as provided by laws and administrative regulations, the CSRC, the securities regulatory authorities and stock exchanges of the places where the Company's shares are listed.

Article 24 According to the provisions of the Articles of Association, the Company may reduce its registered capital. The Company shall reduce the registered capital in accordance with the Company Law and other relevant regulations and the procedures stipulated in the Articles of Association.

Article 25 The Company may, in accordance with laws, administrative regulations, departmental rules and the Articles of Association, purchase the shares of the Company under the following circumstances:

- (I) reduction of the registered capital of the Company;
- (II) merger with other companies which hold shares of the Company;
- (III) applying the shares of the Company for the employee share schemes or as equity incentives;
- (IV) request for purchase of its own shares from those shareholders who vote against on the merger and divisions of the Company
- (V) utilization of the shares to satisfy the conversion of corporate bonds that are convertible into shares issued by the Company;
- (VI) necessity for the safeguard of the corporate values and shareholders' right of the Company. Save as aforesaid, the Company shall not purchase its own shares.

Article 26 The Company may purchase its own shares through open centralized trading or any other ways permitted by laws, administrative regulations, the CSRC, the securities regulatory authorities and the stock exchanges in the places where the Company's shares are listed.

Where the shares of the Company are purchased under any of the circumstances stipulated in item (III), (V) or (VI) of the first paragraph of Article 25 of the Articles of Association, it shall be conducted through open centralized trading.

If the Company purchases its own shares, it shall fulfill its information disclosure obligations in accordance with the Securities Law and the securities regulatory rules of the places where the Company's shares are listed.

Article 27 If the Company intends to purchase its own shares for reasons set out in items (I) and (II) of the first paragraph of Article 25 of the Articles of Association, it shall be approved by a resolution at a general meeting. If the Company intends to purchase its own shares for reasons set out in items (III), (V) and (VI) of the first paragraph of Article 25 of the Articles of Association, such purchase may be made in accordance with the Articles of Association or under the authorization by a general meeting with a resolution passed at a Board meeting attended by more than two-thirds of the Directors, subject to compliance with the applicable regulatory rules of the securities of the places where the Company's shares are listed.

For the purpose of A Shares, after the Company purchases its own shares in accordance with the provisions of the first paragraph of Article 25 of the Articles of Association, if it falls under the circumstances stated in item (I), such shares shall be canceled within 10 days from the date of the purchase; if it falls under the circumstances stated in items (II) and (IV), such shares shall be transferred or canceled within 6 months; if it falls under the circumstances stated in items (III), (V) and (VI), the total number of its own shares held by the Company shall not exceed 10% of the Company's total issued shares. In addition, those shares shall be transferred or canceled within 3 years. For the purpose of H Shares, if laws, regulations and the securities regulatory authorities of the places where the Company's shares are listed have other provisions on the relevant matters involved in share repurchase, such provisions shall prevail.

Section 3 Transfer of Shares

Article 28 The shares of the Company shall be transferred in accordance with laws.

The sales restrictions, reductions and other changes in the shares held by the Company's shareholders, Directors and senior management shall comply with the Company Law, the Securities Law, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Hong Kong Listing Rules, the requirements of the CSRC and the relevant regulations of the stock exchanges where the Company's shares are listed and the regulatory authorities on changes in the Company's shares.

All transfers of H Shares shall be carried out in general or common format, or any other written transfer instrument format acceptable to the Board (including the standard transfer format or form of transfer as prescribed by the Hong Kong Stock Exchange from time to time); such transfer document may only be signed under hand or (where the transferor or transferee is a corporation) by the Company's valid seal. In the event that the transferor or transferee is a recognized clearing house (the "Recognized Clearing House") as defined in the relevant regulations in force from time to time under the laws of the Hong Kong Special Administrative Region or its agent, a written transfer instrument may be signed by hand or in a machine – imprinted form. All instruments of transfer must be kept at the statutory address of the Company or such places as the Board may specify from time to time.

Article 29 The Company shall not accept its own shares as collateral.

Article 30 A Shares issued by the Company prior to its initial public offering shall not be transferred within one year from the date on which A Shares are listed and traded on a stock exchange. Where laws, administrative regulations or the securities regulatory authorities of the State Council have other provisions on the transfer of shares held by shareholders or actual controllers of a company, such provisions shall apply. The Directors and senior managers of the Company shall declare to the Company the number of shares held by them and subsequent changes in their shareholdings. The shares transferred each year during the term of office as determined at the appointment shall not exceed 25% of the total number of the Company's same class of shares held by them. The Company's shares held by them shall not be transferred within 1 year from the listing date of the Company's shares. The shares of the Company held by the said personnel shall not be transferred within six months after their resignation. If the securities regulatory rules of the places where the Company's shares are listed have other provisions on the transfer restrictions of the Company's shares, such provisions shall prevail. If shares are pledged within the restricted transfer period prescribed by laws and administrative regulations, the pledgee shall not exercise the pledge right within the restricted transfer period.

Article 31 Any gains from sale of Company's shares or other securities with an equity nature by the Directors and senior management or a shareholder who holds 5% or more of the Company's shares within 6 months after their purchase of the same, and any gains from the purchase of the shares or other securities with an equity nature by any of the aforesaid parties within 6 months after their sale of the same, shall belong to the Company, and the Board shall recover such gains from the abovementioned parties. However, for a securities company which holds 5% or more of the Company's shares as a result of underwriting the untaken shares in an offer, or in other circumstances specified by the CSRC, or in other circumstances specified by the securities regulatory rules of the place of listing of the Company's shares, the sale of those shares shall not be subject to the 6-month time limit, and the abovementioned shareholders holding more than 5% of the Company's shares shall not include recognized clearing houses and their nominees as defined in the relevant regulations in effect from time to time under the laws of Hong Kong. If the securities regulatory rules of the places where the Company's shares are listed provide otherwise, such provisions shall prevail.

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

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

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

CHAPTER 4 SHAREHOLDERS AND GENERAL MEETINGS

Section 1 General Provisions for Shareholders

Article 32 The Company shall make a register of members in accordance with evidentiary documents provided by the securities registration and settlement authorities. The register of members is sufficient evidence to prove that the shareholders hold the Company's shares. The original of the register of members for H Shares listed in Hong Kong is kept in Hong Kong and is available for inspection by shareholders, but the Company may suspend the registration of shareholders in accordance with applicable laws and regulations and the securities regulations and rules of the places where the Company's shares are listed. Should any member whose name is recorded on the register of members or any person whose name is entitled to be recorded on the register of members has lost his/her share certificate(s), he/she may apply to the Company for the issuance of new share certificate(s) in respect of such share(s). If a holder of H Share(s) has lost his/her share certificate(s) and applies for reissuance, it shall be processed in accordance with the law, the rules of the stock exchange or other relevant regulations of the place where the original register of members of H Shares is kept. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

Article 33 When the Company convenes a general meeting, distributes dividends, undergoes liquidation and engages in other activities requiring confirmation of shareholders' identities, the Board or the convener of the general meeting shall decide the shareholding registration date and the shareholders whose names appear on the register after the close of trading on the shareholding registration date shall be the shareholders enjoying relevant rights and interests.

Where laws, administrative regulations, departmental rules, regulatory documents, or the stock exchanges or regulatory authorities of the places where the Company's shares are listed have provisions regulating the arrangement of closure of register of members before shareholders' general meeting being convened or the record date being set by the Company for the purpose of distribution of dividends, such provisions shall apply.

Article 34 The rights of our shareholders are as follows:

- (I) to receive dividends and other forms of benefits according to the number of shares held;
- (II) to legally request, convene, chair, attend or authorize a proxy to attend a general meeting and speak at the meeting and legitimately exercise corresponding voting rights, save for individual shareholders are required to waive their voting rights on individual matters under the securities regulatory rules of the listing place or applicable laws and regulations;
- (III) to supervise the operations of the Company, and to submit proposals and inquiries;
- (IV) to transfer, bestow or pledge the shares they hold according to laws, administrative regulations and the Articles of Association;
- (V) to inspect and replicate the Articles of Association, the register of members, minutes of general meetings, resolutions of the Board meetings and financial accounting reports. Shareholders who meet the relevant requirements may inspect the Company's accounting books and accounting vouchers;

- (VI) to participate in the distribution of the Company's remaining assets in proportion to their shareholdings upon termination or liquidation of the Company;
- (VII) to request the Company to purchase shares from those shareholders who object to a resolution of a general meeting on merger or division of the Company; and
- (VIII) other rights conferred by laws, administrative regulations, departmental rules, the Articles of Association and the securities regulatory rules of the places where the Company's shares are listed.

Article 35 Where shareholders request to inspect or replicate relevant Company materials shall comply with the provisions of the Company Law, the Securities Law, and other laws and administrative regulations.

Article 36 If the content of the resolutions at a general meeting and the Board resolutions is in violation of laws and administrative regulations, shareholders are entitled to request the People's Court of the Company's registered place to identify them invalid.

If the procedures for convening and voting at the general meeting and the Board meeting are in violation of laws, administrative regulations or the Articles of Association or the content of the resolutions violates these Articles of Association, shareholders are entitled to request the People's Court of the Company's registered place to revoke such resolutions within 60 days from the date of the resolutions. However, this shall not apply if the convocation procedures or voting methods of the general meeting or the Board meeting have only minor flaws that do not materially affect the resolution.

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

If the People's Court renders a judgment or ruling on relevant matters, the Company shall fulfill its information disclosure obligations in accordance with the provisions of laws, administrative regulations, the CSRC, securities regulatory authorities and stock exchanges where the Company's shares are listed fully explain the impact, and actively cooperate with the execution after the judgment or ruling takes effect. If correction of prior matters is involved, it will be handled promptly, and the obligations to disclose the corresponding information will be fulfilled.

Article 37 A resolution of the Company's general meeting or the Board is invalid under any of the following circumstances:

- (I) The resolution was made without holding a general meeting or Board meeting;
- (II) The general meeting or Board meeting did not vote on the resolution matter;
- (III) The number of attendees or voting rights held by such attendees did not reach the number of attendees and voting rights in possession as required by the Company Law or the Articles of Association;
- (IV) The number of persons or the voting rights held by them agreeing to the resolution matter did not reach the number of attendees and voting rights in possession as required by the Company Law or the Articles of Association.

Article 38 If a Director or a member of the senior management other than the members of the audit committee causes losses to the Company by violating the laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed or the Articles of Association during performance of his duties, shareholders individually or collectively holding 1% or more of the Company's shares for more than 180 consecutive days have the right to request the audit committee to initiate legal proceedings at the People's Court of the Company's registered place; if the audit committee causes losses to the Company in performing its duties for Company because of violating the laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed or the Articles of Association, the aforesaid shareholders can request the Board in writing to initiate legal proceedings at the People's Court of the Company's registered place.

If the audit committee or the Board refuses to initiate legal proceedings after receiving the written request from shareholders as set out in the preceding paragraph, or fails to initiate legal proceedings within 30 days since the date of receiving the request, or does not initiate legal proceedings immediately in case of emergency where any delay would cause irreparable losses to the Company's interests, the shareholders as mentioned in the preceding paragraph have the right to initiate legal proceedings directly at the People's Court of the Company's registered place in their personal capacity for the interests of the Company.

If any person infringes the legitimate rights and interests of the Company and causes losses to the Company, the shareholders as specified in the first paragraph of this Article can initiate legal proceedings at the People's Court in accordance with the two preceding paragraphs.

If the directors, supervisors or members of the senior management of a wholly-owned subsidiary of the Company violate laws, administrative regulations, or the provisions of the Articles of Association when performing their duties and cause losses to the Company, or if others infringe upon the legitimate rights and interests of the wholly-owned subsidiary and cause losses, shareholders individually or collectively holding 1% or more of the Company's shares for more than 180 consecutive days may, in accordance with the first three paragraphs of Article 189 of the Company Law, request in writing that the wholly-owned subsidiary's supervisory committee or board of directors initiate legal proceedings in a People's Court, or directly initiate legal proceedings in a People's Court in their own name.

Article 39 If a Director or a member of senior management violates the laws, administrative regulations or these Articles of Association and causes damage to the shareholders' interests, shareholders can initiate legal proceedings at the People's Court.

Article 40 The shareholders of the Company shall have the following obligations:

- (I) to comply with the laws, administrative regulations and the Articles of Association;
- (II) to pay capital contribution as per the shares subscribed for and the method of subscription;
- (III) not to withdraw share capital unless in the circumstances stipulated by laws and regulations;
- (IV) not to abuse shareholder's rights to harm the interests of the Company or other shareholders; not to abuse the Company's position as a separate legal entity or shareholder's limited liability to harm the interests of the creditors of the Company;
- (V) to fulfill other obligations stipulated by the laws, administrative regulations, the Articles of Association or securities regulatory rules of the places where the Company's shares are listed.

Article 41 If any shareholder of the Company abuses his/her shareholder's right, thereby causing any loss to the Company or other shareholders, the said shareholder shall be liable for compensation according to the laws. If any shareholder of the Company abuses the Company's position as a separate legal entity or the limited liability of the shareholders for the purpose of evading repayment of debts, thereby severely damaging the interests of the creditors of the Company, the said shareholder shall bear joint liabilities for the Company's debts.

Section 2 Controlling Shareholders and De Facto Controllers

Article 42 The controlling shareholders and de facto controllers of the Company shall exercise rights and fulfill obligations in accordance with the provisions of laws, administrative regulations, the CSRC and securities regulatory authorities and stock exchanges where the Company's shares are listed, and safeguard the interests of the listed company.

Article 43 The controlling shareholders and de facto controllers of the Company shall comply with the following provisions:

- (I) Exercise shareholder rights according to law, and shall not abuse control or take advantage of the related party/connected relationships to harm the legitimate rights and interests of the Company or other shareholders;
- (II) Strictly fulfill public statements and various commitments that have been made, and shall not arbitrarily change or waive them;
- (III) Strictly fulfill information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure, and promptly inform the Company of material events that have occurred or are about to occur;
- (IV) Not to misappropriate Company funds in any way;
- (V) Not to compel, instruct, or require the Company and relevant personnel to provide guarantees in violation of laws and regulations;
- (VI) Not to use undisclosed material information of the Company to seek benefits, or disclose undisclosed material information related to the Company in any way, or engage in illegal or irregular activities such as insider trading, short-swing trading, or market manipulation;
- (VII) Not to harm the legitimate rights and interests of the Company and other shareholders through any means such as unfair related party/connected transactions, profit distribution, asset restructuring, or external investments;
- (VIII) Ensure the completeness of the Company's assets, independence of personnel, independence of finance, independence of organization, and independence of business, and not to affect the Company's independence in any way;
- (IX) Other provisions of laws, administrative regulations, CSRC, securities regulatory authorities and stock exchanges, including the operation rules of the latter, where the Company's shares are listed, and the Articles of Association.

If the controlling shareholders and de facto controllers of the Company do not serve as directors of the Company but de facto handle the affairs of the Company, the provisions of these Articles of Association regarding the fiduciary obligations and duty of diligence of directors shall apply.

If the controlling shareholders and de facto controllers of the Company instruct any Directors or members of the senior management to engage in acts that is harmful to the interests of the Company or shareholders, they shall bear joint liabilities with such Directors and members of the senior management.

Article 44 When controlling shareholders and de facto controllers pledge the Company's shares held or effectively controlled by them, they shall maintain the stability of the Company's control and production operations.

Article 45 When controlling shareholders and de facto controllers transfer the Company shares held by them, they shall comply with the restrictive provisions regarding share transfers in laws, administrative regulations, regulations of the CSRC and securities regulatory authorities and stock exchanges where the Company's shares are listed on which the Company's shares are listed, and the undertakings they have made regarding restrictions on share transfers.

Section 3 General Provisions for General Meetings

Article 46 The Company's general meeting shall be composed of all shareholders. The general meeting shall be the authority of the Company and shall exercise the following powers in accordance with the law:

- (I) to elect and replace Directors, and decide on matters relating to the remuneration of the Directors;
- (II) to consider and approve reports of the Board;
- (III) to consider and approve the Company's profit distribution plans and plans for making up losses;
- (IV) to resolve on increases or reduction in the Company's registered capital;
- (V) to resolve on the issuance of bonds of the Company;
- (VI) to resolve on merger, division, dissolution, liquidation or change of corporate form of the Company;
- (VII) to amend the Articles of Association;
- (VIII) to decide on the Company's appointment or removal of accounting firms which engage in auditing matters in relation to the Company;
- (IX) to consider and approve the guarantees specified in Article 47 of the Articles of Association;
- (X) to consider the Company's purchase or disposal of material assets within one year which reach over 30% of the latest audited total assets of the Company;
- (XI) to consider and approve any related party/connected transaction (except for transactions which the Company is given cash gift or provided with guarantees) which the Company intends to enter with related/connected parties with an amount of over RMB10 million and accounting for more than 5% of the absolute value of the Company's latest audited net assets;

- (XII) to consider and approve matters relating to changes in the use of proceeds raised;
- (XIII) to consider share incentive schemes and employee stock ownership schemes;
- (XIV) specifically for any annual general meeting, to authorize the Board to issue shares with a total financing amount of not more than RMB0.3 billion and not more than 20% of the net assets at the end of the latest year, and such authorization shall become invalid on the date when next general meeting is convened;
- (XV) to consider other matters that shall be decided by a general meeting as required by provisions of laws, administrative regulations, departmental rules, the Articles of Association, the securities regulatory rules of the places where the Company's shares are listed.

A general meeting may authorize the Board to resolve on the issuance of bonds of the Company.

For the following transactions conducted by the Company that reach the specified thresholds, approval by a general meeting is required:

- (I) the total assets (where both carrying amounts and appraised values exist, whichever is higher) involved in the transaction exceed 50% of the latest audited total assets of the listed company;
- (II) the net assets (where both carrying amounts and appraised values exist, whichever is higher) involved in the target(s), such as equity, of the transaction exceed 50% of the latest audited net assets of the listed company, and the absolute amount exceeds RMB50 million;
- (III) the transaction amount (including assumed liabilities and expenses) exceeds 50% of the latest audited net assets of the listed company, and the absolute amount exceeds RMB50 million;
- (IV) the profit generated from the transaction exceeds 50% of the net profit of the listed company in the latest audited financial year, and the absolute amount exceeds RMB5 million;
- (V) the target(s), such as equity, of the transaction records operating income in the latest financial year which exceeds 50% of the audited operating income of the listed company in the latest financial year, and the absolute amount exceeds RMB50 million;
- (VI) the target(s), such as equity, of the transaction records net profit in the latest financial year which exceeds 50% of the audited net profit of the listed company in the latest financial year, and the absolute amount exceeds RMB5 million.

The transactions referred to in this Article include the following:

- (I) purchase or sale of assets;
- (II) external investment (including entrusted wealth management and investment in subsidiaries);
- (III) provision of financial assistance (including interest-bearing or non-interest-bearing loans and entrusted lending);
- (IV) provision of guarantees (including guarantees for holding subsidiaries);
- (V) leasing in or leasing out of assets;
- (VI) entrusting or being entrusted with the management of assets or business;
- (VII) giving or receiving gifts of assets;
- (VIII) credit or debt restructuring;
- (IX) execution of licensing agreements;
- (X) transfer or acquisition of research and development projects;
- (XI) waiver of rights (including waiver of preemptive purchase rights or preemptive capital subscription rights);
- (XII) other transactions as determined by the stock exchange.

Article 47 The following external guarantees of the Company shall be submitted to the general meetings for consideration and approval:

- (I) any guarantee to be provided after the total amount of external guarantees provided by the Company and its subsidiaries has exceeded 50% of the Company's audited net assets of the latest period;
- (II) any guarantee to be provided after the total amount of external guarantees provided by the Company has exceeded 30% of the Company's audited total assets of the latest period;
- (III) guarantees to be provided by the Company to others within one year that exceed 30% of the Company's audited total assets of the latest period;
- (IV) any guarantee to be provided for a party with a gearing ratio of over 70%;
- (V) any single guarantee with a guarantee amount exceeding 10% of the Company's audited net assets of the latest period;

- (VI) Any guarantee to be provided for shareholders, de facto controllers and their related/connected parties;
- (VII) other external guarantee matters that shall be decided at the general meetings as required by the relevant laws and regulations, the Articles of Association or the securities regulatory rules of the places where the Company's shares are listed.

When a general meeting considers on the guarantee matters under item (III) of the preceding paragraph, the resolution must be approved by more than two-thirds of the voting rights held by the shareholders attending the meeting. When a general meeting considers a guarantee proposal to be provided for shareholders, de facto controllers, or their related/connected parties, such shareholders or those controlled by the de facto controllers shall not participate in the voting. The resolution must be approved by more than half of the voting rights held by the other shareholders attending the meeting.

For external guarantees provided by the Company (excluding guarantees for holding subsidiaries), necessary risk prevention measures such as counter-guarantees shall be adopted. When the Company provides guarantees for the controlling shareholders, de facto controllers, or their related/connected parties, such controlling shareholders, de facto controllers, and their related/connected parties shall provide counter-guarantees.

For guarantee matters within the scope of authority of the Board, the resolution must not only be approved by more than half of all Directors but also by more than two-thirds of the Directors attending the Board meeting.

Article 48 General meetings categorize into annual general meetings and extraordinary general meetings. An annual general meeting shall be held once every financial year within six months after the end of the preceding financial year.

Article 49 Under any of the following circumstances, the Company shall convene an extraordinary general meeting within 2 months from the date of such occurrence:

- (I) where the number of Directors is less than the minimum quorum as stipulated in the Company Law or two-thirds of the prescribed number in the Articles of Association;
- (II) when the unrecovered losses of the Company reach one-third of the total share capital;
- (III) at the request of shareholders individually or jointly holding 10% or more of the total shares of the Company (including preferred shares with restored voting rights);
- (IV) when the Board deems it necessary;
- (V) when the meeting is proposed by more than half of the independent Directors;
- (VI) when the audit committee proposes to convene the meeting;
- (VII) other circumstances as provided for by laws, administrative regulations, departmental rules, the Articles of Association or the securities regulatory rules of the places where the shares of the Company are listed.

If an extraordinary general meeting is convened in accordance with the requirements of the securities regulatory rules of the place where the Company's shares are listed, the actual date of the extraordinary general meeting may be adjusted according to the approval progress of the stock exchange of the place where the Company's shares are listed or the securities regulatory rules of the place where the Company's shares are listed.

Article 50 A general meeting of the Company may be convened at the place of its domicile, the places where its shares are listed or other places deemed appropriate by the Company. A general meeting will be held in the form of an on-site meeting by setting up a venue. The Company will also provide online voting to facilitate shareholders' participation in the meeting. In addition to setting up a venue to hold a general meeting on-site, the meeting may also be held simultaneously by electronic communication.

The selection of the time and venue of an on-site general meeting shall be convenient for shareholders to attend. After the notice of the general meeting is issued, the venue of the on-site general meeting shall not be changed without justifiable reasons. If it is really necessary to make changes, the convener shall make an announcement and explain the reasons at least 2 business days before the on-site meeting. For a general meeting of the Company which is convened online, the shareholders whose names are on the register of members on the shareholding record date shall authenticate their identities through the online system and participate in voting.

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

- (I) whether the procedures of convening and holding the general meeting comply with laws, administrative regulations and the Articles of Association;
- (II) whether the eligibility of the attendees and the convener of the meeting are lawful and valid;
- (III) whether the voting procedure and results of the general meeting are lawful and valid;
- (IV) opinions issued in respect of other relevant issues at the request of the Company.

Section 4 Convening of General Meetings

Article 52 The Board shall convene general meetings on time within the stipulated period. With the consent of more than half of all independent non-executive Directors, they shall be entitled to propose to the Board to convene an extraordinary general meeting. The Board shall, in accordance with laws, administrative regulations and the Articles of Association, furnish a written reply stating whether it agrees or disagrees with the convening of the extraordinary general meeting within 10 days after receiving such a proposal from the independent non-executive Directors. In the event that the Board agrees to convene the extraordinary general meeting, the notice of general meeting shall be issued within 5 days after the Board passes the relevant resolution. In the event that the Board does not agree to convene the extraordinary general meeting, it shall state the reasons and make an announcement.

Article 53 The audit committee shall be entitled to propose to the Board to convene an extraordinary general meeting, and such proposal shall be made in writing. The Board shall, in accordance with laws, administrative regulations and the Articles of Association, furnish a written reply stating whether it agrees or disagrees with the convening of the extraordinary general meeting within 10 days after receiving such proposal.

In the event that the Board agrees to convene the extraordinary general meeting, the notice of general meeting shall be issued within 5 days after the Board passes the relevant resolution. Any changes to the original proposal made in the notice shall be approved by the audit committee.

In the event that the Board does not agree to convene the extraordinary general meeting or does not furnish any reply within 10 days after receiving such proposal, the Board shall be deemed as unable to perform or failure to perform its duty of convening the general meeting, in which case the audit committee may convene and preside over the general meeting by itself.

Article 54 Shareholders individually or jointly holding more than 10% of the shares (including preferred shares with restored voting rights) of the Company shall be entitled to request the Board to convene an extraordinary general meeting, and such request shall be made in writing. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating whether it agrees with the convening of the extraordinary general meeting within 10 days after receiving such request.

In the event that the Board agrees to convene the extraordinary general meeting, the notice of general meeting shall be issued within 5 days after the Board passes the relevant resolution. Any changes to the original request made in the notice shall be approved by the relevant shareholders.

In the event that the Board does not agree to convene the extraordinary general meeting or does not furnish any reply within 10 days after receiving such request, shareholders individually or jointly holding more than 10% of the shares (including preferred shares with restored voting rights) of the Company shall be entitled to propose to the audit committee to convene the extraordinary general meeting, and such proposal shall be submitted in writing to the audit committee.

In the event that the audit committee agrees to convene the extraordinary general meeting, the notice of general meeting shall be issued within 5 days after receiving such request. Any changes to the original request made in the notice shall be approved by the relevant shareholders.

Failure of the audit committee to issue the notice of general meeting within the prescribed time limit shall be deemed as failure of the audit committee to convene and preside over the general meeting, and shareholders individually or jointly holding more than 10% of the Company's shares (including preferred shares with restored voting rights) for more than 90 consecutive days are entitled to convene and preside over the general meeting on their own initiatives.

Article 55 When the audit committee or shareholders decide(s) to convene a general meeting on their own initiatives, the Board shall be notified in writing, and records shall be filed with the Shanghai Stock Exchange.

Prior to announcement on the resolutions passed at the general meeting, the shareholding of the shareholders (including preferred shares with restored voting rights) convening such meeting shall not be less than 10%.

The audit committee or the shareholders convening the meeting shall submit the relevant materials for proof to the Shanghai Stock Exchange at the time of issuance of the notice of general meeting and announcement on the resolutions passed at the general meeting.

Article 56 For general meetings convened by the audit committee or shareholders on their own initiatives, the Board and its secretary will cooperate. The Board shall provide the register of members as at the shareholding record date.

Article 57 For general meetings convened by the audit committee or the shareholders on their own initiatives, the necessary expenses in relation to the meetings shall be borne by the Company.

Section 5 Proposals and Notices of General Meeting

Article 58 The content of general meeting proposals shall be within the scope of the terms of reference of general meetings, and have clear subjects and specific resolutions, and shall comply with the relevant requirements of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 59 When the Company convenes a general meeting, the Board, audit committee, as well as shareholder(s) individually or jointly holding more than 1% of the shares (including preferred shares with restored voting rights) of the Company, shall be entitled 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) of the Company may raise provisional proposals and submit the same in writing to the convener 10 days prior to the date of the general meeting. The convener shall, within 2 days after receiving the proposals, issue a supplementary notice of general meeting to announce the content of the provisional proposals, and submit the provisional proposals to the general meeting for consideration. However, any provisional proposal which violates any law, administrative regulation or the Articles of Association, or does not fall within the terms of reference of a general meeting shall be excluded. If the securities regulatory rules of the places where the Company's shares are listed require the general meeting to be postponed as a result of the supplemental notice, the convening of the general meeting shall be postponed in accordance with the requirements of such securities regulatory rules.

Other than the circumstances referred to in the preceding paragraph, after the convener issues the notice for general meeting, no changes shall be made to the proposals set forth in the notice of general meeting and no further proposals shall be added.

A general meeting shall not vote or resolve on proposals not set forth in the notice of general meeting or not in compliance with the requirements of the Articles of Association.

Article 60 The convener shall notify all shareholders in writing (including announcement) 21 days before an annual general meeting, and notify all shareholders in writing (including announcement) 15 days before an extraordinary general meeting. The Company does not include the date on which such respective meeting is convened when calculating the notice period. If otherwise provided by provisions of laws, regulations and the securities regulatory authorities of the places where the Company's shares are listed, such relevant provisions shall be complied with at the same time.

Article 61 The notice of general meeting shall include the following and shall be:

- (I) time, place and duration of the meeting;
- (II) the matters and proposals submitted to the meeting for consideration;
- (III) explain in clear words or plain language: every ordinary shareholder (including shareholders of preferred shares with restored voting rights) and shareholder holding special voting rights has the right to attend the general meeting, and may appoint a proxy in writing to attend the meeting and vote and the proxy need not be a shareholder of the company;
- (IV) the shareholding record date for shareholders who are entitled to attend the general meeting;

- (V) the names and telephone numbers of the contact person for the meeting affairs;
- (VI) the timing and procedures for voting online or otherwise;
- (VII) other requirements as stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 62 The notice and supplementary notice of a general meeting shall contain the provisions stipulated in the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, and shall fully and completely disclose all the specific contents of all proposals.

Voting via online or other means at a general meeting shall not commence earlier than 3:00 p.m. on the day prior to the on-site general meeting, and shall not be later than 9:30 a.m. on the day of the on-site general meeting, and it shall end earlier than 3:00 p.m. on the date of the conclusion of the on-site general meeting.

The gap between the shareholding record date and the date of the meeting shall be no more than 7 business days. The shareholding record date shall not be changed once confirmed.

Article 63 If the election of Directors is proposed to be discussed in a general meeting, the notice of general meeting shall adequately disclose the detailed profiles of the candidates for Directors, which should include at least the following:

- (I) personal information such as educational background, work experience, concurrent positions;
- (II) whether they are related/connected parties with the Company, or with the controlling shareholders and de facto controllers of the Company,
- (III) the number of shares held in the Company;
- (IV) whether they have been punished by the CSRC or other relevant authorities or been reprimanded by a stock exchange;
- (V) whether they meet the qualifications of taking office required by laws, administrative regulations, departmental rules, regulatory documents, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association, etc., and other details which shall be disclosed.

Article 64 After the notice of general meeting is issued, the general meeting shall not be postponed or cancelled without a proper reason, and the proposals stated in the notice of general meeting shall not be cancelled. In the event of any postponement or cancellation, the convener shall issue an announcement which states the reasons at least 2 business days before the original date of the general meeting. If there are special provisions under the securities regulatory rules of the places where the Company's shares are listed regarding the procedures for postponing or canceling general meetings, the provisions shall prevail provided that they do not violate the domestic regulatory requirements.

Section 6 Convening of General Meetings

Article 65 The Board of the Company and other conveners shall take necessary measures to ensure that the general meetings are conducted in an orderly manner and shall take steps to prevent any activities interfering with the general meetings, picking quarrels and provoking trouble and infringing the legitimate rights and interests of shareholders and shall promptly report such activities to the relevant authorities for investigation.

Article 66 According to the securities regulatory rules of the place where the Company's shares are listed, all shareholders such as holders of ordinary shares (including preferred shares with restored voting rights) and shareholders holding shares with special voting rights as recorded on the register of members on the record date or their proxies, shall have the right to attend general meetings, and to exercise their voting rights in accordance with relevant laws, regulations and the Articles of Association (unless an individual shareholder is required by the securities regulatory rules of the place where the Company's shares are listed to abstain from voting on particular matters).

Pursuant to applicable laws and regulations and the Hong Kong Listing Rules, if any shareholder is required to abstain from voting on a certain resolution, or is restricted from voting only for (or against) a certain resolution, the votes cast by such shareholder or his/her representative in violation of relevant provisions or restrictions shall not be counted.

A shareholder may attend a general meeting in person or appoint a proxy to attend and vote on his/her behalf, and such proxy need not be a shareholder of the Company.

Every shareholder shall be entitled to appoint one or more than one proxy(ies), and such proxy(ies) may not be a shareholder of the Company. The proxy(ies) so appointed by the shareholder may, according to the instructions of such shareholder, exercise the following rights:

- (I) the shareholder's right to speak at the general meeting;
- (II) the right to demand or join in demand for a poll;
- (III) unless otherwise prescribed by relevant laws, administrative regulations and the listing rules of the stock exchange where the Company's shares are listed or other securities laws and regulations, the right to vote by hand or on a poll.

Article 67 If an individual shareholder attends the meeting in person, he/she shall produce his/her identity card or other valid documents or certificates indicating his/her identity; and if an individual shareholder attends the meeting as a proxy, he/she shall produce his/her valid identity documents and the power of attorney.

A corporate shareholder shall attend and vote at the meeting by its legal representative or a proxy appointed by the legal representative. If a legal representative attends the meeting, he/she shall produce his/her identity card, the business license of the corporate shareholder affixed with its official seal, a valid certificate proving his/her qualification as the legal representative, and the stock account card of the corporate shareholder; and if a proxy attends the meeting, he/she shall produce his/her identity card, the written power of attorney lawfully issued by the legal representative of the corporate shareholder, the business license of the corporate shareholder affixed with its official seal, and the stock account card of the corporate shareholder (except for any shareholder which is a recognized clearing house (or its nominees) as defined under relevant ordinances promulgated from time to time in Hong Kong).

An unincorporated partnership shareholder shall attend the meeting by its natural person executive partner or a delegated representative of its non-natural person executive partner, or shall attend and vote at the meeting by a proxy appointed by the aforesaid persons. If the natural person executive partner or the designated representative of the non-natural person executive partner attends the meeting, he/she shall produce his/her identity card, a valid certificate proving his/her qualification as a natural person executive partner or a designated representative of a non-natural person executive partner, and the stock account card of the shareholder entity; and if a proxy attends the meeting, he/she shall produce his/her identity card, the written power of attorney lawfully issued by the natural person executive partner or the designated representative of the non-natural person executive partner of such shareholder entity, and the stock account card of the shareholder entity (except for any shareholder which is a recognized clearing house (or its nominees) as defined under relevant ordinances promulgated from time to time in Hong Kong).

Article 68 The power of attorney issued by a shareholder for appointing another person to attend a general meeting shall state the following:

- (I) the name of the appointer, and the class and number of shares of the Company held by him/her;
- (II) the name of the proxy;
- (III) the number of shares of the appointer represented by the proxy and whether such shares are attached with any voting rights;
- (IV) specific instructions from the shareholder, including instructions to vote for, against or abstain from voting on each matter to be considered as included in the agenda of the general meeting;
- (V) the date of issuance and the validity period of the power of attorney;
- (VI) signature (or seal) of the appointer. If the appointer is a corporate shareholder, the seal of such corporate shall be affixed.

Article 69 The proxy form shall specify whether the proxy of the shareholder may vote at his/her discretion if the shareholder fails to give specific instructions.

The proxy form shall be deposited at the domicile of the Company or at the place otherwise specified in the notice convening the meeting at least 24 hours before the meeting at which the proxy is required to vote, or 24 hours before the designated time for voting. If the proxy form for voting is signed by another person authorized by the appointer, the power of attorney or other authority under which it is signed shall be notarized. The notarized power of attorney or other authority and the proxy form for voting shall be maintained at the domicile of the Company or such other place as may be specified in the notice convening the meeting.

Where the appointer is a legal person, its legal representative or persons authorized by resolutions of the board of directors or other decision-making bodies shall attend the shareholders' meetings of the Company as its representative.

If a shareholder is a recognized clearing house (or its nominees) as defined under relevant ordinances or regulations promulgated from time to time in Hong Kong, he/she may appoint such person(s) as he/she may think fit to act as his/her proxy(ies) at any general meeting or meeting of creditors; however, if more than one person is authorized, the power of attorney shall state the number and class of shares so authorized for each of such persons and shall be signed by an authorized officer of the recognized clearing house. Such person(s) so authorized may exercise rights on behalf of the recognized clearing house (or its nominees) without the need to produce certificates of shareholding, notarized authority and/or further evidence proving its formal authority, and shall be entitled to statutory rights equivalent to those entitled by other shareholders, including the rights to speak and vote, as if such person was an individual shareholder of the Company.

Article 70 The register of attendees of meetings shall be prepared by the Company. The register of meetings shall state, among others, the attendees' names (or names of entities), identity card numbers, addresses and the number of shares with voting rights held or represented by them, as well as the names of their appointers (or the names of entities).

Article 71 The convenors and lawyers appointed by the Company shall jointly verify the lawfulness of the qualifications of shareholders according to the register of members provided by the securities registration and clearing institution of the place where the Company's shares are listed and the securities regulatory rules of the place where the Company's shares are listed, and shall register the names of shareholders and the number of shares with voting rights held by them. The registration for the meeting shall be closed before the chairman of the meeting announces the number of shareholders and proxies present at the meeting and the total number of voting shares held by them.

Article 72 If the Directors or senior management are required to attend a general meeting as non-voting attendees, the Directors or senior management shall attend the meeting and answer the queries raised by the shareholders. Subject to compliance with the securities regulatory rules of the place where the Company's shares are listed, the above-mentioned persons may attend as voting or non-voting attendees the meeting through the Internet, video, telephone or other means with equivalent effect.

Article 73 A general meeting shall be presided over by the chairman of the Board. In the event that the chairman of the Board is unable or fails to perform his/her duties, a Director jointly elected by a majority of the Directors shall preside over the meeting. If no chairman can be elected by even a majority of the Directors, the shareholders present at the meeting shall jointly elect a shareholder to preside over the meeting. If a shareholder is unable to preside over the meeting for any reason, the shareholder holding the most voting shares (or his/her proxy) present at the meeting shall preside over the meeting.

A general meeting convened by the audit committee on its own shall be presided over by the convener of the audit committee. If the convener of the audit committee is unable or fails to perform his/her duties, a member of the audit committee jointly elected by a majority of the members of the audit committee shall preside over the meeting.

A general meeting convened by the shareholders on their own shall be presided over by a representative recommended by the convener.

When convening a general meeting, if the chairman of the meeting violates the rules of procedure and makes it impossible for the general meeting to continue, with the consent of a majority of the shareholders with voting rights present at the meeting, the general meeting may be continued to proceed by electing one person to serve as the chairman of the meeting.

Article 74 The Company shall formulate the rules of procedure for general meetings, stipulating in detail the procedures for convening and holding a general meeting and voting thereat, which shall include, among others, the notice, registration, consideration of proposals, voting, vote counting, announcement of voting results, formulation of resolutions, minutes and their signing, and announcements, as well as the principles of authorization from the general meeting to the Board. The content of authorization shall be clear and specific. The rules of procedure for general meetings shall be formulated by the Board and approved at a general meeting as an annex to the Articles of Association.

Article 75 At the annual general meeting, the Board shall report to the general meeting on its work in the past year. Each independent Director shall also report his/her work to explain the performance of his/her duties. The annual work report shall include the following:

- (I) attendance at, methods of attending, and voting participated in at Board meetings, and attendance at general meetings;
- (II) participation in the work of special committees of the Board and special meetings of independent Directors;
- (III) consideration of matters as set out in Articles 23, 26, 27 and 28 of the Administrative Measures for Independent Directors of Listed Companies and exercise of special functions and powers of independent Directors as set out in Clause 1 of Article 18 of the Administrative Measures for Independent Directors of Listed Companies;
- (IV) significant matters discussed with internal audit institutions and accounting firms undertaking audit business for listed companies on the financial and business conditions of the Company, and the methods and results of such discussion;
- (V) communication with minority shareholders;
- (VI) time and duties of on-site work performed in the listed company;
- (VII) other matters relating to the performance of duties.

The annual work report of independent Directors shall be disclosed no later than the issuance of the notice of the annual general meeting by the Company.

Article 76 The Directors and senior management shall give elaborations and explanations to the queries raised and suggestions made by shareholders at the general meetings.

Article 77 The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies present at the meeting and the total number of voting shares held by them, which shall be subject to registration for the meeting.

Article 78 Minutes shall be maintained for general meetings and shall be kept by the secretary to the Board. The minutes shall record the following:

- (I) the time and venue of, and the agenda for the meeting, as well as the name or title of its convener;
- (II) names of the chairman of the meeting and those of the Directors and senior management attending the meeting as non-voting attendees;
- (III) the number of shareholders and proxies present at the meeting and the total number of voting shares held by them and their proportion to the total number of shares of the Company;
- (IV) the consideration process and main points of speeches for and the voting results of each proposal;
- (V) queries, comments or suggestions from the shareholders and the corresponding responses or explanations;
- (VI) names of lawyers, vote counters, and scrutineers;
- (VII) other matters which shall be recorded in the minutes as required by the Articles of Association.

Article 79 The convener shall ensure the truthfulness, accuracy and completeness of the minutes. The Directors, the secretary to the Board, the convener or their representatives, and the chairman of the meeting who attend the meeting as voting or non-voting attendees shall sign the minutes.

The minutes shall be kept together with the signature list of the shareholders present at the meeting, the power of attorney for the proxy to attend the meeting, and the valid materials relating to the voting conducted via the Internet and other means, for a period of not less than 10 years.

Article 80 The convener shall ensure the continuous holding of the general meeting until a final resolution is reached. If the general meeting is suspended or no resolution can be reached at the meeting due to special reasons such as force majeure, necessary measures shall be taken to resume the holding of the general meeting as soon as possible or the current general meeting shall be directly terminated, and an announcement shall be made in a timely manner. At the same time, the convener shall report to the local office of the CSRC at the place where the Company is domiciled and to the stock exchange at the place where the Company's shares are listed.

If any unexpected event occurs when holding the general meeting and makes it impossible to convene the meeting normally, the Company shall immediately report to the stock exchange and explain the reasons and disclose the relevant information and the special legal opinion issued by a lawyer.

Section 7 Voting and Resolutions at General Meetings

Article 81 Shareholders may exercise their voting rights according to the number of voting shares represented by them, and each share shall have one vote, except for holders of class shares. On a poll, shareholders (including their proxies) with two or more votes are not required to cast all their votes as affirmative, negative or abstention votes.

When significant matters affecting the interests of minority investors are considered at a general meeting, the votes of minority investors shall be counted separately. The separate vote counting results shall be disclosed publicly in a timely manner.

If the purchase of voting shares of the Company by a shareholder violates the provisions of Clause 1 and 2 of Article 63 of the Securities Law, the voting rights attached to such shares exceeding the prescribed proportion shall not be exercised within 36 months after the purchase, and such shares shall not be included in the total number of voting shares of shareholders present at the general meeting. Pursuant to applicable laws and regulations and the Hong Kong Listing Rules, if any shareholder is required to abstain from voting on a certain resolution, or is restricted from voting only for (or against) a certain resolution, the votes cast by such shareholder or his/her representative in violation of relevant provisions or restrictions shall not be included in the total number of voting shares.

The Board, independent non-executive Directors and shareholders holding more than 1% of the voting shares or the investor protection institutions established in accordance with laws, administrative regulations or the provisions of the securities regulatory authority of the place where the Company's shares are listed, may publicly solicit the voting rights of shareholders. The solicitors shall make sufficient disclosure of the information such as their voting preference to the shareholders from whom the voting rights are being solicited. Solicitation of voting rights of shareholders involving compensation or disguised compensation shall be prohibited. The Company shall not impose any limitation in respect of the minimum shareholding ratio on the solicitation of voting rights except as required by laws.

The term "shareholders" as mentioned in Clause 1 of this Article shall cover those shareholders who attend the general meeting by proxy.

Article 82 Resolutions of the general meetings shall be classified into ordinary resolutions and special resolutions.

Ordinary resolutions passed at the general meeting shall be approved by more than half of the voting rights held by the shareholders (including their proxies) present at the general meeting. A special resolution passed at the general meeting shall be approved by more than two-thirds of the voting rights held by the shareholders (including their proxies) present at the general meeting.

Article 83 The following matters shall be approved by ordinary resolutions at the general meetings:

- (I) the work report of the Board;
- (II) the profit distribution plan and the loss making-up plan prepared by the Board;
- (III) the appointment and removal of members of the Board and their remuneration and methods of payment;
- (IV) matters other than those which shall be approved by special resolutions as required by laws and administrative regulations, the Articles of Association or the securities regulatory rules of the place where the Company's shares are listed.

Article 84 The following matters shall be approved by special resolutions at the general meetings:

- (I) increase or reduction in registered capital of the Company;
- (II) issuance of corporate bonds;

- (III) division, spin-off, merger, dissolution and liquidation of the Company;
- (IV) amendments to the Articles of Association;
- (V) equity incentive schemes;
- (VI) purchase or sale of major assets or provision of guarantee to others by the Company within one year in an amount of more than 30% of the Company's latest audited total assets;
- (VII) repurchase of shares by the Company;
- (VIII) other matters as required by laws, administrative regulations, the Articles of Association or the securities regulatory rules of the place where the Company's shares are listed or as determined by ordinary resolutions at the general meetings, which may have a significant impact on the Company and need to be approved by special resolutions.

Article 85 Except under special circumstances such as being in crisis, the Company shall not enter into any contract with any person other than its Directors or senior management to entrust the management of all or significant business of the Company to such person without the approval of a special resolution of the general meeting.

Article 86 The list of candidates for Directors shall be submitted by way of a proposal to a general meeting for voting.

When voting on the election of Directors at a general meeting, the cumulative voting system may be adopted or the competitive election may be carried out according to the provisions of the Articles of Association or the resolutions of the general meeting, and the number of candidates for competitive elections shall exceed the number of candidates to be elected.

Where a single shareholder of a listed company or its persons acting in concert are interested in 30% or more of the shares of that company, or when two or more of the independent Directors are being elected at a general meeting, the cumulative voting system shall be adopted.

Methods and procedures for nominating candidates for Directors:

- (I) The Board may submit a proposal for nominating non-employee representative Directors to the general meeting. Shareholders individually or jointly holding 1% or more of the shares of the Company may also nominate and recommend candidates for non-employee representative Directors in writing to the Board, which shall conduct qualification review before submitting the same to the general meeting for election.
- (II) The methods and procedures for nominating independent non-executive Directors shall be implemented in accordance with relevant provisions of laws, administrative regulations and departmental rules.

Article 87 Unless otherwise required by relevant laws and regulations and the listing rules of the stock exchange at the place where the Company's shares are listed, the open ballot system shall be adopted for voting at the general meetings.

Article 88 Except for the cumulative voting system, all proposals shall be voted on at a general meeting one by one. If there are different proposals on the same matter, they shall be voted on in the chronological order in which the proposals were submitted. Except when a general meeting is suspended or no resolution can be reached due to special reasons such as force majeure, no proposal shall be set aside or refrained from voting at a general meeting.

Article 89 When a proposal is considered at a general meeting, no amendment may be made to such proposal. If there is any change, it shall be regarded as a new proposal and cannot be voted on at the current general meeting.

Article 90 While ensuring the lawfulness and validity of the general meetings, the Company shall facilitate the attendance of the shareholders at the general meetings by various means and channels with the priority of adopting an online voting platform and other modern information technology. The same voting right can only be exercised in one of the following ways: on-site, online or by other ways. If the same voting right is repeatedly exercised, the result of the first vote shall prevail.

Article 91 Before voting on a proposal at a general meeting, two shareholder representatives shall be nominated to participate in the counting of votes or scrutiny. Where the matters being considered are related (connected) to a shareholder, the relevant shareholder and his/her proxies shall not participate in the counting of votes or scrutiny. When voting on proposals at a general meeting, lawyers and shareholder representatives shall be jointly responsible for the counting of votes or scrutiny and the announcement of the voting results on the spot, and the voting results of the resolutions shall be recorded in the minutes. Shareholders of the Company or their proxies who vote online or by other ways shall have the right to check their voting results through the corresponding voting system.

Article 92 The general meeting held on-site shall not end earlier than that held online or by other ways. The chairman of the meeting shall announce the voting situation and results of each proposal and shall, based on the voting results, announce whether the proposal is approved. Before the official announcement of the voting results, all relevant parties involved in the voting at the general meeting carried out on-site, online or by other ways, including the Company, vote counters, scrutineers, shareholders and online service providers, are obliged to keep the voting situation confidential.

Article 93 Shareholders present at a general meeting shall express one of the following opinions on the proposals put forward for voting: for, against or abstain, except for the securities registration and clearing institution which, as the nominal holder of shares under the Stock Connect mechanism between mainland and Hong Kong stock markets, shall make declaration according to the intentions of actual holders. Unfilled, incorrectly filled, illegible or uncast votes shall be regarded as the voters having given up their voting rights and the voting results of the shares held by them shall be counted as "abstention".

Article 94 Where the chairman of the meeting has any doubt as to the voting result of any resolution put forward for voting, he/she may request the arrangement for the votes cast to be recounted. If the chairman of the meeting does not have the votes recounted, any shareholder or his/her proxy present at the meeting who disagrees with the result announced by the chairman of the meeting may request to recount the votes immediately after the announcement of the voting results, and the chairman of the meeting shall arrange for the votes to be recounted immediately.

Article 95 When a relevant related (connected) transaction is considered at a general meeting, the related (connected) shareholders shall not participate in the voting, and the number of voting shares represented by them shall not be included in the total number of valid votes; and the voting of the non-related (connected) shareholders shall be adequately disclosed in the announcement on the resolutions of the general meeting. Such related (connected) transaction shall be voted on by the non-related (connected) shareholders present at the meeting, and the transaction shall be regarded as having been approved if more than half of the valid votes are cast in favor of it; and if such transaction falls within the scope of a special resolution, it shall be subject to the approval by more than two-thirds of the valid votes held by the shareholders (including their proxies) present at the general meeting. Pursuant to applicable laws and regulations and the Hong Kong Listing Rules, if any shareholder is required to abstain from voting on a certain resolution, or is restricted from voting only for (or against) a certain resolution, the votes cast by such shareholder or his/her representative in violation of relevant provisions or restrictions shall not be counted.

Article 96 Where a proposal is not approved, or a resolution made at the previous general meeting is revised at the current general meeting, a special reminder shall be given in the announcement on the resolutions of the general meeting.

Article 97 Where a proposal on the election of Directors is approved at a general meeting, the newly appointed Directors shall take office from the date specified in the resolution of the general meeting, and if the resolution of the general meeting does not specify the date for taking office, the term of office shall commence on the date when the resolution is passed at the general meeting.

Article 98 Where a proposal on the payment of cash dividends, the issuance of bonus shares or the capitalization of capital reserves is approved at a general meeting, the Company shall implement the specific plans within 2 months after the conclusion of the general meeting. If such specific plans cannot be implemented within 2 months given the requirements of the laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, the implementation date of such specific plans may be adjusted accordingly in accordance with such requirements and based on the actual situation.

Article 99 The resolutions of a general meeting shall be announced in a timely manner, and the announcement shall specify the number of shareholders and their proxies present at the meeting, the total number of voting shares held by them and their proportion to the total number of voting shares of the Company, the voting methods, the voting result of each proposal, details of each of the resolutions passed and other matters required to be included pursuant to the Hong Kong Listing Rules.

CHAPTER 5 DIRECTORS AND BOARD

Section 1 General Provisions of Directors

Article 100 Directors of the Company may include executive Directors, non-executive Directors and independent non-executive Directors. Non-executive Director refers to the director who does not hold any operational management position in the Company. The qualifications, nomination and election procedures, functions and powers and other related matters of independent non-executive Directors shall be implemented in accordance with the relevant regulations of the law, the CSRC and the stock exchange where the Company's shares are listed. Directors shall possess the qualifications required by laws, administrative regulations and rules, the Articles of Association and securities regulatory rules of the place where the Company's shares are listed.

Directors of the Company shall be natural persons, and none of the following persons may serve as a Director of the Company:

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

- (II) a person who was sentenced to criminal punishment for the crime of corruption, bribery, encroachment or embezzlement of property or disruption of the order of socialist market economy and not more than 5 years has elapsed since the expiration of the enforcement period; or a person who was deprived of his/her political rights for committing a crime and not more than 5 years has elapsed since the expiration of the enforcement period; or a person who was given a suspended sentence and not more than 2 years has elapsed since the expiration of the suspended sentence;
- (III) a director, factory director or manager of a company or enterprise liquidated upon bankruptcy that was personally responsible for the bankruptcy of the company or enterprise, and not more than 3 years has elapsed since the date of completion of the bankruptcy liquidation;
- (IV) the legal representatives of a company or enterprise that had its business licenses revoked and had been closed down by order for violation of law, for which such representatives bear individual liability, and not more than 3 years has elapsed since the date on which the Company's business license was revoked and the Company was ordered to close down;
- (V) a person who is listed as a defaulter by a people's court since he/she owes a large amount of debts due and unsettled;
- (VI) a person who is imposed by the CSRC or the Hong Kong Stock Exchange a ban from entering into the securities market for a period which has not yet expired;
- (VII) a person who has been publicly identified by the securities regulatory authority and the stock exchange at the place where the Company's shares are listed as unsuitable to serve as a director or senior executive of a listed company, and whose term has not expired;
- (VIII) any other circumstances as prescribed by the laws, administrative regulations, departmental rules, regulatory rules in the place where the Company's shares are listed or relevant regulatory authorities.

Elections, appointments or employment of Directors in violation of the preceding paragraphs of this Article shall be invalid. If a director falls under the circumstances stipulated in this Article during his/her term of office, the Company will remove him/her from his/her position and stop him/her from performing his/her duties.

Article 101 Directors shall be elected or replaced at the general meeting and may be removed by the general meeting before the expiration of their term of office. A Director shall serve a term of 3 years and can be re-elected upon the expiry of the tenure in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed. A Director may be removed by ordinary resolution in general meeting before the expiration of his/her term of office, but such removal shall not affect his/her claim for damages under any contract.

The term of office of a Director shall start from the date on which the Director assumes office to the expiration of the term of office of the current Board. If the term of office of a Director expires but re-election is not made in a timely manner, the said Director shall continue to perform the duties as Director pursuant to laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association until a new Director is elected.

A Director may be the senior manager concurrently, provided that the total number of Directors who concurrently serve as the general manager or other senior managers and Directors who are employee representatives shall not exceed half of the total number of Directors of the Company. The Board shall include employee representatives of the Company. Employee representatives on the Board shall be democratically elected by the Company's employees through the employee representative meeting, the employees' general meeting or other forms of democratic election, and do not need to be submitted to the general meeting for consideration.

Article 102 Directors shall abide by laws, administrative regulations and the Articles of Association, have a duty of fiduciary to the Company, and take measures to avoid conflicts between their own interests and those of the Company, and shall not use their power to seek illegitimate benefits.

Directors shall undertake the following fiduciary duties to the Company:

- (I) not to expropriate the property of the Company and not to misappropriate the capital of the Company;
- (II) not to deposit the Company's capital in an account opened in his/her own name or in the name of any other individual;
- (III) not to take advantage of his/her functions and powers to accept bribes or other illegal income;
- (IV) not to enter into a contract or conduct any transaction directly or indirectly with the Company, unless such act has been reported to and approved by the Board or the general meeting in accordance with the provisions of the Articles of Association;
- (V) not to take advantage of their positions to seek for themselves or others any business opportunities that should belong to the Company, except under any of the following circumstances:
 - 1. report to the Board or general meeting, and the resolution is passed by the Board or general meeting in accordance with the Articles of Association;
 - 2. according to the provisions of laws, administrative regulations or the Articles of Association, the Company cannot take advantage of such business opportunity.
- (VI) not to receive as their own commission for transactions with the Company;
- (VII) not to disclose secrets of the Company without authorization;
- (VIII) not to damage the interests of the Company by taking advantage of his/her related or connected relationship;
- (IX) other fiduciary duties stipulated by laws, administrative regulations, and departmental rules, the Articles of Association and securities regulatory rules of the place where the shares of the Company are listed.

The income obtained by the Directors in violation of this Article shall be returned to the Company. If losses are caused to the Company, they shall be liable for compensation.

The provisions of item (IV) of paragraph 2 of this Article shall apply when the close relatives of the Directors and senior management, the enterprises directly or indirectly controlled by the Directors, senior management or their close relatives, and the related (connected) parties with the other related (connected) relationship with the Directors and senior management enter into contracts or conduct transactions with the Company.

Article 103 Directors shall abide by laws, administrative regulations and the Articles of Association, and shall have the following diligence obligations to the Company. In performing their duties, they shall exercise the reasonable care that a manager should normally exercise in the best interests of the Company.

Directors shall bear the following diligence obligations to the Company:

- (I) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the requirements of PRC laws, administrative regulations and relevant PRC economic policies and are not beyond the business scope specified in the business license of the Company;
- (II) to treat all shareholders impartially;
- (III) to keep informed of the operation and management conditions of the Company in a timely manner;
- (IV) to approve regular reports of the Company in written form and to ensure that all information disclosed is true, accurate and complete;
- (V) to provide the status reports and information to the Audit Committee honestly, and not to hinder the Audit Committee from exercising their power;
- (VI) other diligence obligations required by laws, administrative regulations, departmental rules, the Articles of Association and securities regulatory rules of the place where the Company's shares are listed.

Article 104 No Director may act in his/her name on behalf of the Company or the Board without the lawful authorization under the provisions of the Articles of Association or by the Board. Where a Director acts in his/her own name, the Director shall declare in advance his/her position and identity in the case that a third party would reasonably believe that the Director is acting on behalf of the Company or the Board.

Article 105 If the Director fails to attend the Board meeting in person or entrust any other Directors to attend the meeting on his/her behalf for two consecutive times, it shall be deemed that he/she cannot perform his/her duties, and the Board shall advise the general meeting to remove such Director. Subject to compliance with the securities regulatory rules of the place where the Company's shares are listed, a Director shall be deemed to have attended a Board meeting in person if he/she attends a Board meeting by means of internet, video, telephone or other equivalent means.

Article 106 A Director may resign before the expiry of his tenure. A Director who resigns shall submit a written resignation report to the Board. The resignation shall take effect on the date the Company receives the resignation report, and the Board will disclose the relevant information of his/her resignation within 2 days or within the time limit required by the securities regulatory rules of the place where the Company's shares are listed.

Article 107 If the number of the Board of the Company falls below the statutory minimum due to the resignation of a director, or the number or proportion of independent non-executive Directors in the Board or its special committees does not comply with laws and regulations due to the resignation of the independent non-executive Directors, or none of our independent non-executive Directors has appropriate professional qualifications or appropriate accounting or related financial management expertise that meet regulatory requirements, the resignation report of such Director shall not take effect until a successor Director fills the vacancy arising from his/her resignation. Before the newly elected Director takes office, the original Director shall continue to perform his/her duties as a Director in accordance with laws, administrative regulations, departmental rules and the Articles of Association.

Article 108 The Company has established a resignation management system for Directors, which specifies the safeguards for accountability for unfulfilled public commitments and other unfulfilled matters. If a Director's resignation takes effect or his/her term of office expires, he/she shall complete all transfer procedures with the Board. His/her duty of loyalty to the Company and its shareholders shall not be automatically relieved upon the end of his/her term of office and shall remain valid for 2 years. The responsibilities of a Director due to the performance of his/her duties during his/her term of office shall not be removed or terminated upon leaving office. A Director's obligation to keep confidential the Company's trade secrets shall remain in effect after his/her resignation or termination of office until such secrets become public information. The duration of other obligations shall be determined on an arm's length basis, depending on the length of time between the occurrence of the event and the termination of the office, as well as the circumstances and conditions under which the relationship with the Company ends.

Article 109 A Director may be removed by a resolution at the general meeting, and the removal shall take effect on the date on which the resolution is passed. If a Director is removed from office before the expiration of his/her term of office without justifiable reasons, the Director may demand compensation from the Company.

Article 110 A Director that violates laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association and causes losses to the Company in performing duties of the Company shall be liable for compensation. The Company shall be liable for compensation if a Director causes damages to others in the performance of his/her duties in the Company; and a Director who commits intentional or gross negligence shall also be liable for compensation.

The Company may purchase liability insurance for the compensation liabilities incurred by Directors in the performance of their duties during their term of office. After the Company purchases or renews liability insurance for its Directors, the Board shall report the amount, coverage and premium rate of the liability insurance at the general meeting.

Article 111 The qualifications, nomination and election procedures, functions and powers and other related matters of independent non-executive Directors shall be implemented in accordance with the relevant provisions of laws, administrative regulations, departmental rules, and securities rules of the place where the Company's shares are listed.

Independent non-executive Directors shall perform their duties in accordance with laws, administrative regulations, departmental rules, regulatory rules of the places where the Company's shares are listed and the Articles of Association, fully understand the Company's operations and the content of resolutions proposed by the Board, and protect the interests of the Company and all shareholders and paid particular attention to the protection of legitimate rights and interests of minority shareholders.

In the event of conflict among shareholders or Directors of the Company, which has a significant impact on the operation and management of the Company, the independent non-executive Directors shall take the initiative to perform their duties and protect the interests of the Company as a whole.

Section 2 Board

Article 112 The Company shall establish a Board that is accountable to the general meeting.

Article 113 The Board consists of 9 Directors, of whom 4 are independent Directors and 1 is an employee representative Director. The composition and number of the Board shall comply with the requirements of the securities regulatory rules of the place where the shares of the Company are listed.

Article 114 The Board shall exercise the following functions and power:

- (I) to convene general meetings and report to general meetings;
- (II) to implement the resolutions of general meetings;
- (III) to determine business operation plans and investment plans of the Company;
- (IV) to formulate the profit distribution plan and loss compensation plan of the Company;
- (V) to formulate plans of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;
- (VI) to formulate plans for substantial acquisition, repurchase of shares, or merger, division, dissolution and change of company form of the Company;
- (VII) to determine the investment, acquisition and disposal of assets, mortgage of assets, external guarantees, entrusted wealth management, related or connected transactions, external donations etc. of the Company within the authority granted at the general meeting;
- (VIII) to decide on the establishment of the Company's internal management structure;
- (IX) to appoint or dismiss the Company's general manager and the secretary to the Board, and to decide on their remunerations, rewards and punishments; to appoint or remove the Company's senior management such as the Company's deputy general managers and the person in charge of finance according to the nomination of the general manager, and to decide on their remunerations, rewards and punishments;
- (X) to formulate and revise the basic management system of the Company;
- (XI) to formulate proposals for amendment to the Articles of Association;
- (XII) to manage the information disclosure of the Company;
- (XIII) to propose to the general meeting the appointment or change of the accounting firm acting as the auditors of the Company;

(XIV) to listen the work report of the general manager and relevant personnel of the Company and inspect the work of the general manager;

(XV) to consider the acquisition of the Company's shares by the Company due to the circumstances as stipulated in items (III), (V) and (VI) of paragraph 1 of Article 25 of the Articles of Association, and to approve the resolution of the Board meeting attended by more than two-thirds of the Directors;

(XVI) the provisions of laws, administrative regulations, departmental rules, the Articles of Association or securities regulatory rules of the place where the shares of the Company are listed, and other functions and powers granted by the Articles of Association or the general meeting.

Matters that exceed the scope authorized by the general meeting shall be submitted to the general meeting for consideration with the consent of more than half of all the independent non-executive Directors of the Company.

Article 115 The Board of the Company shall make an explanation at the general meeting regarding the non-standard audit opinions issued by certified public accountants on the financial reports of the Company.

Article 116 The Board shall formulate the rules of procedures of the Board to ensure the implementation of resolutions of the general meeting by the Board, enhance work efficiency and ensure scientific decision making. The rules of procedures for the Board meetings stipulate the convening and voting procedures of Board meetings. The rules of procedures of the Board shall be formulated by the Board and approved by the general meeting as an attachment to the Articles of Association.

Article 117 The Board shall, subject to compliance with the provisions of the securities regulatory rules of the place where the Company's shares are listed, determine its authority for external investment, acquisition and disposal of assets, asset mortgage, external guarantees, entrusted wealth management, related party (connected) transactions, and external donations, and establish a strict review and decision-making procedures; major investment projects shall be reviewed by relevant experts and professionals, and reported to the general meeting for approval and comply with the securities regulatory rules of the place where the Company's shares are listed.

Article 118 The chairman of the Board shall be elected by the Board with more than half of all Directors.

Article 119 The chairman of the Board shall exercise the following functions and powers:

- (I) to preside over general meetings, and to convene and preside over Board meetings;
- (II) to supervise and inspect the implementation of the resolutions of the Board;
- (III) other functions and powers granted by the Board.

Article 120 If the chairman is unable or fails to perform his/her duties, a Director jointly elected by more than half of the Directors shall act on his/her behalf.

Article 121 The Board meetings are classified into regular meetings and extraordinary meetings. The Board shall hold at least four meetings per year. The chairman of the Board shall convene the meeting of the Board. All Directors shall be notified in writing 14 days before the regular meeting of the Board. Regular meeting of the Board does not include Board approval by way of circulation of written resolutions.

Article 122 Shareholders representing more than 10% of the voting rights, more than one-third of the Directors or the Audit Committee may propose to hold an extraordinary meeting of the Board. The chairman of the Board shall convene and preside over the meeting of the Board within 10 days after receiving the proposal.

Article 123 The Board may notify the Directors of convening an extraordinary meeting of the Board by serving a written notice by hand, sending emails, faxes, telephones or other communication means. The time limit for giving notice is 7 working days before the meeting. Under special circumstances, the Board may convene a meeting at any time, but it must be ensured that the notice is delivered to all Directors in a timely and effective manner.

Article 124 The notice of a Board meeting shall contain the following particulars:

- (I) the date and venue of the meeting;
- (II) the duration of the meeting;
- (III) reasons for convening the meeting and the agenda thereof;
- (IV) the date of issue of notice.

When the Board gives notice of the meeting, it shall provide sufficient information related to the meeting, including the specific contents of the topics to be considered. If two or more independent Directors believe that the materials are incomplete, or the demonstration is insufficient, or the materials is not provided in a timely manner, they may jointly propose in writing to the Board to postpone the meeting or to postpone the consideration of the matter, which shall be adopted by the Board, and the Company shall disclose the relevant information in a timely manner.

Article 125 Meetings of the Board shall be held only if more than half of the directors are present. Any resolutions of the Board must be subject to adoption by a simple majority of all directors. Except as otherwise provided by laws, regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association of the Company.

Each director shall have one vote for the resolutions of the Board.

Article 126 If directors have connected relationship with enterprises or individual involved in issues to be determined in the extraordinary general meeting of the Board, such directors shall report to the Board in writing promptly. Such director shall not exercise the voting power on the matter or exercise the voting power on behalf of other directors. The meeting of the Board may only be held with over one-half directors without connected relationship, and the resolutions shall be approved by over one-half directors without connected relationship present at the meeting. If fewer than 3 non-connected directors attend, the issues shall be submitted to the general meetings for examination.

If a substantial shareholder or a director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter shall be dealt with by convening a physical meeting of the Board rather than a written resolution. If there are any additional restrictions on directors' participation in meeting of the Board and voting imposed by laws, securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

Article 127 Unless otherwise provided by the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, the extraordinary general meetings of the Board may, under the premise that directors will be guaranteed to have their opinions fully and thoroughly expressed, be conducted via communication or on site in combination with communication, and resolutions may be passed thereat, to be signed by the directors present at the meeting. The Company shall disclose the relevant voting results to the extent in compliance with the laws, administrative regulations, regulations of the authorities and securities regulatory rules of the place where the Company's shares are listed.

Article 128 A director shall attend the meeting of the Board in person. If a director is unable to attend the meeting in person due to any reason, he/she may appoint another director in writing to attend the meeting on his/her behalf.

The power of attorney shall state the name of the agent, the matters to be represented, the scope of authority and the period of validity, and shall be signed or sealed by the principal. If a director attends the meeting by proxy, such director shall be deemed to have attended the meeting.

A director attending a meeting on his/her behalf shall exercise the rights as a director within the scope of his/her authorization. If a director fails to attend the meeting of the Board in person or appoint a representative to attend the meeting, he/her shall be deemed to have waived his right to vote at such meeting.

Article 129 Voting on resolutions of the Board shall be conducted by show of hands or by poll, and with written opinions signed. Each director shall have one vote.

Article 130 There shall be complete and authentic minutes of the meetings of the Board, which shall be signed by the directors present and the person taking the minutes. Directors present at the meeting have the right to request that explanatory notes be recorded on the minutes of their remarks made at the meeting. The minutes of the meeting of the Board shall be kept by the secretary of the Board as an important file of the Company, so as to provide an important basis for clarifying the responsibilities of directors in the future. The custody period is not less than 10 years.

Article 131 The minutes of meetings of the Board shall include the following:

- (I) the date and venue of the meeting and the name of the convener;
- (II) the names of the directors present at the meeting and names of directors being appointed to attend the meeting of the Board on the other's behalf (proxy);
- (III) the agenda;
- (IV) the main points of directors' speeches;
- (V) the voting method of each resolution and the result (with the voting result to include the number of polls that vote for, against or abstaining).

Section 3 Independent Directors

Article 132 An independent director shall comply with laws and administrative regulations, the CSRC, the provisions of the securities regulatory authorities in the place where the shares of the Company are listed, stock exchanges and the Articles of Association, conscientiously perform their duties, play a role in decision-making, overseeing check and balance and providing professional advice as a member of the Board, thus safeguarding the overall interests of the Company and protecting the legitimate interests of minority shareholders.

Article 133 The Company shall establish a system of independent directors. An independent director refers to a director who does not hold any position other than a director of the Company, and does not have a direct or indirect interest relationship with the Company for which he/she is employed, its substantial shareholders or de facto controllers, or any other relationship that may affect his/her independent and objective judgment.

Article 134 Independent directors shall maintain their independence. None of the following persons may serve as independent directors:

- (I) persons working in the Company or its subsidiary and their spouses, parents, children and major social relations;
- (II) natural person shareholders who directly or indirectly hold more than 1% of the Company's issued shares or who are among the Company's top ten shareholders, and their spouses, parents and children;
- (III) persons who work for shareholders who directly or indirectly hold more than 5% of the Company's issued shares or who work for entities of the Company's top five shareholders, and their spouses, parents, and children;
- (IV) persons serving in the subsidiaries of the Company's controlling shareholders and de facto controllers and their spouses, parents and children;
- (V) persons who have significant business dealings with the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, or who serve in entities with which they have significant business dealings and their controlling shareholders or de facto controllers;
- (VI) persons providing financial, legal, consulting and sponsorship and other services to the Company, its controlling shareholders, de facto controllers or their respective subsidiaries; including, but not limited to, all members of the project team of the intermediaries providing the services, reviewers at all levels, persons signing the report, partners, directors, senior management and principals;
- (VII) persons who have been in the situations listed in Items (I) to (VI) within the last twelve months;
- (VIII) other persons who do not possess independence as stipulated by laws, administrative regulations, the CSRC, the securities regulatory authorities in the place where the shares of the Company are listed, and the Articles of Association.

Subsidiaries of the Company's controlling shareholders and de facto controllers as set out in preceding paragraphs (IV) to (VI), exclude enterprises that are controlled by the same state-owned asset management entity as the Company and do not constitute a connected relationship with the Company under the relevant provisions.

The independent directors shall conduct an annual self-examination of their independence and submit such examination results to the Board. The Board shall evaluate the independence of the existing independent directors annually and issue a special opinion, and disclose the same in the annual report.

Article 135 The term of office of an independent director shall be the same as that of other directors. Upon the expiration of the term, he/she may be re-elected, but the term of re-appointment shall not exceed six years. Whoever has served as an independent director of the Company for six consecutive years or more shall not be nominated as an independent director candidate of the Company within 36 months from the date of the occurrence of such fact. The appointment time of independent directors before the initial public offering and listing shall be counted continuously.

Article 136 An independent director of the Company shall fulfill the following conditions:

- (I) be qualified to serve as a director of a listed company in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and other relevant provisions;
- (II) comply with the independence requirements stipulated in the Articles of Association and the securities regulatory rules of the place where the Company's shares are listed;
- (III) possess basic knowledge of the operation of a listed company and be familiar with relevant laws, administrative regulations and rules;
- (IV) have at least five years of working experience in law, accounting or economics necessary for the fulfillment of his/her duty as an independent director;
- (V) possess good personal integrity and no major breach of trust or other adverse records;
- (VI) other conditions as stipulated by laws, the CSRC, administrative regulations, the securities regulatory authorities in the place where the shares of the Company are listed and stock exchanges and the Articles of Association.

Article 137 Nomination, Election and Replacement of Independent directors

- (I) Shareholders holding, individually or collectively, more than 1% of the shares of the Company may propose candidates for independent directors for election by the shareholders at the general meeting.
- (II) The nominee of an independent director shall obtain the consent of the nominee before being nominated. The nominee shall fully understand the nominee's occupation, education background, professional title, detailed work experience, all part-time jobs, whether there is any bad record such as material untrustworthiness, and express opinions on his qualifications and independence to serve as an independent director. The nominee shall make a public statement regarding the absence of any relationship between him/her and the Company that affects his/her independent and objective judgment and other conditions for serving as an independent director. The Nomination Committee shall examine the qualifications of the nominees and form clear examination opinions. The Board of the Company shall, prior to the general meeting for electing independent directors, announce the aforesaid contents and submit the relevant materials of all nominees to the stock exchange. The Company may not submit an objection raised by the stock exchange to the general meeting for election.

- (III) If an independent director fails to attend the board meetings in person for two consecutive times, nor does he entrust another independent director to attend the meeting, the Board shall propose to hold a general meeting to remove the independent director within 30 days from the date of the occurrence of such fact.
- (IV) Except for the circumstances under which an independent director shall not serve as a director as stipulated by the state laws, regulations and provisions, an independent director shall not be removed from office without reason before the expiration of his/her term. In the case of early removal, the Company shall publicly state the reasons for the removal. If the removed independent director believes that the Company's removal is inappropriate, he/she may make a public statement.

Article 138 If, as a result of the resignation of an independent director, the proportion of independent directors in the Board or its special committees is lower than the minimum requirements under the state laws, regulations and other relevant provisions, or if there is a lack of accounting professionals among the independent directors, the resignation report of such independent director shall take effect after the vacancy is filled by the next independent director. The Company shall complete a by-election within 60 days from the date on which an independent director tenders his resignation.

Article 139 The independent directors, as members of the Board, shall owe a duty of loyalty and diligence to the Company and all shareholders, and shall prudently fulfill the following duties:

- (I) participating in the decision-making of the Board and express their definite opinions on the matters discussed;
- (II) supervising matters relating to potential material conflicts of interest between the Company and its controlling shareholders, de facto controller, directors and senior management and protecting the legitimate rights and interests of small and medium sized shareholders;
- (III) providing professional and objective advice on the Company's operation and development, and promoting the improvement of the decision making level of the Board;
- (IV) other duties as stipulated by laws, administrative regulations, the CSRC regulations of the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 140 The independent directors shall exercise the following special powers and duties:

- (I) independently engaging intermediary organizations to conduct audits, consultations or verifications on specific matters of the Company;
- (II) proposing to the Board to convene an extraordinary general meeting;
- (III) proposing the convening of a meeting of the Board;

- (IV) openly soliciting shareholders' rights from shareholders in accordance with the law;
- (V) expressing independent opinions on matters that may jeopardize the interests of the Company or the small and medium-sized shareholders;
- (VI) other powers and duties as stipulated by laws, administrative regulations, the CSRC, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

The exercise by an independent director of the powers and duties set out in preceding paragraphs (I) to (III) shall be approved by a majority of all independent directors.

The Company shall disclose in a timely manner any exercise of the powers and duties listed in the first paragraph by an independent director. In the event that the aforesaid powers and duties cannot be properly exercised, the Company shall disclose the specific circumstances and reasons thereof.

Article 141 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) connected transactions that should be disclosed;
- (II) the proposal of the Company and related parties to change or waive their commitments;
- (III) in the event of a takeover of the Company, the decisions made and measures taken by the Board in relation to the takeover;
- (IV) other matters as stipulated by laws, administrative regulations, the CSRC, regulations of the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Article 142 The independent directors shall bear the expenses of engaging the intermediary agency and other expenses necessary for the exercise of functions and powers.

Relevant personnel of the Company shall actively cooperate with independent directors in exercising their functions and powers, and shall not refuse, obstruct or conceal, or interfere with their independent exercise of their powers.

The Company shall provide appropriate allowances to independent directors. The standard of allowance shall be formulated by the Board, submitted to the general meeting for consideration and approval, and disclosed in the annual report of the Company. In addition, independent directors shall not obtain other benefits from the Company and its substantial shareholders, de facto controllers or interested institutions and personnel.

Article 143 The Company shall establish a specialized meeting mechanism attended by all independent directors. Where the Board deliberates connected transactions and other matters, prior approval shall be obtained from the specialized meetings of independent directors.

The Company shall convene specialized meetings of independent directors on a regular or irregular basis. Matters listed in items (I) to (III) in the first paragraph in Article 140 and Article 141 of the Articles of Association shall be considered by the specialized meeting of independent directors.

The specialized meeting of independent directors may study and discuss other matters of the Company as necessary.

The specialized meeting of independent directors shall be convened and presided over by an independent director jointly elected by a majority of the independent directors. In the event that the convener is not performing his/her duties or is unable to perform his/her duties, two or more independent directors may convene the specialized meeting on their own and elect a representative to preside over the meeting.

Minutes of specialized meetings of 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 to confirm the minutes.

The Company facilitates and supports the convening of specialized meetings of independent directors.

Section 4 Special Committees of the Board

Article 144 The Board of the Company has established an Audit Committee to exercise the powers and functions of the supervisory committee as stipulated in the Company Law.

Article 145 The Audit Committee shall consist of three members, who shall be directors who do not hold senior management positions in the Company, and two of whom shall be independent directors, convened by an accounting professional among the independent directors.

Article 146 The main duties and powers of the Audit Committee include:

- (I) supervising and evaluating the work of external audit institutions;
- (II) guiding the internal audit work, supervising the Company's internal audit system and its implementation, and urging the rectification of major problems;
- (III) reviewing the financial statements of the Company;
- (IV) assessing the effectiveness of internal controls, reviewing and supervising the effective operation of the Company's financial reporting, internal control systems and risk management systems;
- (V) to be responsible for the communication between the management, the internal audit department and relevant departments and the external audit institutions;
- (VI) in relation to the above and other code provisions under Appendix C1 D.3.3 of the Hong Kong Listing Rules (and the provisions thereof as amended from time to time) to the Board, and on the decisions or recommendations of the committees, unless there is legal or regulatory restriction on which to do so;

- (VII) to be responsible for supervising and improving the principles, structure and systems of corporate governance;
- (VIII) to supervise the performance of duties of the directors and senior management of the Company, and to propose removal of directors and senior management who violate laws, administrative regulations, the Articles of Association or the resolutions of the general meeting;
- (IX) to require directors and senior management personnel to make rectification when the acts of directors and senior management personnel harm the interests of the Company;
- (X) to propose the convening of extraordinary general meetings, and to convene and preside over the general meetings when the Board fails to perform its duties of convening and presiding over general meetings as stipulated in the Company Law;
- (XI) to put forward proposals to the general meeting;
- (XII) to initiate lawsuits against the directors and senior management in accordance with the relevant provisions of the Company Law;
- (XIII) other matters as required by laws and regulations, the securities regulatory rules of the place where the Company's shares are listed or as authorized by the Board of the Company.

The Audit Committee is responsible for reviewing the Company's financial information and its disclosures, supervising and evaluating the internal and external audits and internal controls. The following matters shall be submitted to the Board for consideration after the approval by a majority of all members of the Audit Committee:

- (I) disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;
- (II) appointment or dismissal of the accounting firm that undertake the auditing business of a listed company;
- (III) appointment or dismissal of the chief financial officer of a listed company;
- (IV) changes in accounting policies, accounting estimates or correction of material accounting errors for reasons other than changes in accounting standards;
- (V) other matters as provided by laws, administrative regulations, the CSRC, regulations of the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Article 147 The Audit Committee shall hold at least one meeting every quarter, and may hold an extraordinary meeting when two or more members propose, or when the convener deems it necessary. The quorum of the meeting of the Audit Committee shall be more than two-thirds of the members are present.

Decisions made by the Audit Committee shall be approved by more than half of the members of the Audit Committee. The voting on the resolution of the Audit Committee shall be one person, one vote.

The Audit Committee shall prepare meeting minutes for its resolutions in accordance with the regulations, and the members of the Audit Committee attending the meeting shall sign on the meeting minutes.

The Board is responsible for formulating the working procedures of the Audit Committee.

Article 148 The Board of the Company has established other special committees, including the Strategy and ESG, the Nomination, the Remuneration and Appraisal Committees to perform their duties in accordance with the Articles of Association and the authorization of the Board, and the proposals of the special committees shall be submitted to the Board for deliberation and decision. The Board shall be responsible for formulating the terms of reference of the special committees.

Article 149 The Strategy and ESG Committee's main duties and authorities include:

- (I) studying the Company's medium and long-term development strategy and propose suggestion to ensure the ESG factors are fully taken into account in the strategic planning, so as to promote the organic integration of the Company's sustainable development strategies and business strategies;
- (II) studying major investment and financing programs which require approval by the Board as stated in the Articles of Association and proposing suggestion, and assessing the feasibility and potential impacts of investment projects from an ESG perspective;
- (III) studying major capital operation, assets management projects and assets optimization which require approval by the Board as stated in the Articles of Association and proposing suggestion, and analyzing its impacts on the Company's ESG performance;
- (IV) reviewing and supervising the Company's sustainable development strategic objectives, planning quality and progress achievement, supervising the organic integration of the Company's sustainable development works and overall strategic development, and assessing the effectiveness of the Company's ESG efforts regularly and proposing suggestion for improvement;
- (V) organizing the identification and assessment of the Company's ESG-related risks and opportunities, monitoring and providing early warning of significant risks, studying and determining a list of substantive ESG issues of the Company, and performing dynamic adjustments according to the changes in the internal and external environment;
- (VI) reviewing the alignment of the Company's strategic objectives in the annual ESG report with its actual implementation, assessing the extent to which the content of the report reflects the focus and results of the Company's ESG efforts, reviewing the reliability of data and the rationality of the indicator calculation in the report to ensure the completeness and accuracy of the ESG report and relevant information disclosure;
- (VII) guiding and supervising the establishment of the communication mechanism between the Company and its stakeholders (including but not limited to shareholders, employees, customers, suppliers and communities, etc.), formulating the strategies and plans for stakeholders to participate in the Company's affairs, assessing stakeholders feedback and expectations regarding the Company's ESG efforts regularly, and incorporating them into factors for consideration of the Company's ESG strategy and decision-making;

- (VIII) studying other important matters affecting the Company's development and that involve ESG factors and making recommendation;
- (IX) inspecting the implementation of the above matters;
- (X) carrying out such other matters as authorized by the Board.

Article 150 The Nomination Committee is responsible for formulating the standards and procedures for the selection of directors and senior management members, selecting and reviewing the candidates for directors and senior management members and their qualifications for office, and making recommendations to the Board on the following matters:

- (I) nominating or removing of directors; appointing or dismissing senior management members; formulating the standards, procedures and methods for election of directors and senior management members of the Company and submit the same to the Board for consideration; reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually; and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (II) identifying individuals suitably qualified to serve as directors, and screening the candidates for other senior management members nominated by the general manager, and selecting and nominating relevant individuals for directors or other senior management members or providing advice to the Board in this regard;
- (III) evaluating the overall skills, knowledge and experience of directors and senior management members and assessing the independence of the independent non-executive directors;
- (IV) reviewing the candidates for directors and the general manager and making recommendations; making recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors (in particular, the chairman of the Board and the general manager);
- (V) maintaining a board diversity policy, monitoring the implementation of the board diversity policy, and regularly reviewing and disclosing such board diversity policy or its highlights in the Company's Corporate Governance Reports, reviewing and discussing any necessary amendments, and making recommendations with respect to them to the Board for approval;
- (VI) other matters as provided by laws, administrative regulations, securities regulatory rules of the place where the Company's shares 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 not adopting in the resolution of the Board and disclose the same.

Article 151 The Remuneration and Evaluation Committee's main duties and authorities include:

- (I) developing remuneration plan or scheme, policy and structure based on the main scope, duties, and importance of management positions of directors and senior management members, as well as the salary levels of related positions in other related enterprises, and establishing a formal and transparent procedures for formulating the remuneration plans and schemes mentioned above and making recommendations to the Board;
- (II) reviewing and approving the remuneration recommendations of management with reference to the corporate policies and objectives set by the Board;
- (III) making recommendations to the Board as to the remuneration packages of individual executive directors and senior management members, including non-monetary benefits, entitlement to pension and compensation amount (including any amount payables as a result of their loss of office or termination of employment or appointment);
- (IV) making recommendations on non-executive directors' remuneration to the Board;
- (V) considering salaries paid by the comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (VI) reviewing and approving compensation payable to executive directors and senior management members for any loss of office or termination of employment or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (VII) reviewing and approving compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (VIII) ensuring that no director or any of his/her associates (as defined by the Hong Kong Listing Rules) is involved in deciding his/her own remuneration;
- (IX) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Hong Kong Listing Rules;
- (X) other matters as provided by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

The Remuneration and Evaluation Committee makes recommendations to the Board on the following matters:

- (I) the remuneration of directors and senior management;
- (II) formulating or changing the share incentive scheme and employee share ownership scheme, granting of rights and benefits to the targets of the incentives and fulfillment of the conditions for exercising the rights and benefits;

- (III) arranging share ownership schemes for directors and senior management in the subsidiaries proposed to be spun off;
- (IV) other matters as provided by laws, administrative regulations, the CSRC, securities regulatory rules of the place where the Company's shares 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 not adopting in the resolution of the Board and disclose the same.

CHAPTER 6 SENIOR MANAGEMENT MEMBERS

Article 152 The Company shall have one general manager, who shall be appointed or dismissed by the Board.

The Company shall have certain deputy general managers, who shall be nominated by the general manager and appointed by the Board. Deputy general manager shall assist the general manager in his/her work. The Company's general manager, deputy general manager, financial officer and secretary to the Board are senior management members.

Article 153 The provisions of the Articles of Association relating to the circumstances under which a person may not be a director, shall also apply to senior management members.

The provisions of the Articles of Association relating to the obligations of loyalty and diligence of the directors, shall also apply to senior management members. Staff who serve positions other than directors and supervisors of the controlling shareholders of the Company shall not serve as senior management members of the Company. Senior management members of the Company may only receive remuneration from the Company and may not be paid by the controlling shareholder.

Article 154 The general manager's term of office is three years, and he or she can be re-elected if re-appointed.

Article 155 The general manager shall be accountable to the Board and shall exercise the following powers:

- (I) to preside over the operation and management of the Company, organize the implementation of the resolutions of the Board, and report to the Board;
- (II) to organize the implementation of the Company's annual operation plans and investment plans;
- (III) to draft the plan for the establishment of the Company's internal management organizations;
- (IV) to draft the basic management policy of the Company;
- (V) to formulate specific rules and regulations of the Company;
- (VI) to propose to the Board on the appointment or dismissal of the Company's deputy general manager and financial officer;

(VII) to determine to appoint or dismiss the responsible management personnel except for those who should be appointed or dismissed by the Board;

(VIII) such other powers granted by the Articles of Association or the Board.

Article 156 The general manager of the Company shall attend meetings of the Board.

Article 157 The general manager shall formulate the working rules of the general manager, which shall be implemented upon approval by the Board.

Article 158 The working rules of the general manager shall include the following:

- (I) conditions for the convening of and procedure for the office meeting of the general manager;
- (II) specific duties and allocation of work of the general manager, deputy general manager and other senior management members;
- (III) the authority to utilize the Company's funds and assets and to enter into significant contracts, and the reporting system to the Board and the Audit Committee;
- (IV) other matters which the Board considers necessary.

Article 159 The general manager may resign before the end of his term of office. The specific procedures and methods for the general manager's resignation shall be stipulated in the labor contract between the general manager and the Company.

Article 160 The deputy general manager shall assist the general manager in his/her work and is accountable to the general manager, and shall be responsible for the management of relevant works as entrusted by the general manager. The procedures for the appointment and dismissal of a deputy general manager shall be discussed and decided by the Board of the Company.

Article 161 The Company has a board secretary who is responsible for the preparation of the Company's general meeting and board, the safekeeping of documents, the management of the company's shareholder information, and the handling of information disclosure matters.

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

Article 162 If a senior management member causes damage to others when carrying out his or her duties, the Company shall be liable for compensation; if a senior management member acts with willful or material default, he or she shall also be liable for compensation.

If a senior management member breaches the laws, administrative regulations, departmental regulations, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association when performing his or her duties and causes loss to the Company, he or she shall be liable for compensation.

Article 163 The senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If the senior management members of the Company fail to faithfully perform their duties or violates the duty of good faith, causing damage to the interests of the Company and the shareholders of the public shares, they shall be liable for damages in accordance with the laws.

CHAPTER 7 FINANCIAL AND ACCOUNTING SYSTEMS, DISTRIBUTION OF PROFITS AND AUDIT

Section 1 Financial and Accounting Systems

Article 164 The Company shall develop its financial and accounting systems pursuant to the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and the requirements of the competent authorities in China.

The Company's accounting year shall follow the Gregorian calendar year, i.e., from January 1 to December 31 each year.

Article 165 Disclosure of A shares regular reports: within 4 months of the end of each accounting year, the Company shall submit and disclose its annual report to the China Securities Regulatory Commission dispatched agencies and the Shanghai Stock Exchange. Within 2 months from the end of the first 6 months of each accounting year, the Company shall submit and disclose its half-yearly report to the China Securities Regulatory Commission dispatched agencies and the Shanghai Stock Exchange. Within 1 month from the end of the first 3 months and first 9 months of each accounting year, the Company shall submit and disclose its quarterly report to the China Securities Regulatory Commission dispatched agencies and the Shanghai Stock Exchange.

Disclosure of H Shares regular reports: regular reports for the H shares of the Company include annual report and interim report. Within 3 months of the end of each accounting year, the Company shall disclose a preliminary announcement of its annual results, and complete the preparation of its annual report within 4 months of the end of each accounting year and at least 21 days before the date of the annual general meeting and disclose the annual report. Within 2 months from the end of the first 6 months of each accounting year, the Company shall disclose a preliminary announcement of its interim results, and complete the preparation of its interim report within 3 months from the end of the first 6 months of each accounting year and disclose the interim report.

The aforementioned financial and accounting reports, annual reports, annual results, interim reports and interim results shall be prepared and/or submitted to shareholders in accordance with the relevant laws, administrative regulations, departmental rules, and the requirements of securities regulatory agencies and the stock exchange where the Company's shares are listed.

Article 166 The Company shall not establish any other accounting books except the statutory accounting books. The Company's assets are not stored in accounts opened in any individual's name.

Article 167 When distributing profits after taxation of the year, the Company shall set aside 10% of its profits for the Company's statutory reserve until the fund has reached 50% or more of the Company's registered capital. If the statutory reserve fund is insufficient to cover losses from previous years, the current year's profits shall first be used for making up such losses before the statutory reserve fund is allocated according to the provisions of the preceding paragraph. After the Company has allocated the statutory reserve fund from the after tax profits, it may allocate a discretionary reserve fund from the after-tax profits, upon a resolution being made by the general meeting.

After the Company covers its losses and makes allocations to its statutory reserve fund, the remaining profits after taxation may be distributed in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by the Articles of Association.

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

The Company shall not distribute any profits in respect of the shares held by it. The Company shall appoint one or more receiving agents in Hong Kong for the holders of the H Shares. A receiving agent shall, on behalf of the relevant H Shares shareholders, receive and hold the dividends and other amounts distributed by the Company in respect of the H Shares for further payment to those shareholders. The receiving agents appointed by the Company shall comply with the laws, regulations and the provisions of the securities supervisory rules in the place where the Company's shares are listed.

Article 168 The Company shall implement a proactive profit distribution policy, attach importance to reasonable investment return to shareholders, and the profit distribution policy shall maintain continuity and stability.

- (I) Form of profit distribution of the Company: the Company shall distribute profits in the form of cash, shares or a combination of the two or other methods permitted by laws and regulations, but the profit distribution method of cash dividends is preferred.
- (II) Specific conditions and proportion of cash dividends distribution by the Company: the Company shall mainly adopt the profit distribution policy of cash dividends, being after making up losses according to law and appropriating the statutory reserve, on the premise that the Company is profitable and the cash can meet the needs of continuous operation and long-term development of the Company. If there is distributable profit after appropriation to the statutory reserve, the Company shall distribute cash dividends.

1. The Company's cash dividend policy target

Under normal circumstances, the annual profit distributed by the Company in cash shall not be less than 15% of the distributable profit realized in the current year, and the annual profit distributed by the holding subsidiaries of the Company in the form of cash dividend shall be in accordance with the aforesaid requirements.

The Company is not required to distribute cash dividends under any of the following special circumstances:

- (1) the net operating cash flow for the financial year is negative;
- (2) the Company has major plans for external investment or major capital expenditures in the next 12 months (excluding projects for capital raising);
- (3) the Company's latest annual audit report is non-unqualified opinion or unqualified opinion with significant uncertainty paragraphs related to the ongoing concern;

- (4) the asset-liability ratio at the end of the latest accounting year of the Company exceeded 70%;
- (5) other circumstances under which the Board deems it inappropriate to distribute cash dividends.

The major investment plans or major cash expenditures mentioned in the preceding paragraph refer to matters in which the total assets involved in the purchase of assets and external investment of the Company within one year account for more than 10% (including 10%) of the latest audited total assets of the Company.

The Board of the Company shall comprehensively consider industry characteristics, development stages, operational models, profitability levels, debt repayment ability, whether there is any significant capital expenditure arrangements and investor returns to distinguish the following situations and propose a differentiated cash dividend policy according to the procedures stipulated in the Articles of Association:

- (1) For companies in a mature development stage with no significant capital expenditure arrangements, cash dividends should account for at least 80% of the profit distribution;
- (2) For companies in a mature development stage with significant capital expenditure arrangements, cash dividends should account for at least 40% of the profit distribution;
- (3) For companies in a growth stage with significant capital expenditure arrangements, cash dividends should account for at least 20% of the profit distribution.

The development stage of the Company shall be determined by the Board based on its specific circumstances. Where the development stage of the Company is difficult to distinguish but there are significant capital expenditure arrangements, it may be dealt with in accordance with the provisions in item 3.

2. Procedures for formulating specific plans for cash dividend distribution

When the Company formulates the specific plan for cash dividend distribution, the Board shall carefully study and discuss the timing, conditions and minimum proportion of the Company's cash dividend distribution, the conditions for adjustment and the procedure requirements for decision-making.

Independent non-executive directors shall have the right to express independent opinions if they consider that the cash dividend distribution plan may harm the interests of the Company or minority shareholders. If the opinions of independent non-executive directors are not adopted or not fully adopted by the Board, the opinions of independent non-executive directors and the specific reasons for not adopting shall be recorded in the resolutions of the Board and disclosed.

Before the specific cash dividend plan is considered at the general meeting, the Company shall actively communicate and exchange ideas with shareholders, especially minority shareholders, through various channels, fully listen to the opinions and demands of minority shareholders, and timely respond to the concerns of minority shareholders.

- (III) The specific conditions for the distribution of share dividends by the Company: on the premise that the size of the Company's share capital and equity structure are reasonable, and considering the return to investors and the sharing of corporate value, and taking into account the real and reasonable factors such as the Company's growth and capital demand, when the valuation of the shares of the Company is within a reasonable range, and the Board considers that the issuance of share dividends is beneficial to the interests of all shareholders of the Company as a whole, the Company may distribute profits in the form of share dividends at the same time as implementing cash dividends.
- (IV) Interval of profit distribution: dividends are generally distributed annually. The Board of the Company may also propose interim cash dividends according to the capital needs of the Company.

When the Company convenes the annual general meeting to consider the annual profit distribution proposal, the Company may consider and approve the conditions, upper limit in proportion and amount of interim cash dividend for the next year. The upper limit of interim dividend for the next year as considered at the annual general meeting shall not exceed the net profit attributable to shareholders of the Company in the corresponding period. The Board shall formulate a specific interim dividend distribution plan according to the resolutions of the general meeting and subject to the conditions for profit distribution.

The Board shall disclose in its periodic reports the profit distribution plan and the arrangements or principles for the use of retained undistributed profits. The retained undistributed profits of the Company after the completion of profit distribution for the current year shall be used for the development of the principal business of the Company.

- (V) Review procedures to be performed on profit distribution: the specific profit distribution plan of the Company shall be formulated and proposed by the Board based on the Company's profitability, funding needs and shareholders' return plan. The Board of the Company shall carefully study and demonstrate the timing, conditions and minimum ratio of cash dividends, the adjustment conditions, and the requirements of its decision-making procedures. The profit distribution plan shall not be submitted to the general meeting for consideration until it has been approved by more than half of the Board. The convener of the general meeting to review and approve the profit distribution proposal may provide an online voting platform for shareholders to encourage them to attend the meeting and exercise their voting rights.
- (VI) Adjustment of the profit distribution policy: the profit distribution policy of the Company shall not be changed arbitrarily, and the cash dividend policy determined in the Articles of Association of the Company and the specific cash dividend distribution plan reviewed and approved by the general meeting shall be strictly implemented. If it is necessary to adjust the profit distribution policy due to significant changes in the external operating environment or its own operating conditions, the Board of the Company shall fully consider the opinions of minority shareholders during the process of revising the profit distribution policy. If it is indeed necessary to adjust or change the cash dividend policy as stipulated in the Articles of Association, the conditions stipulated in the Articles of Association shall be met. After detailed analysis, the Board shall formulate a change plan and submit it to the general meeting for consideration and approval, and it must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

(VII) In the event that a shareholder illegally appropriates funds of the Company, the Company shall deduct the cash dividends distributed to the shareholder to repay the funds appropriated by the shareholder.

(VIII) The Company shall disclose in detail the formulation and implementation of the cash dividend policy in its periodic reports, stating whether it complies with the Articles of Association or the requirements of the resolutions of the general meeting; whether the criteria and proportion of cash dividend distribution are clear and explicit and whether the relevant decision-making procedures and mechanisms are complete. If the Company does not distribute cash dividends, it shall disclose the specific reasons and the measures to be taken in the future to enhance the returns for investors; whether the minority shareholders have the opportunity to fully express their opinions and demands; whether the legitimate rights and interests of the minority shareholders are fully protected, etc. If the cash dividend policy is adjusted or changed, the Company shall also explain in detail whether the conditions and procedures for the adjustment or change are compliant and transparent, etc.

Article 169 The reserve of the Company shall be used to make up for the Company's losses, expand its production and business operations or increase its registered capital. When the reserve is used to make up the Company's losses, the discretionary reserve and statutory reserve shall first be used. If the losses cannot be covered, the capital reserve may be used in accordance with the provisions. When converting the statutory reserve fund into registered capital, the balance of such reserve fund shall not be less than 25% of the registered capital of the Company before the conversion.

Article 170 After the resolution on the profit distribution plan is approved at the general meeting of the Company, or after the Board of the Company has formulated specific plan based on the conditions and upper limit for the next year interim dividend approved by the annual general meeting, the Board of the Company shall complete the distribution of dividends (or shares) within two months after conclusion of the general meeting.

If the specific plan cannot be implemented within two months due to the provisions of the laws, regulations and the securities supervisory rules of the place where the Company's shares are listed, the implementation date of the specific plan may be adjusted accordingly based on such provisions and actual circumstances.

Section 2 Internal Audit

Article 171 The Company shall implement an internal audit system, which clearly defines the leadership system, responsibilities and authorities, personnel allocation, funding support, application of audit results and accountability for internal audit.

The internal audit system of the Company shall be implemented after being approved by the Board and disclosed to the public.

Article 172 The internal audit institution of the Company shall conduct supervision and inspection on matters such as the Company's business activities, risk management, internal control, and financial information.

Article 173 The internal audit institution reports to the Board.

During the process of supervising and inspecting the Company's business activities, risk management, internal control, and financial information, the internal audit institution shall accept the supervision and guidance of the Audit Committee. Where the internal audit institution discovers relevant significant issues or leads, it shall immediately report directly to the Audit Committee.

Article 174 The specific organization and implementation work of the Company's internal control evaluation shall be the responsibility of the internal audit institution. The Company shall issue the annual internal control evaluation report based on the evaluation report and related materials issued by the internal audit institution and reviewed by the Audit Committee.

Article 175 When the Audit Committee communicates with external audit units such as accounting firms and state audit institutions, the internal audit institution shall actively cooperate and provide necessary support and collaboration.

Article 176 The Audit Committee shall participate in the performance assessment of the head of internal audit.

Section 3 Appointment of the Accounting Firm

Article 177 The Company shall engage an accounting firm which is qualified under the provisions of the Securities Law, the Hong Kong Listing Rules and the securities regulatory rules of the places where the Company's shares are listed, to perform audits of accounting statements, verify net assets and provide other relevant consulting services. The term of such engagement is one year, from the time of review and approval by the annual general meeting of the Company to the end of the next annual general meeting, and can be renewed.

Article 178 The engagement and dismissal of an accounting firm by the Company shall be determined at the general meeting, and the Board shall not engage an accounting firm before any decision is made at the general meeting.

Article 179 The Company shall ensure to provide true and complete accounting evidences, books, financial and accounting reports and other accounting data to the accounting firm it engages, without any refusal, withholding or misrepresentation.

Article 180 Remuneration of the accounting firm or the manner of determining the remuneration shall be determined by shareholders at a general meeting.

Article 181 If the Company decides to dismiss such accounting firm or not to renew the engagement thereof, it shall notify the accounting firm 10 days in advance and must send a circular proposing to dismiss or not re-appointing the accounting firm with any written representations (if any) made by the accounting firm to shareholders at least 10 business days prior to the date of the general meeting. The accounting firm is allowed to attend the general meeting and make representations to the shareholders when the general meeting of the Company conducts a vote on the dismissal of the accounting firm. Where the accounting firm resigns, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.

CHAPTER 8 NOTICES AND ANNOUNCEMENTS

Section 1 Notices

Article 182 The notices of the Company may be sent out in the following manner:

- (I) by personal delivery;
- (II) by postal mail;

(III) by way of announcement;

(IV) by fax or email;

(V) by means of publication on the Company's website and the website designated by the Hong Kong Stock Exchange, subject to compliance with the laws, administrative regulations and the listing supervisory rules of the place where the Company's shares are listed;

(VI) in such other form as may be approved by the relevant regulatory authority of the place where the Company's shares are listed or as provided in the Articles of Association.

Article 183 Notices issued by the Company by way of announcement shall be deemed to have been received by all parties concerned once announced.

Unless the context otherwise requires, in relation to the announcements made to the holders of A Shares or the announcements made within the territory of China as required by the relevant provisions and the Articles of Association, the term "announcement" as mentioned in the Articles of Association refers the publication of information on the website of the Shanghai Stock Exchange and on media that meet the conditions prescribed by the CSRC; for the announcements made to the holders of H Shares or within Hong Kong as required under the relevant provisions or the Articles of Association, the announcements shall be published on the website of the Company, the website of the Hong Kong Stock Exchange and such other websites as may be required from time to time under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in accordance with the provisions of the relevant Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

In respect of the manner in which the Company provides and/or distributes corporate communications to the holders of H Shares as required by the securities regulatory rules of the place where the Company's shares are listed, subject to compliance with the relevant securities regulatory rules of the place where the Company's shares are listed, the Company may also send or make available corporate communications to the holders of H Shares of the Company electronically or by means of posting the information on the Company's website or on the website of the stock exchange of the place of the place where the Company's shares are listed, in lieu of delivering corporate communications to the holders of H Shares by personal delivery or postage-paid mail.

Article 184 Any notice convening a general meeting of the shareholders shall be given by announcement.

Article 185 If a notice of the Company is sent by personal delivery, the date of service shall be the date when the recipient signed (stamped) to acknowledge receipt of the same; for a notice sent by mail, the date of service shall be the fifth working day from the date on which the post office receives the notice; if the Company's notice is sent by way of fax, the date of service shall be the second working day from the date on which the fax reaches the fax system of the person to be served; if the Company's notice is sent by email, the date of service shall be the second working day from the date on which the email reaches the information system of the person to be served; if it is issued by announcement, the date of delivery shall be the date when the Company publishes the first announcement.

Article 186 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the proceedings at that meeting and resolution adopted thereat.

Section 2 Announcements

Article 187 The Company designates newspapers and media outlets that are recognized by the CSRC and the stock exchange where the company's shares are listed, the website of the Shanghai Stock Exchange (www.sse.com.cn) and the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk), as the media for publishing company announcements and other information required to be disclosed.

CHAPTER 9 MERGER, DIVISION, CAPITAL INCREASE AND REDUCTION, DISSOLUTION AND LIQUIDATION

Section 1 Merger, Division, Capital Increase and Reduction

Article 188 A merger of the Company may take the form of merger by absorption or merger by new establishment.

A company absorbing other companies is a merger by absorption and the absorbed company is dissolved. The merger of two or more companies to create a new company is a merger by new establishment, and the merging parties are dissolved.

Article 189 Where a company merges with another company in which the former holds not less than 90% of the shares, the acquired company is not required to obtain approval by resolution of its general meeting, but shall notify the other shareholders who have the right to request the company to buy its equities or shares at a reasonable price.

If the price paid for a company's merger does not exceed 10% of the Company's net assets, approval by resolution of its general meeting may not be required unless otherwise provided by the Articles of Association.

Where a company's merger is exempted from approval by resolution of the general meeting in the previous two cases, it shall be subject to approval by resolution of the Board.

Article 190 In the case of a merger, parties to the merger shall execute a merger agreement, and shall prepare the balance sheets and an inventory of assets. The Company shall notify its creditors within 10 days since the date on which the resolution to proceed with the merger is adopted, and within 30 days shall make an announcement in newspapers recognized by the CSRC and the stock exchange where the company's shares are listed or on the National Enterprise Credit Information Publicity System and the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk), or on the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days since the date of receiving the notice, or creditors who do not receive the notice shall, within 45 days since the date of the public announcement, be entitled to require the Company to pay off its debts in full or to provide a corresponding guarantee. Where the regulatory rules of the place where the Company's shares are listed provide otherwise, the relevant provisions shall also be complied with.

Article 191 After the merger, the rights and the obligations of the merging parties shall be assumed by the Company in existence or the newly established company after the merger.

Article 192 If the Company is divided, its property shall be divided accordingly. In the case of a division, a balance sheet and a schedule of assets shall be prepared. The Company shall notify its creditors within 10 days since the date on which the resolution to proceed with the division is adopted, and within 30 days shall make an announcement in newspapers recognized by the CSRC and the stock exchange where the company's shares are listed or on the National Enterprise Credit Information Publicity System and the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk), or on the National Enterprise Credit Information Publicity System.

Article 193 Debts owed by the Company prior to the division shall be assumed by the companies in existence after the division jointly and severally, except as otherwise stated in the written agreement entered into between creditors and the Company for debt settlement prior to the division.

Article 194 In case of a reduction in the Company's registered capital, the Company shall prepare a balance sheet and a schedule of properties.

The Company shall notify its creditors within 10 days since the date on which the resolution to proceed with the reduction in the registered capital is adopted, and within 30 days shall make an announcement in newspapers recognized by the CSRC and the stock exchange where the company's shares are listed or on the National Enterprise Credit Information Publicity System and the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk), or on the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days since the date of receiving the notice, or creditors who do not receive the notice shall, within 45 days since the date of the announcement, be entitled to require the Company to settle its debts in full or to provide a corresponding guarantee. The registered capital of the Company following the reduction shall not fall below the minimum statutory requirement. Where the securities regulatory rules of the place where the Company's shares are listed provide otherwise, such rules shall also be applicable.

Where a reduction of registered capital is carried out in violation of the Company Law and other relevant regulations, shareholders shall return any funds they have received, and any reduction or exemption of shareholders' capital contributions shall be restored to the original state; if losses are caused to the Company, the shareholders and the responsible Directors and senior management shall bear liability for compensation.

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

Article 195 If the Company remains in a loss position after making up for its losses in accordance with the Article 169 of the Articles of Association. If the registered capital is reduced to make up for the loss, the Company shall not make any distribution to the shareholders; nor shall the shareholders be exempted from the obligation to make capital injection or payment for the shares.

Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of paragraph 2 of the preceding Article shall not apply, but an announcement shall be published in the designated newspaper recognized by the CSRC and the stock exchange where the company's shares are listed or on the National Enterprise Credit Information Publicity System and the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) within 30 days from the date of the resolution on reduction of registered capital made at the general meeting.

After reducing its registered capital in accordance with the provisions of the preceding two paragraphs, the Company shall not distribute profits until the accumulated amount of the statutory reserve and discretionary reserve reaches 50% of the Company's registered capital (see paragraph 1 of Article 167 of the Articles of Association for specific criteria).

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 for in these Articles of Association or determined by a resolution of the general meeting that the shareholders shall be entitled to pre-emptive rights.

Article 196 In the event of a merger or division of the Company, if there is a change in the registration items, the Company shall go through the change registration with the company registration authority in accordance with the law; If the Company is dissolved, it shall go through the deregistration procedures of the Company in accordance with the law; If a new company is established, the company establishment registration shall be completed in accordance with the law.

If the Company increases or reduces its registered capital, it shall go through the change registration with the company registration authority in accordance with the law.

Section 2 Dissolution and Liquidation

Article 197 The Company shall be dissolved if:

- (I) the business term specified in the Articles of Association expires or other dissolution reasons as stipulated in the Articles of Association arise;
- (II) the general meeting resolves to dissolve the Company;
- (III) dissolution is required due to merger or division of the Company;
- (IV) its business license is revoked according to law, or it is ordered to shut down or revoked;
- (V) where the company encounters serious difficulties in its operation and management and its continuance shall cause a significant loss in the interest of shareholders, and where this cannot be resolved through other means, shareholders who hold more than 10% of the total shareholders' voting rights of the company may present a petition to a people's court for the dissolution of the company with the support of the judgment.

If any of the situations as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

Article 198 For the circumstance in item (I) and (II) of Article 197 hereof, and no property has been distributed to shareholders, the Company may continue to subsist by amending the Articles of Association or by resolution of the general meeting. Amendments to the Articles of Association in accordance with the provisions of the preceding paragraph or by resolution of the general meeting shall be approved by more than two-thirds of the voting rights held by the shareholders attending the general meeting. If the Company is dissolved pursuant to item (I), (II), (IV) or (V) of Article 197 of the Articles of Association, it shall be liquidated.

The directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution.

The liquidation committee shall comprise the Directors, unless the Articles of Association provide otherwise or it is resolved at the Board to elect another person(s).

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

Article 199 The liquidation committee shall exercise the following functions and powers during liquidation:

- (I) to notify creditors by a notice or an announcement;
- (II) to examine thoroughly the assets of the Company and preparing a balance sheet and a schedule of assets respectively;

- (III) to handle the Company's pending liquidation-related business;
- (IV) to repay all outstanding tax payment;
- (V) to clear claims and debts;
- (VI) to allocate the remaining assets after full payment of the Company's debts;
- (VII) to participate in civil litigation on behalf of the Company.

Article 200 The liquidation committee shall notify the creditors within 10 days from the date of its establishment, and within 60 days shall make an announcement in newspapers recognized by the CSRC and the stock exchange where the company's shares are listed or on the National Enterprise Credit Information Publicity System and the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk), or on the National Enterprise Credit Information Publicity System. The creditors shall file their proofs of claim with the liquidation group within 30 days as of the receipt of the notice or within 45 days as of the issuance of the public announcement in the case of failing to receive such notice. When reporting creditors' rights, the creditors shall provide an explanation of matters relevant to the creditor's rights and provide the supporting evidence. The liquidation committee shall register the creditors' rights. During the period for creditors to declare their claims, the liquidation committee shall not repay the creditors. Where the securities regulatory rules of the place where the Company's shares are listed provide otherwise, such rules shall also be applicable.

Article 201 After the liquidation committee has thoroughly examined the Company's assets and prepared a balance sheet and schedule of assets, it shall formulate the liquidation plan and submit such plan to the general meeting or a people's court at the place of the Company's registration for confirmation.

Article 202 The remaining property of the company after the payment of liquidation expenses, employees' wages, social insurance expenses and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to their shareholdings. During the liquidation period, the company shall continue to exist but shall not carry out any business activities unrelated to the liquidation. The Company's assets shall not be distributed to the shareholders before the liquidation in accordance with the preceding paragraph.

Article 203 If the liquidation committee, having thoroughly examined the company's assets and having prepared a balance sheet and an inventory of assets, believes that the company's assets are insufficient to pay its debts in full, it shall, in accordance with the law, apply to the people's court at the place of the company's registration for a declaration of bankruptcy. After the people's court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Article 204 Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report to be submitted to the Shareholders' Meeting or the people's court at the place of the company's registration for confirmation, and submit to the company registration authority to apply for cancellation of the company's registration and announce the company's termination.

Article 205 Members of the liquidation committee shall perform their liquidation obligation and bear 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. Where members of the liquidation committee who cause losses to the Company or creditors due to intentional or gross negligence shall be liable for compensation.

Article 206 If the Company is declared bankrupt by law, the bankruptcy liquidation shall be implemented in accordance with the laws on enterprise bankruptcy.

CHAPTER 10 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 207 The Company shall amend the Articles of Association under any of following circumstances:

- (I) matters provided for in the Articles of Association are in conflict with the provisions of the amended Company Law or relevant laws, administrative regulations and the regulatory rules of the place where the Company's shares are listed;
- (II) there has been a change to the Company, resulting in inconsistency with the content in the Articles of Association;
- (III) it is resolved at a general meeting to amend the Articles of Association.

Article 208 Where the matters of amending the Company's Articles of Association passed by the resolution of the Shareholders' Meeting involve the Company's registration matters, the change registration shall be handled in accordance with the law. If the matters of amending the Company's Articles of Association fall within the information that needs to be disclosed as required by laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed, an announcement shall be made in accordance with the relevant provisions.

Article 209 The Board shall amend the Articles of Association in accordance with the resolutions of the general meeting and the approval opinions of relevant competent authorities.

Article 210 If the amendments to the Articles of Association are the information required to be disclosed by laws and regulations, they shall be announced in accordance with the regulations.

CHAPTER 11 SUPPLEMENTARY PROVISIONS

Article 211 Definitions

- (I) A controlling shareholder refers to a shareholder whose shares account for more than 50% of the total share capital of a joint stock limited company; or a shareholder who, although holding less than 50% of the shares, possesses voting rights attached to such shares that are sufficient to exert a significant influence over the resolutions of the shareholders' meeting;
- (II) An actual controller refers to a natural person, legal person or other organisation that is able to exert actual control over the company's operations through investment relationships, agreements, or other arrangements;

- (III) A related (connected) relationship refers to the relationship between the Company's controlling shareholders, actual controllers, Directors, senior management and the enterprises directly or indirectly controlled by them, as well as other relationships that may result in the transfer of the Company's interests. This includes related (connected) relationships as defined under accounting standards or the securities regulatory rules of the place where the Company's shares are listed. However, enterprises that are state-controlled shall not be deemed to have a related (connected) relationship solely by virtue of being under common state ownership. The term "related (connected) transactions" in the Articles of Association shall include "connected transactions" as defined under the Hong Kong Listing Rules; and the term "related (connected) parties" shall include "connected persons" as defined under the Hong Kong Listing Rules.
- (IV) The term "accounting firm" as used in the Articles of Association shall have the same meaning as "auditor" under the Hong Kong Listing Rules; the term "independent director" as used in the Articles of Association shall have the same meaning as "independent non-executive director" under the Hong Kong Listing Rules, and independent directors must also meet the independence requirements set out in Rule 3.13 of the Hong Kong Listing Rules.

Article 212 The Board may formulate detailed rules and regulations in accordance with the provisions of the Articles of Association. The detailed rules and regulations shall not contradict the provisions of the Articles of Association.

Article 213 The Articles of Association are prepared in Chinese. In case of discrepancies between the Articles of Association and the version in any other language or its other versions, the Chinese version after the latest approval of registration with the administration for industry and commerce shall prevail.

Article 214 Terms of "more than" and "within" used in the Articles of Association shall include the number itself; while "over", "less than", "beyond" and "more than" shall exclude the number itself. RMB means Renminbi.

Article 215 The Articles of Association shall be interpreted by the Board.

Article 216 The appendix to the Articles of Association shall include the Procedural Rules for General Meetings and the Procedural Rules for Board Meetings.

Article 217 If the State has other regulations on preference shares, such regulations shall prevail.

Article 218 In the event of any conflict between the Articles of Association and the provisions of laws, administrative regulations, regulatory documents and the securities regulatory rules of the stock exchange where the Company's shares are listed from time to time, the provisions of laws, administrative regulations, regulatory documents and the securities regulatory rules of the stock exchange where the Company's shares are listed shall prevail.

Article 219 The Articles of Association are considered and approved at the shareholders' meeting of the Company and shall come into force from the date when the publicly issued H shares of the Company are listed for trading on the Hong Kong Stock Exchange.

CIG SHANGHAI CO., LTD.

September 3, 2025