

Keda Industrial Group Co., Ltd.

Articles of Association



August 2025

Table of Contents

Chapter 1 General Provisions.....	3
Chapter 2 Business Purpose and Scope.....	4
Chapter 3 Shares	5
Section 1 Issuance of Shares	5
Section 2 Increase, Decrease and Buyback of Shares	6
Section 3 Transfer of Shares	8
Chapter 4 Shareholders and General Meeting.....	9
Section 1 Shareholders.....	9
Section 2 General Provisions of General Meeting	14
Section 3 Convention of the General Meeting	19
Section 4 Proposals and Notices of General Meeting	21
Section 5 Convocation of General Meeting	23
Section 6 Voting and Decision of General Meeting	26
Chapter 5 Board of Directors	31
Section 1 Directors.....	31
Section 2 Board of Directors.....	36
Section 3 Independent Director.....	41
Section 4 Board Committees.....	44
Chapter 6 Senior Managers.....	47
Chapter 7 Financial and Accounting System, Distribution of Profit and Auditing.....	49
Section 1 Financial and Accounting System and Profit Distribution.....	49
Section 2 Internal Auditing	53
Section 3 Engagement of the Accounting Firm	54
Chapter 8 Notices and Announcements	55
Section 1 Notice.....	55
Section 2 Announcements.....	55
Chapter 9 Merger, Division, Increase and Reduction of Capital, Dissolution and Liquidation	56
Section 1 Merger, Division, Increase and Reduction of Capital	56
Section 2 Dissolution and Liquidation.....	58
Chapter 10 Amendment to Articles of Association	60
Chapter 11Supplementary Provisions	61

Chapter 1 General Provisions

Article 1 In order to protect the legal rights of the Company, shareholders, workers, and creditors, regulate the organization and behavior of the Company, the Article of Association is established according to the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises, and other relevant regulations.

Article 2 The Company is a joint stock limited company (hereinafter referred to as "the Company") established in accordance with the Company Law, Securities Law and other relevant regulations.

The Company, upon the approval of the People's Government of Guangdong Province with the Yue Ban Han [2000] No. 436 Replies about Agreeing to Establish Keda Industrial Co., Ltd., is changed and established from the whole restructuring of the Company's predecessor - Shunde Keda Ceramic Machinery Co., Ltd. The Company was registered with and the business license has been obtained from the Guangdong Province Administration for Industry & Commerce, and the unified social credit code is 91440606231923486M.

Article 3 The Company, with the approval of the China Securities Regulatory Commission (hereinafter referred to as "CSRC"), issued 20,000,000 RMB-denominated ordinary shares (hereinafter referred to as "A shares") to the public for the first time on September 18, 2002, and was listed on the Shanghai Stock Exchange on October 10, 2002.

The Company, with the approval of the CSRC, issued 12,000,000 global depositary receipts (hereinafter referred to as "GDR") on July 28, 2022, representing 60,000,000 A shares calculated according to the conversion ratio determined by the Company, and was listed on the SIX Swiss Exchange on July 28, 2022.

Article 4 Registered name of the Company:

Full Name in Chinese: 科达制造股份有限公司

Full Name in English: Keda Industrial Group Co., Ltd.

Article 5 The domicile of the Company: No. 1, West Huanzhen Road, Guanglong Industrial Park, Chencun Town, Shunde District, Foshan City, Guangdong Province, Postal Code: 528313.

Article 6 The registered capital of the Company is RMB 1,917,856,391.

Article 7 The Company is a permanent joint stock limited company.

Article 8 The chairman is the director who acts on behalf of the Company in managing its affairs and serves as the legal representative of the Company. If the chairman resigns as a director, he/she is deemed to have resigned as legal representative at the same time. If the legal representative resigns, the Company shall determine a new legal representative within 30 days from the date of the resignation.

Article 9 The Company is liable for the legal consequences of any civil activities conducted by the legal representative in the name of the Company. Any restrictions imposed on the authority of the legal representative by the Articles of Association or by resolution of the general meeting shall not be effective against bona fide third parties.

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

Article 10 The shareholders bear responsibilities for the Company to the extent of the shares they have subscribed for and the Company responsible for liabilities to the extent of all its assets.

Article 11 From the effective date, the Articles of Association of the Company shall immediately become a legally binding document regulating the organization and behavior of the Company, the rights and obligations between the Company and shareholders, and between shareholders and shareholders, and a legally binding document for the Company, shareholders, directors, and senior managers. In accordance with the Articles of Association, the shareholders may sue shareholders, the directors, senior managers of the Company, and the Company, and the Company may sue shareholder, directors, and senior managers.

The "sue" mentioned in the preceding paragraph includes filing a lawsuit with a court or applying for arbitration to an arbitration institution.

Article 12 Senior managers herein refer to the Company's general manager, deputy general manager, chief financial officer, and secretary of the board of directors.

Chapter 2 Business Purpose and Scope

Article 13 The business purpose of the Company: to make full use of all factors that are conducive to the Company under the condition of socialist market economy, to carry on its lawful business, to actively expand the domestic and foreign markets, to continuously improve the competitiveness of the Company in the market and to keep the shareholders in good investment returns.

Article 14 The lawfully registered business scope of the Company: the manufacture of ceramics, stone, wall materials and other energy saving and eco-friendly building materials machinery and equipment, the research, development and manufacture of automation technologies and equipment; the sales of mechanical and

electrical spare parts, sand wheel grinding tools and materials, ceramic products; the research, development, manufacture and sales of clean energy related mechanical equipment, related automation technologies and equipment; the manufacture and sales of clean gas (excluding urban gas and hazardous chemicals), vapor and steam; information technology services, software development and sales, system integration, hardware equipment leasing and sales, network technology consulting services; waste water, solid wastes and hazardous wastes disposal and related services and the production and sales of derivative products (operate with a valid license); the export of products and related technologies of the Company and its subsidiaries, and the import of raw and auxiliary materials, machinery and equipment, instruments and meters, spare parts and related technologies for production and research (except for items that the Company is limited to operate or prohibited to import and export by the State); and the Company's processing with imported materials and "processing and compensation trades" business (subject to [2000] Wai Jing Mao Fa Zhan Shen Han Zi No. 3250).(As to items subject to legal approval, business activities shall be approved by the appropriate authorities)

The business scope of the Company shall be subject to the items approved by the company registration authority.

Chapter 3 Shares

Section 1 Issuance of Shares

Article 15 The Company's shares are in the form of stocks.

Article 16 The issuance of shares of the Company shall adopt the principles of openness, fairness and impartiality, and each share of the same kind shall have the equal rights. The shares issued at the same time shall be equal in price and shall be subject to the same conditions. The price of each share subscribed by any subscriber shall be the same.

Article 17 The shares issued by the Company are marked with par value in RMB, and the par value of each share is RMB 1.

Article 18 With the registration / filing of the securities authority under the State Council, the Company may issue shares or GDRs to domestic investors and overseas investors.

The term " overseas investors" as mentioned in the preceding paragraph refer to investors from foreign countries or from Hong Kong, Macao and Taiwan who subscribe for shares or GDRs issued by the Company; "domestic investors" refer to investors within the territory of the People's Republic of China other than the aforementioned regions who subscribe for shares issued by the Company or subscribe for GDRs on the premise of complying with the regulations of the state on overseas investment.

Article 19 The shares issued by the Company in China and the newly added shares in China corresponding to GDRs issued abroad shall be centrally deposited with China Securities Depository and Clearing Co., Ltd.

Article 20 The promoters of the Company are Sanshui Oceano Ceramics Co., Ltd., Sanshui Yingrui Building Materials Science and Technology Co., Ltd., Lu Qin, Bao Jiejun, Wu Guizhou, Feng Hongjian, Wu Yuefei; and on May 13, 2000, the capital contribution was made by means of subscription of shareholders' equity.

Article 21 The total number of shares issued by the Company was 1,917,856,391 shares, and the Company's share capital structure is: 1,917,856,391 ordinary shares.

Article 22 The Company or its subsidiaries (including its affiliates) shall not, by such means as donation, advancement, guarantee, or loan, provide financial assistance to any person for the purpose of acquiring shares in the Company or in its parent company, except for those under the Company's employee share ownership plan.

In the interests of the Company, the Company may, by resolution of the board of directors in accordance with the Articles of Association, provide financial assistance for others to acquire the shares in the Company or in its parent company, provided that the cumulative total amount of the financial assistance shall not exceed 10% of the total amount of the issued share capital. The resolution made by the board of directors shall be approved by at least two-thirds of all directors.

If losses are caused to the Company by violating the provisions of the preceding two paragraphs, the responsible directors and senior managers shall be liable for compensation.

Section 2 Increase, Decrease and Buyback of Shares

Article 23 The Company may, in accordance with the needs of operation and development as well as provisions of laws and regulations, adopt the following means to increase capital provided that the resolution has been made at the general meeting, including:

- (1) Issuance of shares to non-specific parties;
- (2) Issuance of shares to specific parties;
- (3) Distribute bonus shares to existing shareholders;
- (4) Conversion of reserve fund into share capital;
- (5) Any other ways stipulated by the laws and administrative regulations and approved by the CSRC.

The issuance of new shares by the Company through capital increase shall, after being approved in accordance with the provisions of the Articles of Association, be

handled in accordance with the procedures prescribed by relevant laws and administrative regulations.

Article 24 The Company may decrease registered capital. The reduction of registered capital shall be handled in accordance with the Company Law and other relevant provisions and procedures prescribed in the Articles of Association.

The Company shall not repurchase its shares, the shares of the Company may be purchased under the following circumstances

- (1) Reducing the Company's registered capital;
- (2) The Company merges with other companies holding its shares;
- (3) Use of the shares for employee share ownership plan or share incentive plan;
- (4) Shareholders request the Company to buy back their shares in light of their disagreement with the merger or division resolutions made by the general meeting;
- (5) The Company needs the shares to convert into corporate bonds issued by the Company that can be converted into shares;
- (6) The Company believes it's necessary to do so to uphold the Company's values and shareholders' equity;
- (7) Other circumstances permitted by laws and administrative regulations.

Article 25 The Company may repurchase its own shares by means of public trading on the stock exchange, and other means approved by laws, administrative regulations and the CSRC.

When the Company buys back its shares under the circumstances stipulated in Article 25, Paragraphs (3), (5) and (6) of the Articles of Association, it shall be effected by centralized public bidding.

Article 26 When the Company buys back its shares under the circumstances stipulated in Article 25, Paragraphs (1) and (2) of the Articles of Association, it is subject to the resolution of the general meeting; when the Company buys back its shares under the circumstances stipulated in Article 25, Paragraphs (3), (5) and (6) of the Articles of Association, it is subject to the approval by resolution of the meeting of the board of directors attended by more than two-thirds of the directors.

After the Company acquires the shares of the Company in accordance with Article 25, such shares shall be cancelled within 10 days from the date of acquisition in the case of Paragraph (1); shall be transferred or cancelled within 6 months in the case of Paragraphs (2) and (4); the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within three years in the case of Paragraphs (3), (5) and (6).

If the Company repurchases its shares and cancels such shares, it shall apply to the original company registration authority for registration of change of registered capital according to law. The total par value of the cancelled shares shall be deducted from the registered capital of the Company.

Section 3 Transfer of Shares

Article 27 The shares of the Company shall be transferred according to law.

Article 28 The Company shall not accept its own shares as the subject of pledge.

Article 29 The Company's shares issued before public offer shall not be transferred within 1 year after its shares are listed and traded at the stock exchange. Where laws, administrative regulations or the securities regulatory authorities under the State Council otherwise provide for the transfer of shares of the Company held by shareholders or the de facto controller of the Company, such provisions shall prevail.

The Company's directors and senior managers shall declare to the Company their shares in the Company and the changes of such shares, and they shall not transfer more than 25% of the total number of their shares in the Company each year during their term of office as determined at the time of appointment; the shares they hold in the Company shall not be transferred within 1 year after the Company's shares are listed and traded. The above-mentioned personnel shall not transfer any of their shares in the Company within half a year after they left office.

Where the shares are pledged within the period of restriction on transfer prescribed by laws or administrative regulations, the pledgee shall not exercise the pledge right within the period of restriction on transfer.

Article 30 If the directors, senior managers of the Company or the shareholders who hold more than 5% of the shares in the Company sell the Company's shares or other securities with equity nature within six months after buying them, or buy such shares or other securities within six months after selling them, the earnings arising therefrom shall belong to the Company, and the board of directors of the Company shall claim back such earnings. However, where the securities company holds more than 5% of the shares due to the purchase of the remaining shares upon underwriting and other circumstances stipulated by the CSRC, shall be excluded.

The shares or other securities with equity nature held by directors, senior managers and natural person shareholders mentioned in the preceding paragraph include shares or other securities with equity nature held by their spouses, parents and children, and shares or other securities with equity nature held in other people's accounts.

Where the board of directors of the Company refuses to comply with the provisions in paragraph 1 of this Article, the shareholders have the right to ask the board of directors to enforce it within 30 days. Where the board of directors of the Company fails to implement within the above-mentioned period, the shareholders have the right

to directly bring a lawsuit to the people's court in their own name for the benefit of the Company.

Where the board of directors of the Company fails to perform according to the provisions of the Paragraph 1, the responsible director shall bear joint liability in accordance with the laws.

Chapter 4 Shareholders and General Meeting

Section 1 Shareholders

Article 31 The Company shall prepare a register of shareholders based on the evidences provided by the securities registration and clearing institution, and the register of shareholders is sufficient evidence to prove that the shareholders hold the shares of the Company. Shareholders enjoy rights and undertake obligations according to the class of shares they hold; shareholders holding the same class of shares shall enjoy the same rights and undertake the same obligations.

Article 32 In the event of general meeting, distribution of dividends, liquidation and any other acts that require certification of the shareholders' identity, the board of directors or the convener of the general meeting will decide a date of record, and those whose names appear on the register of shareholders at the close of trading on that date shall be shareholders entitled to the relevant rights and interests.

Article 33 Shareholders of the Company shall have the rights to:

(1) Dividend or other forms of interest distribution in accordance with the proportion of their shares;

(2) Request, convene, preside over, attend or appoint the shareholder's proxy to attend the general meeting and exercise the corresponding voting rights according to laws;

(3) Supervise the operation of the Company and put forward suggestions or inquiries;

(4) Transfer, give away or pledge the shares they hold according to the laws, administrative regulations and the Articles of Association;

(5) Review and duplicate the Articles of Association, register of shareholders, minutes of shareholders' meeting, resolutions of the meeting of the board of directors, financial and accounting reports. Shareholders who meet prescribed requirements may also review the Company's accounting books and accounting vouchers;

(6) Participate in the distribution of the residual property of the Company in accordance with their shares in occasion of the Company's termination or liquidation;

(7) The shareholders request the Company to acquire their shares if they disagree with the merger or division resolution of the Company made by the general meeting;

(8) Other rights provided by the laws, administrative regulations, departmental rules and the Articles of Association.

Article 34 Shareholders requesting to review or duplicate relevant company materials shall comply with the Company Law, the Securities Law and other applicable laws and administrative regulations. At the same time, they shall submit to the Company a valid identity document, proof of shareholding, and a written application. The written application shall specify a legitimate purpose, the specific scope of materials requested, a confidentiality undertaking, and any other information the Company deems necessary. If, upon review, the Company determines that the shareholder's request lacks a legitimate purpose, or may result in the disclosure of undisclosed material information, infringement of trade secrets, infringement of other shareholders' personal privacy, or harm to the lawful rights and interests of the Company or its shareholders, the Company shall have the right to reject such request. Shareholders who are permitted to review or duplicate materials shall conduct such activities under the Company's supervision at the designated location, strictly follow the relevant internal management rules of the Company, and bear a perpetual confidentiality obligation with respect to any undisclosed information obtained. Shareholders who breach their confidentiality obligations or misuse such information shall be liable for compensation and bear any corresponding legal liabilities.

If a shareholder requests to review or duplicate materials related to the Company's wholly-owned subsidiaries, the above provisions shall apply.

Article 35 Shall the resolutions of the general meeting or the meeting of the board of directors violate the laws or administrative regulations, the shareholders shall have the right to request the people's court to invalidate such resolutions.

In case the convening procedure or voting method of a general meeting or the board of director's meeting violates the laws, administrative regulations or the Articles of Association, or the contents of the resolutions violate the Articles of Association, the shareholders shall have the right to request within 60 days of the resolution the people's court to annul such procedures, methods or contents. However, where the convening procedure or voting method of a general meeting or a meeting of the board of directors contains only minor defects that have no substantive impact on the resolution, such exceptions shall not apply.

Where the board of directors, shareholders, or other relevant parties dispute the legality of the convener's qualifications, the convening procedure, the content of the proposals, or the validity of a resolution of the general meeting, they shall promptly bring a lawsuit before the people's court. Prior to the people's court rendering a judgment or ruling to revoke such resolution, the relevant parties shall implement the

resolution of the general meeting. The Company, directors, and senior managers shall duly perform their duties to ensure the normal operation of the Company.

Where the people's court renders a judgment or ruling on relevant matters, the Company shall, in accordance with laws, administrative regulations, and the requirements of the CSRC and the stock exchange, fulfil its information disclosure obligations, fully explain the impact, and, after the judgment or ruling takes effect, actively cooperate with the execution thereof. Where it involves the correction of prior matters, such corrections shall be promptly handled, and the corresponding information disclosure obligations shall be fulfilled.

Article 36 A resolution of the general meeting or the board of directors shall be deemed non-existent under any of the following circumstances:

(1) No general meeting or meeting of the board of directors was convened to adopt such resolution;

(2) No voting was conducted on the matters of the resolution at the general meeting or the meeting of the board of directors;

(3) The number of attendees or the number of voting rights represented at the meeting did not meet the requirements stipulated in the Company Law or the Articles of Association;

(4) The number of votes in favor of the resolution or the number of voting rights represented in favor did not meet the requirements stipulated in the Company Law or the Articles of Association.

Article 37 For losses arising from directors or senior managers other than members of the audit committee violating the laws, administrative regulations or the provisions of the Articles of Association when performing the duties of the Company, the shareholders who hold more than 1% of the Company separately or in combination for more than 180 consecutive days shall have the right to request the audit committee to file a lawsuit to the people's court in writing; For losses caused to the Company by members of the audit committee when performing the duties of the Company in violation of the laws, administrative regulations, or the provisions of the Articles of Association, the aforementioned shareholders may request the board of directors to file a lawsuit to the people's court in writing.

Where the audit committee or the board of directors refuses to file a lawsuit after receiving the written request of shareholders specified in the preceding paragraph, or fails to file a lawsuit within 30 days from the date of receiving the request, or where there is a circumstance so urgent that failure to bring a lawsuit immediately will cause irreparable damage to the interests of the Company, the shareholders mentioned in the preceding paragraph have the right to bring a lawsuit directly to the people's court in their own name for the benefit of the Company.

If any other person infringes upon the lawful rights and interests of the Company and thereby causing losses to the Company, the shareholder(s) specified in Paragraph 1 of this Article may institute proceedings in a people's court pursuant to the provisions of the preceding two paragraphs.

If the directors, supervisors or senior managers of a wholly-owned subsidiary of the Company violate the laws, administrative regulations or the provisions of the Articles of Association and cause losses when performing their duties of the Company, or if others infringe upon the legal rights and interests of a wholly-owned subsidiary of the Company and cause losses, shareholders who have held, individually or collectively, more than 1% of the shares of the Company for more than 180 consecutive days shall have the right to request in writing, according to relevant provisions of the Company Law, that the board of supervisors or the board of directors of the wholly-owned subsidiary file a lawsuit with the people's court, or to file a lawsuit in their name directly to the people's court. If a wholly-owned subsidiary of the Company does not establish a board of supervisors or supervisors, but establishes an audit committee, paragraph (1) and (2) of Article 38 shall apply accordingly.

Article 38 Should any directors or the senior managers violate the laws, administrative rules or the provisions of the Articles of Association, causing damage to the shareholders' interests, the shareholders may file a lawsuit with the people's court.

Article 39 Shareholders of the Company shall bear the following obligations:

- (1) To observe laws, administrative rules and the Articles of Association;
- (2) To pay for the subscribed shares as per the manner of contribution;
- (3) Not to withdraw their share capital except the circumstances prescribed in laws, rules and regulations;
- (4) Not to abuse the shareholders' rights to damage the benefit of the Company or other shareholders, or damage the benefit of the Company's creditors in the Company's capacity as an independent corporate juridical person with the shareholders' limited liability;
- (5) Any other obligations that the shareholders shall bear as per the laws, administrative rules and the provisions of the Articles of Association.

Article 40 Shareholders of the Company who abuse their shareholders' rights and thereby cause loss on the Company or other shareholders shall be liable for loss compensation according to the laws. Where shareholders of the Company abuse the Company's position as an independent legal person and the limited liabilities of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

Where a shareholder uses two or more companies under his/her control to commit the acts specified in the preceding paragraph, each company shall be jointly and severally liable for the debts of any one of them.

Article 41 The controlling shareholders and actual controllers of the Company shall exercise their rights and perform their obligations in accordance with laws, administrative regulations, and the rules of the CSRC and the stock exchange, so as to uphold the Company's interests.

Where the Company has no controlling shareholder or actual controller, the largest shareholder of the Company and its ultimate controller shall, *mutatis mutandis*, comply with the relevant provisions of the Articles of Association applicable to controlling shareholders and actual controllers.

Article 42 The controlling shareholders and actual controllers of the Company shall comply with the following requirements:

(1) Exercise shareholder rights in accordance with the law, and refrain from abusing control position or using affiliation to infringe upon the lawful rights and interests of the Company or other shareholders;

(2) Strictly fulfil all public statements and undertakings made, and not alter or waive them without authorization;

(3) Fulfil information disclosure obligations strictly in accordance with relevant regulations, proactively cooperate with the Company in information disclosure, and promptly notify the Company of any material events that have occurred or are proposed to occur;

(4) Refrain from occupying the Company's funds in any manner;

(5) Refrain from compelling, instructing, or requiring the Company or its relevant personnel to provide external guarantees in violation of laws or regulations;

(6) Refrain from using undisclosed material information of the Company to seek benefits, disclosing such information in any manner, or engaging in insider trading, short-swing trading, market manipulation or other illegal or non-compliant conduct;

(7) Refrain from harming the lawful rights and interests of the Company or other shareholders by means of non-fair related party transactions, profit distribution, asset restructuring, external investment or other means;

(8) Ensure the Company's assets are intact and that its personnel, finance, organization and business remain independent, and refrain from affecting the Company's independence in any manner;

(9) Comply with other provisions stipulated by laws, administrative regulations, CSRC rules, stock exchange business rules and the Articles of Association.

Where a controlling shareholder or actual controller, without serving as a director of the Company, in fact carries out the Company's business, the provisions of the Articles of Association regarding the fiduciary duty and duty of diligence of directors shall apply.

Where a controlling shareholder or actual controller instructs a director or a senior manager to engage in acts detrimental to the interests of the Company or its shareholders, such controlling shareholder or actual controller shall be jointly liable with the relevant director or senior manager.

Article 43 Where the controlling shareholders or actual controllers of the Company pledge the stocks they hold or actually control, they shall maintain the Company's control position and the stability of its production and operations.

Article 44 Where the controlling shareholders or actual controllers of the Company transfer the shares they hold in the Company, they shall comply with the restrictive provisions on transfer of shares under laws, administrative regulations, CSRC rules and stock exchange rules, and with any undertakings they have made regarding restrictions on transfer of shares.

Article 45 The controlling shareholders who nominate candidates for directors of the Company shall follow the conditions and procedures prescribed by laws and regulations and the Articles of Association. The controlling shareholders shall not set up approval procedures for the results of the election of personnel by the general meeting and the resolution of the appointment of personnel by the board of directors. The controlling shareholder, the actual controllers and their affiliated parties shall not interfere the decision-making procedures of the Company by violating any requirement stipulated by laws or the Articles of Association with prejudice to the interests of all or part of the shareholders.

Section 2 General Provisions of General Meeting

Article 46 The general meeting is composed of all shareholders and serves as the Company's organ of power, and exercises the following authorities in accordance with the law:

- (1) To elect and replace directors who are not held by worker representatives, and decide matters concerning the remuneration of directors;
- (2) To deliberate and approve the reports of the board of directors;
- (3) To deliberate and approve the Company's profit distribution plans and loss coverage plans;
- (4) To make resolution on increasing or reducing the Company's registered capital;
- (5) To make resolution on the issuance of debentures;

(6) To make resolution on the Company's merger, division, dissolution, liquidation or change of the association form;

(7) To amend the Articles of Association;

(8) To make resolutions on the Company's employment, dismissal of the accounting firm engaged in the Company's audit matters;

(9) To deliberate and approve the guarantee particulars prescribed in Article 51 of the Articles of Association;

(10) To deliberate the matters relating to the purchases and disposals of significant assets by the Company within one year more than 30% of the total assets audited recently;

(11) To deliberate and approve the change of purpose for fund raising;

(12) To deliberate equity incentive plans and employee stock ownership plans;

(13) The annual general meeting of the Company may authorize the board of directors to issue shares to specific parties with a total financing amount not exceeding RMB300 million and not exceeding 20% of the net assets at the end of the latest year. The authorization shall expire on the date of the next annual general meeting;

(14) To authorize the board of directors to make a resolution on the issuance of corporate bonds;

(15) To deliberate other matters that shall be decided by the general meeting according to laws, administrative regulations, departmental rules or the Articles of Association.

Article 47 The Company's asset purchases and sales, external investment, entrusted finance and other transactions (except for the financial assistance in the Company, the guarantee to be provided by the Company, and debt relief and other transactions that do not involve the payment of consideration and do not carry any obligations) shall be submitted to the general meeting for deliberation if one of the following standards is met:

(1) The total sum of assets (if book value and appraised value exists at the same time, the higher shall prevail) involved in transaction accounts for more than 50% of the total assets of the Company audited recently;

(2) The net assets involved in the object of the transaction (e.g., equity) (if book value and appraised value exists at the same time, the higher shall prevail) account for more than 50% of the latest audited net assets of the Company, and the absolute amount exceeds RMB50 million;

(3) The trade volume of transaction (including debts and costs undertaken)

accounts for more than 50% of the latest audited net assets of the Company and the absolute amount exceeds RMB50 million;

(4) The profit arising from the transaction accounts for more than 50% of the audited net profit of the Company in the last accounting year and the absolute amount exceeds RMB5 million;

(5) The relevant revenues the object of the transaction (e.g., equity) generates in the last fiscal year account for more than 50% of the audited revenues of the Company in the last fiscal year and the absolute amount exceeds RMB50 million;

(6) The relevant net profits the object of the transaction (e.g., equity) generates in the last fiscal year account for more than 50% of the audited net profits of the Company in the last fiscal year and the absolute amount exceeds RMB5 million;

If the data involved in the above indicators is negative, the absolute value shall be taken for calculation. When the Company conducts transactions other than "providing guarantee", "providing financial assistance" and "entrusted financial management", if the amount involved in the transaction meets the above standards after accumulating for 12 consecutive months according to the related object under the same transaction type, it shall be submitted to the general meeting for deliberation.

When the Company conducts entrusted financial management, if it is difficult to perform the review procedures and disclosure obligations for each investment transaction due to the transaction frequency and timeliness requirements, it can reasonably predict the investment scope, amount and period, and calculate the proportion of the amount in the net assets by quota, for which the above standards and Paragraph (1) of Article 117 shall apply. The use period of the relevant quota shall not exceed 12 months, and the transaction amount at any point in the period (including the relevant amount for reinvestment of the aforementioned investment income) shall not exceed the investment quota.

Where transactions of "purchases or sales of assets" are conducted in the Company, whether it is in relation with the object of the transaction or not, if its total assets or its total turnover accumulated within 12 consecutive months exceeds 30% of total assets of the Company audited recently, it shall be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Where the transaction only meets the above-mentioned Paragraph (4) or Paragraph (6) standard, and the absolute value of earnings per share in the last accounting year of the Company is less than RMB0.05, it may not be submitted to the general meeting for deliberation.

Article 48 Related party transactions (excluding guarantee to be provided by the Company, receipt of cash donation and debts to simply reduce and exempt the Company's obligations) with an amount more than RMB30 million and accounting for more than 5% of the absolute value of the latest audited net assets of the Company are

subject to the deliberation and approval of the general meeting for implementation.

The following related party transactions in the Company within 12 consecutive months shall follow the principle of accumulative calculation and the provisions of this Article and Paragraph (3) of Article 117 shall apply respectively:

(1) Transactions with the same affiliated party;

(2) Transactions related to the object under the same transaction category with different affiliated parties.

The above-mentioned same affiliated party includes other affiliated parties that are controlled by the same entity or have a relationship of equity control with the affiliated party.

Article 49 The following "financial assistance" transactions occurring to the Company shall be submitted to the general meeting for deliberation after being deliberated and approved by the board of directors:

(1) The amount of a single financial assistance exceeds 10% of the Company's latest audited net assets;

(2) The latest financial statement data of the funded object shows that the asset-liability ratio exceeds 70%;

(3) The cumulative amount of financial assistance in the last 12 months exceeds 10% of the Company's latest audited net assets;

(4) Other situations provided by the stock exchange or the Articles of Association.

If the funded object is a holding subsidiary within the scope of the Company's consolidated statements, and the other shareholders of the holding subsidiary do not include the controlling shareholders, actual controllers and their affiliated parties of the Company, the provisions of the preceding paragraph may be exempted.

The Company shall not provide financial assistance to affiliated parties, except for the financial assistance to affiliated non-controlling invested companies that are not controlled by the Company's controlling shareholders or actual controllers, and other shareholders of the affiliated non-controlling invested companies provide financial assistance under the same conditions in proportion to their capital contribution.

Where a company provides financial assistance to an affiliated non-controlling invested company as stipulated in the preceding paragraph, it shall be deliberated and approved by not only more than half of all the non-affiliated directors, but also by more than two-thirds of the non-affiliated directors attending the board meeting, and shall be submitted to the general meeting for deliberation.

Article 50 The Company's actions of external guarantee below are subject to the deliberation and approval of the general meeting.

(1) Any guarantee to be provided after the total external guarantee provided by the Company and its holding subsidiaries has exceeded 50% of the latest audited net assets;

(2) Any guarantee to be provided after the total external guarantee provided by the Company and its holding subsidiaries has exceeded 30% of the latest audited total assets;

(3) Any guarantee to be provided to a guaranteed party whose debts have exceeded 70% of its assets;

(4) Any single guarantee that exceeds 10% of the Company's latest audited net assets;

(5) Any guarantee to be provided to shareholders, actual controllers and their affiliated parties;

(6) Any guarantee whose accumulated amount for 12 consecutive months exceeds 30% of the latest audited total assets of the Company;

(7) Other guarantees provided by the stock exchange or the Articles of Association.

When the general meeting of the Company deliberates the guarantee in Paragraph (6), it shall be approved by more than two-thirds of the voting rights held by the shareholders attending the meeting.

Where the company provides guarantee for affiliated parties, it shall be deliberated and approved by more than half of all the non-affiliated directors, but also deliberated and approved by more than two-thirds of the non-affiliated directors present at the board meeting, and shall be submitted to the general meeting of shareholders for deliberation.

Where the Company provides guarantee for the controlling shareholders, actual controllers and their affiliated parties, the controlling shareholders, actual controllers and their affiliated parties shall provide counter-guarantee.

In case of violation of the approval authority or review procedures of the general meeting or the Board of Directors for external guarantees as stipulated in the Articles of Association, which causes losses to the Company, the Company shall pursue the corresponding economic responsibilities of the responsible person; If the circumstances are serious and constitute a crime, the responsible person will be transferred to judicial organs in accordance with relevant laws.

Article 51 The general meetings include annual general meeting and extraordinary general meeting. The annual general meeting is convened once a year within 6 months after the conclusion of the last fiscal year.

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

- (1) The number of directors is less than 8;
- (2) The Company's losses which are not covered have reached one third of the total amount of the share capital;
- (3) Shareholders individually or collectively holding more than 10% of the Company's shares request such a meeting;
- (4) The board of directors believes it's necessary;
- (5) The audit committee proposes for such a meeting;
- (6) Other situations provided by the laws, administrative rules, regulations or the Articles of Association.

Article 52 The place for the convention of the general meeting: the Company's domicile or the place specified in the notice of the meeting.

The general meeting shall have a venue and be convened in the form of on-site meeting. The Company will also provide internet for the convenience of shareholders attending the general meeting.

Article 53 When convening the general meeting, the Company will employ a lawyer to issue legal advice on and announce:

- (1) Whether the convening and holding procedures of the meeting are in accordance with the provisions of the laws, administrative rules and the Articles of Association;
- (2) Whether the qualifications of the attendants and the conveners of the meeting are legitimate and valid;
- (3) Whether the voting procedures and results are legitimate and valid;
- (4) Legal advice issued upon other relevant questions in response to the request of the Company.

Section 3 Convention of the General Meeting

Article 54 The board of directors shall convene the general meeting within the stipulated time limit.

Upon deliberation at a special meeting of independent directors and approval by a majority of all independent directors, independent directors are authorized to suggest to the board of directors to convene extraordinary general meetings. Concerning the above suggestion, the board of directors shall, in accordance with the requirements of

the laws, administrative rules and the provisions of the Articles of Association, provide a written opinion to agree or disagree to convene an extraordinary general meeting within 10 days of receipt of the suggestion.

If it agrees to the convention of an extraordinary general meeting, the board of directors will issue a notice to the effect within 5 days after the resolution of the board of directors is made; if the board of directors does not agree to such proposal, an explanation will be made and announced.

Article 55 The audit committee is authorized to suggest to the board of directors to convene an extraordinary general meeting, and shall be presented to the board of directors in writing. The board of directors shall, pursuant to the provisions of the laws, administrative rules and the Articles of Association, feedback in writing to agree or disagree to convene an extraordinary general meeting within 10 days of the receipt of the proposal.

If it agrees to the convention of an extraordinary general meeting, the board of directors will issue a notice to the effect within 5 days after the resolution of the board of directors is made; and any modifications in the notice to the original proposal are subject to the approval of the audit committee.

If the board of directors does not consent to the convening of an extraordinary general meeting or fails to give any written feedback within 10 days upon receipt of the proposal, it shall be deemed as the board of directors' inability or failure to fulfill its duty to convene the general meeting, in which case the audit committee may convene and chair the meeting by itself.

Article 56 Shareholders individually or together holding more than 10% of the shares of the Company have the right to request the board of directors to convene an extraordinary general meeting, and shall submit it to the board of directors in writing. The board of directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, give written feedback on whether to agree or disagree to convene the extraordinary general meeting within 10 days after receiving the written request.

If it agrees to the convention of an extraordinary general meeting, the board of directors will issue a notice to the effect within 5 days after the resolution of the board of directors is made; and any modifications in the notice to the original request are subject to the approval of the relevant shareholders.

If the board of directors does not agree to hold an extraordinary general meeting, or fails to give feedback within 10 days after receiving the request, shareholders individually or collectively holding more than 10% of the shares of the Company are authorized to propose to the audit committee to convene an extraordinary general meeting, and shall make a request to the audit committee in writing.

If it agrees to the convention of an extraordinary general meeting, the audit committee will issue a notice to the effect within 5 days after receiving the request; and any modifications in the notice to the original request are subject to the approval of the relevant shareholders.

Its failure to issue a notice of the general meeting within the stipulated time limit shall be deemed as the audit committee's refusal to convene and chair the general meeting, in which case shareholders individually or collectively holding more than 10% of the Company's shares for more than 90 consecutive days may convene and chair the meeting themselves.

Article 57 When the audit committee or shareholders decide to convene a general meeting by itself or themselves, it or they shall inform the board of directors in writing, and at the same time, to report to the stock exchange for filing.

Prior to the announcement of the resolution of the general meeting, the holding proportion of convening shareholders shall not be less than 10%.

The audit committee or the convening shareholders shall, in time of issuing the notice of the general meeting and the announcement of the resolution related to convening general meeting, submit the relevant certification materials to the stock exchange.

Article 58 For the general meeting is convened by the audit committee or by the shareholders by itself or themselves, the board of directors and the secretary of the board of directors shall cooperate. The board of directors shall provide the register of shareholders at the date of record.

Article 59 The expenses required for the general meeting convened by the audit committee or the shareholders shall be borne by the Company.

Section 4 Proposals and Notices of General Meeting

Article 60 The contents of the proposals shall fall within the duties of the general meetings, have a clear topic and specific matters to decide, and comply with the laws, administrative rules and the relevant provisions of the Articles of Association.

Article 61 At the general meeting, the board of directors, audit committee and shareholders individually or collectively holding more than 1% shares of the Company have the right to raise proposals to the Company.

Shareholders individually or collectively holding more than 1% of the shares of the Company can submit an extraordinary proposal in writing to the convener, 10 days before the holding of the general meeting. If, prior to the convening of the general meeting, a shareholder who meets the foregoing conditions puts forward an extraordinary proposal, his/her shareholding in the period between the submission of such proposal and the announcement of the resolution of the meeting shall not be less

than 1%. Where shareholders jointly submit a proposal by way of proxy, the principal shareholder shall issue a written authorization document to the proxy shareholder. Extraordinary proposals shall comply with the provisions of the preceding article. The convener shall issue a supplementary notification within 2 days after receiving the proposal, announce the contents of the extraordinary proposal and submit the extraordinary proposal to the general meeting for deliberation, except where the extraordinary proposal breaches laws, administrative regulations or the *Articles of Association*, or is beyond the terms of reference of the general meeting.

Except as provided in the last paragraph, after the convener publicly issues the notice of the general meeting, he/she cannot change any resolution or add new resolutions in the notice of the general meetings.

Proposals not listed in the notice of the general meeting or not in compliance with Article 61 hereof shall not be voted and resolved at the general meeting.

Article 62 The convener will notify the shareholders 20 days before the convention of the annual general meeting, and in case of extraordinary general meeting, the shareholders will be notified 15 days before the convention of the meeting, by an announcement.

Article 63 The notice of the general meeting shall meet the following requirements:

- (1) The notice shall state the time, place and duration of the meeting;
- (2) The notice shall state the matters and proposals submitted to the meeting for consideration;
- (3) The notice explains in clear words: All shareholders have the right to attend the general meeting and may entrust in writing a proxy, who is not required to be a shareholder of the Company, to attend the meeting and vote.
- (4) The notice shall specify the equity registration date of shareholders entitled to attend the general meeting;
- (5) The notice shall specify the name and telephone number of the permanent contact person for conference affairs;
- (6) Voting time and voting procedure of online or other means.

Article 64 If a general meeting intends to discuss the election of directors, the notice of the general meeting shall disclose full information of the candidates for directors. It shall at least include the following:

- (1) Personal circumstances such as education background, work experience, other simultaneous appointments;

(2) Whether the candidate has any relationship with the Company or any controlling shareholder and actual controller of the Company;

(3) The number of the Company's shares held by the candidate;

(4) Whether punished by the CSRC or any other relevant departments, or reprimanded by the stock exchange.

Except the election of directors by means of cumulative voting, every director candidate shall be raised in single proposal.

Article 65 After the issuance of the notice of the general meeting, if there are no proper reasons, it shall not be proposed or canceled. Proposals specified in the notice of the general meeting shall not be canceled. In the event of postponement or cancellation, the convener shall notify to the effect and explain the reasons at least 2 trading days before the noticed date of convention.

Section 5 Convocation of General Meeting

Article 66 The board of directors and other conveners of the Company shall take necessary measures to ensure the order of the general meeting, and shall take measures to deter any act disturbing the general meeting, picking quarrels and provoking troubles or damaging the lawful rights and interests of any shareholder, and shall timely report it to the relevant department for investigation and punishment.

Article 67 All shareholders or their proxies registered on the date of equity registration shall have the right to attend the general meeting. They can exercise the right to vote in accordance with applicable laws, regulations and the Articles of Association.

Shareholders may attend the general meeting in person, or may entrust a proxy to attend and vote on their behalf.

Article 68 Individual shareholders that attend the meeting in person shall present their identity card or other valid certificate; shareholders' proxies attending the meeting shall present their identity card and their power of attorney issued by the shareholders.

The corporate shareholder shall entrust its legal representative or other proxies entrusted by its legal representative to attend the meeting. The legal representatives attending the meeting shall present their identity card and valid certificate to prove their status of legal representative; and a proxy to attend the meeting shall present his/her identity card and the power of attorney lawfully issued by the legal representative of the corporate shareholder.

Article 69 The power of attorney issued by shareholders to authorize a proxy to attend the general meeting shall contain the following information:

(1) Principal's legal name and the class and number of shares the principal held in the Company;

(2) Proxy's legal name;

(3) Specific instructions from the shareholders, including instructions to vote for or against, or abstain from voting on, each of the resolutions on the agenda of the general meeting;

(4) Date of signing of letter of authorization and valid period;

(5) Signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the corporate shall be affixed.

Article 70 If the power of attorney for proxy voting is signed by another person authorized by the principal, the power of attorney or other authorization documents signed under authorization shall be subject to notarization. The notarized power of attorney or other authorization documents and the power of attorney of voting proxy shall be placed at the Company's domicile or other places specified in the notice of convening the meeting.

Article 71 The register of attendants shall be prepared by the Company. The register shall record expressly such matters as the name of the attendant (or name of the corporate), ID number, shares held or representing the right to vote, name of the principal (or name of the corporate).

Article 72 The convener and the lawyer hired by the Company will jointly verify the legitimacy of the shareholders' qualification according to the register of shareholders provided by the securities registration and clearing institution, and register the names of the shareholders and the number of voting shares they hold. The meeting registration shall end before the conductor of the meeting announces the total number of shareholders and proxies present and the total number of voting shares they hold.

Article 73 Where the general meeting requires directors or senior managers to attend the meeting, the directors and senior managers shall attend and respond to shareholders' inquiries.

Article 74 The general meeting shall be convened by the board of directors. The general meeting convened by the board of directors shall be presided over by the chairman of the board of directors. If the chairman of the board of directors is unable or fails to perform his/her duties, a director jointly elected by more than half of the directors shall preside over the meeting.

If the audit committee convenes the general meeting by itself, the convener of the audit committee shall preside over the meeting. Where the convener of the audit committee is unable or fails to perform his/her duties, a member of the audit committee

jointly elected by more than half of all members of the audit committee shall preside over the meeting.

When shareholders convene themselves the general meeting, the conveners or a representative recommended by the conveners shall preside over the meeting. If, for any reason, the conveners are unable to elect a representative to preside over the meeting, the shareholder (including proxy) holding the most voting shares among the conveners shall preside over the meeting.

When a general meeting is held, if the conductor of the meeting contravenes the rules of procedure, making the meeting impossible to proceed, but exceeding half of the shareholders with voting rights and attending the meeting agree, the general meeting can nominate one person to become the conductor of the meeting to continue with the meeting.

Article 75 The Company shall lay down the rules of procedure for the general meeting. It will specify in detail the procedure for convening and voting at the general meeting, including notices, registration, examination of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing, announcements as well as principles of authorizations to the board of directors by the general meeting. The contents of authorization shall be clear and concise. The rules of procedure for the general meeting shall be an attachment of the Articles of Association, and shall be drawn up by the board of directors and approved by the general meeting.

Article 76 During the annual general meeting, the board of directors shall report their work for the past year. Every independent director shall also give a work report.

Article 77 The directors and senior managers shall give interpretation and explanation on the inquiries and advices raised by the shareholders at the general meeting.

Article 78 The conductor of the meeting shall, before voting, announce the number of shareholders and their proxies as well as their shares with voting rights. The number of shareholders and their proxies, as well as their shares with voting rights, are in accordance with those registered at the meeting.

Article 79 The general meeting shall have minutes. The secretary of the board of directors shall take charge of the minutes. The minutes shall contain the following information:

- (1) Meeting time, venue, agenda, and name of the convener;
- (2) The name of the conductor of the meeting and the names of the directors and senior managers present at the meeting;

(3) The numbers of shareholders and proxies attending the meeting as well as their shares with voting rights, and the percentage of such shares to the total number of shares of the Company;

(4) Deliberation procedure, main point of the speech and statement, and voting result on each resolution;

(5) Inquiry opinions or suggestions of shareholders and corresponding replies or explanations;

(6) The name of the lawyer and the vote counter and the scrutineer;

(7) Other contents specified by the Articles of Association to be included in the minutes.

Article 80 The convener shall ensure that the contents of the minutes are true, accurate and complete. The directors, secretaries of the board of directors, conveners or their proxies, as well as the conductors attending or present at the meeting shall affix their signatures to the minutes of meeting. The minutes of meeting shall, together with the signature book of shareholders attending the meeting, proxy's power of attorney and the valid materials on voting by the Internet or other methods, be kept for no less than 10 years.

Article 81 The convener shall ensure that the general meeting shall be conducted continuously until final decisions are made. Should the general meeting be suspended or fail to make resolutions due to force majeure or any other unusual circumstances, necessary measures shall be taken to resume the general meeting as soon as possible, or the general meeting shall be terminated directly, and an announcement is made without delay. Meanwhile, the convener shall report to the Company's local CSRC representative office and the stock exchange.

Section 6 Voting and Decision of General Meeting

Article 82 Resolutions of the general meetings include ordinary resolutions and special resolutions.

Ordinary resolutions made by the general meeting shall be approved by more than half of shareholders (including the proxies of the shareholders) who attend the general meeting with voting right.

Special resolutions made by the general meeting shall be approved by more than two-thirds of shareholders (including the proxies of the shareholders) who attend the general meeting with voting right.

Article 83 The following matters are decided by ordinary resolutions at the general meeting:

(1) Work reports of the board of directors;

(2) Profit distribution plans and loss coverage plans drafted by the board of directors;

(3) Appointment and removal of members of the board of directors, their remunerations and the payment of such remunerations;

(4) Other proceedings except those shall be approved by special resolutions in accordance with provisions of laws, administrative rules or the Articles of Association.

Article 84 The following matters are decided by special resolutions at the general meeting:

(1) Increase or decrease in the Company's registered capital;

(2) Separation, spin-off, merger, dissolution and liquidation of the Company;

(3) Revision of the Articles of Association;

(4) When the Company within one year buys, or sells significant assets or provides guarantees to others with an amount exceeding 30% of the latest audited total assets;

(5) Equity incentive plans;

(6) Other proceedings prescribed in the provisions of laws, administrative rules or the Articles of Association, and considered by the general meeting by an ordinary resolution to have significant potential influence upon the Company, and thereby requiring to be approved by a special resolution.

Article 85 When a shareholder (including the proxy(ies) of the shareholder) exercises his/her voting rights using his/her shares with voting rights, each share has one vote.

When the general meeting deliberates major matters affecting the interests of the medium and small shareholders, votes of the medium and small shareholders shall be counted separately. The results of separate vote counting shall be publicly disclosed in a timely manner.

The shares of the Company held by the Company shall not enjoy the right to vote and shall not be calculated in the total voting shares held by the present shareholders.

Where a shareholder's purchase of voting shares of the Company violates the provisions of Paragraphs 1 and 2 of Article 63 of the Securities Law, he/she shall not exercise the voting right in respect of the shares exceeding the specified proportion within 36 months after the purchase, and such shares shall not be included in the total number of voting shares held by the shareholders attending the general meeting.

The board of directors, the independent directors, the shareholders holding more than 1% of the voting shares, or the investor protection institution established in

accordance with laws, administrative regulations or the CSRC's provisions may publicly solicit shareholders' voting rights. When soliciting voting rights, the solicitors shall fully disclose voting intentions and other information to the shareholders. Solicitors shall be prohibited from collecting the right to vote in a paid or disguised form. The Company shall not impose a minimum shareholding ratio limit for soliciting voting rights, except for statutory conditions.

Article 86 When the general meeting deliberates on issues about related party transactions, the affiliated shareholders shall not vote, and their voting shares shall not be counted in the total number of valid voting shares; and the announcement of the general meeting's resolutions shall fully reveal the voting details of non-affiliated shareholders.

Recusal of affiliated shareholders and the relevant voting procedures are as follows:

(1) Where a matter considered by the general meeting relates to a shareholder, the shareholder shall disclose its related relationship to the Company's board of directors before the general meeting;

(2) When the general meeting deliberates on matters involving related party transactions, the conductor of the meeting shall announce the affiliation between the relevant shareholder(s) and the related party transaction. The conductor of the meeting shall explicitly declare the recusal of the related shareholder(s), and the deliberation and voting on the related party transaction shall be conducted by non-related shareholders;

(3) In case of any objection to the convener's decision, the affiliated shareholder shall have the right to complain to the relevant securities authorities or to bring the matter to the people's court to judge on the alleged affiliation and the voting rights, and the relevant shareholders exercising such rights above does not affect the normal convening of the general meeting;

(4) Resolutions on related party transactions shall be passed by a majority of the voting shares held by the non-related shareholders present at the general meeting. However, if the related party transaction concerns matter which, under the Articles of Association, require adoption by a special resolution, such resolution must be approved by not less than two-thirds of the voting rights held by the non-related shareholders present at the meeting in order to be valid;

(5) Where the affiliated shareholders shall recuse but have not recused, the affiliated shareholder shall bear the corresponding civil liability if the general meeting approves the resolution on the related party transactions, causing losses to the Company, the other shareholders of the Company or the bona fide third party.

Article 87 Except that the Company is under a special circumstance such as a crisis, the Company shall not, without an approval by a special resolution at a general meeting,

enter into a contract to hand over all or part of the management of important matters of the Company to a person other than to a director or a senior manager.

Article 88 The list of director candidates who are not worker representatives shall be proposed to the general meeting for voting.

The election of directors may, in accordance with the provisions of the Articles of Association or the resolution at the general meeting, give effect by cumulative voting system. When more than two independent directors are to be elected at the general meeting, the cumulative voting system shall be adopted.

The cumulative voting system above means each share has, in the election of directors at the general meeting, the same number of voting rights as that of the directors to be elected, and shareholders may use their voting rights comprehensively, i.e., free allotment of their voting rights on the candidates for directors, either on all or some of them, or on any one of them, and the names of the candidates for directors are then lined up in descending order of the votes under their names and the designated number of candidates with the most votes are elected. In the cumulative voting system, independent directors and the other members of the board of directors shall be elected respectively.

The candidates for directors are nominated in the following way:

(1) The candidates for directors who are not worker representatives are nominated by the board of directors or shareholders individually or collectively holding more than 1% of the shares in writing. The nomination committee of the board of directors shall verify their qualifications, and upon deliberation and approval by the board of directors, shall submit the nomination to the general meeting for election.

(2) The candidates for worker representative directors in the board of directors are generated by democratic election among the workers of the Company.

Article 89 Except under the cumulative voting system, the general meeting shall vote on all proposals item by item. Where there are different proposals on the same matter, the proposals shall be put to a vote in the order in which they were submitted. Shareholders or their proxies at the general meeting may not vote in favor of mutually exclusive proposals simultaneously. Unless the meeting is suspended or unable to adopt a resolution on a proposal due to force majeure or other special circumstances, the general meeting shall not postpone or refuse to vote on any proposal.

Article 90 The general meeting shall, in deliberating the proposals, not revise them, otherwise, the relevant alteration shall be deemed as a new proposal which shall not be voted thereat.

Article 91 The same voting right shall be only exercised through one method among on-site, online, or other voting means. If the same voting right has repeated voting, the first voting result shall prevail.

Article 92 The general meeting shall vote by open ballot.

Article 93 Before the general meeting votes on proposals, it shall recommend two shareholders' representatives to take part in the counting and monitoring of the votes. Where shareholders have an affiliation with the matters for deliberation, the relevant shareholders and proxies shall not participate in the counting and monitoring of the votes.

When the general meeting votes on any proposals, the lawyer and shareholders' representative shall jointly take charge of the vote counting and monitoring and announce the voting result on the spot, and the voting result shall be recorded in the minutes.

The shareholder or his/her proxy who use the internet or other methods to vote, is authorized to verify his/her voting results through relevant voting system.

Article 94 The end time of the on-site mode of the general meeting shall not be earlier than that of the network or other modes. The chairman of the meeting shall announce the voting status and results of each proposal, and announce the adoption of the proposal based on the result of the vote.

Before officially announcing the voting results, the Company, vote counter, vote supervisor and shareholder, and the internet server has a duty to keep confidential the voting circumstances when they are involved with voting on the spot of general meeting, internet and other voting methods.

Article 95 The present shareholders shall air their opinions on the proposal submitted for discussion: approval, disapproval or abstention. The circumstance, where the securities registration and clearing institution or the GDR depository institution, as the nominal holder of stocks in the trading interconnection mechanism between the mainland and Hong Kong stock markets or the underlying A shares of GDRs, declares according to the wishes of the actual holders, is excluded.

Ballot that is not filled, filled by mistake, in undistinguished handwriting or is not voted shall be regarded as that the voter gives up his/her right to vote and the voting result of amount of stocks he/she holds shall be counted "waiver".

Article 96 If the conductor of the meeting has any doubt about the result of the resolution submitted for voting, he may organize a counting of the votes cast; if the conductor of the meeting does not have the votes counted, and the shareholders or shareholders' proxies present at the meeting have objections to the results announced by the conductor of the meeting, they have the right to request the counting of votes immediately after the voting results are announced, and the conductor of the meeting shall organize the counting of votes immediately.

If votes are counted at the general meeting, the results of the counting of votes shall be recorded in the minutes of the meeting.

Article 97 The resolution of the general meeting shall be announced in a timely manner, and the announcement shall indicate the number of shareholders and proxies that attended the meeting, the total amount of their voting shares and its proportion to the total voting shares of the Company, the voting method, the voting result of each proposal and detailed contents of each proposal.

Article 98 When a proposal fails to approve, or this general meeting changes the resolutions of a previous general meeting, the general meeting shall include in its announcement of resolutions a special notice to the effect.

Article 99 The general meeting shall adopt a proposal for the election of directors, and the new director shall take office as the date of the approval of the resolution of the general meeting.

Article 100 If a general meeting approves specific plans concerning the distribution of dividends, bonus shares or capitalization from capital public reserve, the Company shall effect the actual plans within two months after the conclusion of the general meeting.

Chapter 5 Board of Directors

Section 1 Directors

Article 101 A Director of the Company shall be a natural person and the following person shall not serve as a Director of the Company:

- (1) persons without capacity or with limited capacity of civil conduct;
- (2) persons who were sentenced to criminal punishment for the crime of corruption, bribery, misappropriation of property or for disrupting the order of the socialist market economy, or who have been deprived of the political rights due to a criminal offense, where less than five years have elapsed since the expiration of the sentence, or who was put on probation, where less than two years have elapsed since the expiration of the period of probation;
- (3) persons who were former directors, factory managers or managers of a company or enterprise which was declared bankrupt and was liquidated and who were personally liable for insolvency of such company or enterprise, where less than three years have elapsed since the date of completion of the bankruptcy liquidation of the company or enterprise;
- (4) persons who were legal representatives of a company or enterprise which had its business license revoked or was ordered to close down due to violation of the law and who were personally liable, where less than three years has elapsed since the date of the revocation and mandatory closedown;
- (5) persons who have been included by the people's court as dishonest persons subject to enforcement due to a substantial amount of debts due and outstanding;

(6) persons who are banned by the CSRC from entering into the securities market as a director or senior manager of a listed company for a period which has not yet expired;

(7) persons who are publicly considered by the stock exchange as inappropriate to be a director or senior manager of a listed company for a period which has not yet expired;

(8) other contents required by the laws, administrative regulations, departmental rules.

Any election, designation or engagement of directors in violation of this provision shall be invalid. If a director falls under any of the circumstances specified in paragraphs 1 (1) to (6) of this Article during his/her term of office, the Company shall dismiss him/her and terminate his/her performance of duty; if a director falls under any of the circumstances specified in paragraphs (7) and (8), the Company shall dismiss him/her within 30 days from the date of such fact, unless otherwise provided by relevant regulatory authorities.

If the relevant director, who should have been removed from office but has not yet been removed, attends and votes at a meeting of the board of directors, his/her vote shall be invalid.

Article 102 The directors who are not worker representatives shall be elected or replaced by the general meeting, and also may be relieved of their duties by the general meeting prior to the expiration of their term of office. The term of office of a director is 3 years, and the directors can be reelected or reappointed after the term of office expires.

The term of office of a director begins on the date of appointment and expires with the term of office of the board of directors. In the event no reelection is conducted at the expiration of term of office, a director shall continue to perform the director's duty according to the laws, administrative rules, department regulations and the Articles of Association until the reelected director takes office.

The position of directors can be concurrently held by senior managers, but the total number of directors concurrently held by senior managers and worker representatives shall not exceed half of the total number of directors in the Company.

Members of the board of directors may have one company worker representative, and the worker representatives in the board of directors shall directly enter the board of directors after generated through the worker's congress, the worker's general meeting or other forms of democratic elections.

Article 103 Directors shall comply with the laws, administrative regulations and the Articles of Association, owe a fiduciary duty to the Company, take measures to

avoid conflicts between their own interests and the interests of the Company, and shall not take advantage of their positions to obtain improper benefits.

Directors owe the following fiduciary duties to the Company:

- (1) Not to misappropriate the Company's assets or embezzle the Company's funds;
- (2) Not to deposit the Company's funds into accounts opened in their own names or in the names of any other individual;
- (3) Not to take advantage of their positions to solicit bribes or accept other illegal income;
- (4) Unless they have reported to the board of directors or the general meeting in advance and obtained approval by resolution of the board of directors or the general meeting in accordance with the Articles of Association, not to directly or indirectly enter into contracts or conduct transactions with the Company. This provision also applies where close relatives of directors or senior managers, enterprises directly or indirectly controlled by such persons or their close relatives, or other affiliates of directors or senior managers, enter into contracts or conduct transactions with the Company;
- (5) Not to take advantage of their positions to secure for themselves or others any business opportunities that rightfully belong to the Company, except where they have reported to the board of directors or the general meeting and obtained approval by resolution of the general meeting, or where the Company is unable to take advantage of such business opportunity under the laws, administrative regulations or the Articles of Association;
- (6) Unless they have reported to the board of directors or the general meeting and obtained approval by resolution of the general meeting, not to engage in business of the same type as that of the Company for themselves or for others;
- (7) Not to accept any commission in connection with transactions between others and the Company for their own benefit;
- (8) Not to disclose Company secrets without authorization;
- (9) Not to use their affiliation to harm the interests of the Company;
- (10) To fulfil other fiduciary duties as prescribed by laws, administrative regulations, departmental rules and the Articles of Association.

Any income obtained by directors in violation of this Article shall belong to the Company; where such violation causes loss to the Company, the director(s) concerned shall be liable for compensation.

Article 104 Directors shall comply with the laws, administrative regulations and the Articles of Association, owe a duty of diligence to the Company, and in performing their duties shall exercise the reasonable care normally expected of a manager, acting in the best interests of the Company.

Directors owe the following duties of diligence to the Company:

(1) Prudently, conscientiously and diligently exercise the rights granted by the Company to ensure that the Company's commercial activities comply with state laws, administrative regulations and national economic policies, and that such activities do not exceed the business scope specified in the business license;

(2) Treat all shareholders fairly;

(3) Keep themselves informed in a timely manner of the Company's business operations and management status;

(4) Sign written confirmation in respect of the regular reports of the Company to ensure that the information disclosed by the Company is true, accurate and complete;

(5) Provide the audit committee with relevant information and materials truthfully, and not obstruct the audit committee from exercising its powers;

(6) Fulfil other duties of diligence as stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

Article 105 Where a director fails to attend meetings of the board of directors in person for two consecutive times and has not appointed another director to attend on his/her behalf, such director shall be deemed incapable of performing his/her duties, and the board of directors shall recommend to the general meeting that the director be removed.

Article 106 A director may resign before the expiry of his/her term of office. A resigning director shall submit a written resignation report to the Company. The resignation shall become effective on the date the Company receives the resignation report. The Company shall disclose the relevant information within 2 trading days. If the resignation of a director results in the number of members of the board of directors falling below the statutory minimum, the resigning director shall, before the newly elected director takes office, continue to perform the duties of a director in accordance with laws, administrative regulations, departmental rules and the Articles of Association.

Article 107 The Company shall establish a system for the administration of resignation of directors, which shall clearly set out safeguard measures for pursuing liabilities and recovering losses in respect of unfulfilled public undertakings and other outstanding matters. Upon the resignation taking effect or the expiry of the term of office, a director shall complete all handover procedures with the board of directors.

The fiduciary duty owed by a director to the Company and its shareholders shall not automatically terminate upon the resignation taking effect or the expiry of the term. The obligation to maintain the confidentiality of the Company's trade secrets shall remain effective after resignation or expiry of term until such secrets become public information. Any liability of a director arising during his/her term of office in connection with the performance of duties shall not be discharged or terminated due to resignation or the expiry of the term.

Article 108 The general meeting may, by resolution, remove a director who is not a worker representative; the congress of worker representatives or other democratic governance body may, by resolution, remove a director who is a worker representative. Such removal shall take effect on the date the resolution is adopted.

Where a director is removed before the expiry of his/her term of office without just cause, the Director may request the Company to provide compensation.

Article 109 Directors shall not act on behalf of the Company or the board of directors without the authorization by the Articles of Association or the board of directors. Where the director acts in his/her own name, the director shall declare his/her standpoint and identity in advance provided that the director is deemed by the third party as acting on behalf of the Company or board of directors.

Article 110 The Company shall be liable for any damage caused to others by directors in the performance of their duties; directors with intentional misconduct or gross negligence shall also be liable.

Directors violating the laws, administrative rules, department regulations or the Articles of Association in the performance of their duties, causing losses to the Company, shall bear the liabilities of compensation.

Article 111 If the Directors or senior management officers violate the obligations to the Company, the Company shall, in addition to the rights and remedies provided for under the relevant laws and administrative regulations, be entitled to take the following actions:

(1) requiring the Directors or senior management officers to compensate the Company for the losses arising from their dereliction of duties;

(2) rescinding the contracts or transactions concluded between the Company and the Directors or senior management officers of the Company, or between the Company and a third party (if the third party knows or should have known that the Directors or senior management officers representing the Company have breached their obligations to the Company);

(3) requiring the relevant Directors or senior management officers to surrender their gains arising from breach of obligations;

(4) recovering the money, including (but not limited to) commissions, received by the Directors or senior management officers which should be given to the Company;

(5) requiring the relevant Directors or senior management officers to return any interest that is earned or may be earned on the monies that should have been paid to the Company.

Section 2 Board of Directors

Article 112 The Company shall establish a board of directors, consisting of 12 directors, including 4 independent directors. The board of directors shall have 1 chairman, elected by a majority of all directors, with a term of office of 3 years, and eligible for re-election upon expiry of the term.

Article 113 The board of directors exercises the following authorities:

- (1) Convene the general meeting and present reports thereto;
- (2) Implement the resolutions of the general meeting;
- (3) Determine the operational plans and investment plans of the Company;
- (4) Formulate the Company's profit distribution plan and loss recovery plan;
- (5) Formulate the Company's plans on the increase or decrease of registered capital, as well as on the issuance of bonds or other securities and listing;
- (6) Draft the Company's plans on major acquisitions, buyback of the Company's stocks, and the merger, division, dissolution or change of association form;
- (7) Decide on the Company's buyback of the Company's shares as per the circumstances in Paragraphs (3), (5) and (6) of Article 25 and the refinancing arrangement to raise fund for the buyback;
- (8) Decide, within the authorization of the general meeting, on the Company's external investment, purchase and sale of assets, pledge of assets, external guarantees, entrusted wealth management, related party transactions, external donation, etc.;
- (9) Decide the setup of internal management organization of the Company;
- (10) Decide to hire or dismiss the Company's general manager, the secretary of the board of directors and other senior managers, and decide on their remunerations, rewards and punishments; decide to hire or dismiss the Company's deputy general manager, chief financial officer and other senior managers according to the nomination of the general manager, and decide on their remunerations, rewards and punishments;
- (11) Formulate the Company's basic management regulations;
- (12) Formulate amendments to the Articles of Association;

(13) Handle the Company's disclosure of information;

(14) Propose to the general meeting to hire or replace the accounting firm that provides audit services to the Company;

(15) Listen to the work report of the Company's general manager and examine his/her work;

(16) In accordance with the authorization of the general meeting of shareholders of the Company, decides to issue shares to specific parties with a total financing of no more than RMB300 million and no more than 20% of the net assets at the end of the latest year;

(17) Deliberate on financial assistance provided by the Company for the acquisition of shares in the Company or in its parent company by others for the benefit of the Company;

(18) Any other authorities authorized by the laws, administrative rules, department regulations, the Articles of Association, or by the general meeting.

The limitations on the authority of the board of directors set forth in the Articles of Association shall not be enforceable against a bona fide counterparty.

When the board of directors passes resolutions on the matters in the preceding paragraph, the issuance of new Shares under Item (5) and Item (16), the repurchase of shares under Item (6) and Item (7), Item (17) and matters concerning financial assistance and external guarantee must be approved by not less than two-thirds of all directors. The remaining matters may be approved by more than half of all directors, unless otherwise provided by laws, administrative regulations, or departmental rules.

Article 114 The board of directors of the Company shall explain to the general meeting the financial report of the Company, whenever a registered accountant presents an opinion other than a standard audit opinion.

Article 115 The board of directors shall establish rules of procedure to ensure that the board of directors implements all resolutions adopted by the general meeting, improves working efficiency and guarantees scientific decision-making.

Article 116 The board of directors shall define authorities on external investment, purchase and sale of assets, pledge of assets, external guarantees, entrusted wealth management, related party transactions, external donation and establish strict review and decision-making procedures; major investment projects shall be subject to the review by competent experts and professionals and the approval of the general meeting.

(i) External investment, purchase and sale of assets, pledge of asset, signing of entrusted wealth management in accordance with the following standards shall be submitted to the board of directors for deliberation:

(1) The total assets (when there are both book value and assessed value, the higher shall prevail) involved in transaction accounts for more than 10% of the last audited total assets of the Company;

(2) The net assets involved in the object of the transaction (such as equity) (if there are both book value and evaluation value, whichever is higher) account for more than 10% of the latest audited net assets of the Company, and the absolute amount exceeds RMB10 million;

(3) The total turnover of transaction (including debts and costs undertaken) accounts for more than 10% of the latest audited net assets of the Company and the absolute amount exceeds RMB10 million;

(4) The profit arising from the transaction accounts for more than 10% of the audited net profit of the Company through audit in the latest accounting year and the absolute amount exceeds RMB1 million;

(5) The business income of the object of a transaction (such as equity) in the latest accounting year accounts for more than 10% of the Company's audited business income in the latest accounting year and the absolute amount exceeds RMB10 million;

(6) The net profit of the object of the transaction (such as equity) in the latest accounting year accounts for more than 10% of the Company's audited net profit in the latest accounting year, and the absolute amount exceeds RMB1 million;

In case the values of the above indicators are negative, the absolute values shall be used in calculation; if the amount of transaction, after accumulating for 12 consecutive months by the related parties under the same type of transactions, meets the above standards, the transaction shall be submitted to the board of directors for deliberation.

(ii) In addition to being deliberated and approved by more than half of all directors, the transaction of "financial assistance" occurring to the Company shall also be deliberated and approved by more than two-thirds of the directors attending the meeting of the board of directors, and shall be disclosed in a timely manner.

(iii) In addition to being deliberated and approved by more than half of all directors, the transaction of "providing guarantee" occurring to the Company shall also be deliberated and approved by more than two-thirds of the directors attending the meeting of the board of directors, and shall be disclosed in a timely manner.

Except for providing guarantee to affiliates, any transaction between the Company and an affiliate that meets any of the following criteria shall, after obtaining the consent of more than half of all independent directors, be submitted to the board of directors for deliberation, and be disclosed in a timely manner:

(1) Transactions with affiliated natural persons with a transaction amount (including debts and expenses) of more than RMB300,000;

(2) Transactions with affiliated legal persons (or other organizations) with a transaction amount (including debts and expenses) of more than RMB3 million and accounting for more than 0.5% of the absolute value of the latest audited net assets of the Company.

(iv) For external donation matters, the following rules shall be observed:

(1) The external donation of the Company whose single amount or accumulated amount in one fiscal year exceeds 0.5% of the Company's latest audited net assets shall be submitted to the board of directors for deliberation;

(2) The external donation of the Company whose single amount or accumulated amount in one fiscal year exceeds 5% of the Company's latest audited net assets shall be submitted to the general meeting for deliberation.

Article 117 The chairman shall exercise the following authorities:

(1) Preside over the general meeting, convene and preside over the meetings of the board of directors;

(2) Supervise and inspect the execution of the resolutions of the board of directors;

(3) Other authorities conferred by the board of directors.

Article 118 If the chairman is unable to perform his duties or fails to perform his duties, more than half of the directors shall jointly elect a director to perform his duties.

Article 119 The board of directors shall meet at least twice each year. Such meetings are convened by the chairman and a written notice shall be serviced to all directors 10 days before the meeting is convened.

Article 120 Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors, more than half of the independent directors, or the audit committee, or where the chairman of the board of directors deems it necessary, may propose to convene an extraordinary meeting of the board of directors. The chairman of the board of directors shall, within 10 days of receiving such proposal, convene and preside over the meeting of the board of directors.

Article 121 The board of directors' methods of notifying the convening of an extraordinary meeting of the board of directors are serviced by courier, mail or other communication modes; the notice period is 3 days in advance. If there is an emergency that makes it necessary to convene an extraordinary meeting of the board of directors as soon as possible, the meeting notice can be sent by telephone or other oral means at any time, but the convener shall make an explanation at the meeting.

Article 122 The notice of the meeting of the board of directors includes the following information:

- (1) Date and place of the meeting;
- (2) Period of the meeting;
- (3) Cause and subject to be discussed;
- (4) Date of the notice issuing.

Article 123 A meeting of the board of directors shall not be held unless more than half of all directors are present. Resolutions made by the board of directors must be approved by more than half of all directors.

When voting on any resolutions of the board of directors, each director shall have one vote. In case of equal voting, the board of directors may, according to the deliberation, amend the relevant matters and submit them to the next board meeting for deliberation, or propose to submit them to the general meeting of shareholders for deliberation and voting.

Article 124 If a director is affiliated to the enterprise or an individual involved in the resolution matter of the board of directors, the director shall promptly report in writing to the board of directors. Affiliated directors shall neither exercise the voting right on the resolution, nor exercise the voting right on behalf of other directors. Such a meeting of the board of directors can be held when more than half of non-affiliated directors are present, and resolutions to be approved on the meeting of the board of directors require the approval of more than half of non-affiliated directors. When less than 3 non-affiliated directors attend the meeting of the board of directors, the matter shall be submitted to the general meeting for deliberation.

Article 125 The voting on resolutions of the board of directors shall be done by open vote.

Provided that directors are able to fully express their opinions and communicate with each other, meetings of the board of directors may be held by means of electronic communication or by a combination of on-site and other means. Resolutions shall be adopted by signatures of the participating directors or by electronic signatures recognized by the Company.

Article 126 The meeting of the board of directors requires the attendance of the directors themselves; where the directors are unable to attend, they shall entrust other directors to attend by means of power of attorney where the name of the proxy, entrusted proceedings, scope of authority and valid of time limit shall be set forth and signed or sealed by the principal. The director attending the meeting as proxy shall exert his/her rights of director within scope of authorization. If a director fails to attend the meeting of the board of directors and does not entrust a representative to be present on his/her behalf, he/she shall be considered waiving the right to vote at the meeting.

Article 127 The board of directors shall prepare the minutes for the decisions on matters discussed at a meeting, and all directors present at the meeting shall sign the minutes.

The minutes of meeting of the board of directors shall be saved as the files of the Company, and the retention period shall be not less than 10 years.

Article 128 The minutes of meeting of the board of directors shall include:

- (1) Date and place of the meeting and the name of the convener;
- (2) Name of present directors and name of directors (proxies) entrusted with attendance with the board of directors;
- (3) Agenda of the meeting;
- (4) Main points of directors' speech;
- (5) Voting methods and results of each resolution (the voting results shall specify the number of votes of for, against and abstention).

Section 3 Independent Director

Article 129 Independent directors shall, in accordance with laws, administrative regulations, the provisions of the CSRC, the rules of the stock exchange, and the Articles of Association, diligently perform their duties, play a role in decision-making, supervision and checks and balances, and professional consultation within the board of directors, safeguard the overall interests of the Company, and protect the lawful rights and interests of minority shareholders.

Article 130 Independent directors must maintain independence. None of the following persons may serve as an independent director:

- (1) Persons serving in the Company or its affiliates, and their spouses, parents, children, or principal social connections;
- (2) Natural person shareholders who directly or indirectly hold 1% or more of the issued shares of the Company or rank among the top 10 shareholders of the Company, and their spouses, parents, or children;
- (3) Persons serving in shareholders who directly or indirectly hold 5% or more of the issued shares of the Company or rank among the top 5 shareholders of the Company, and their spouses, parents, or children;
- (4) Persons serving in affiliates of the Company's controlling shareholder or actual controller, and their spouses, parents, or children;

(5) Persons having significant business dealings with the Company, its controlling shareholder, or actual controller, or persons serving in entities that have significant business dealings with the Company or in the controlling shareholder/actual controller of such entities;

(6) Persons providing financial, legal, consultancy, sponsorship, or other services to the Company, its controlling shareholder, or actual controller, or their respective affiliates, including but not limited to all members of the project team of the intermediary institution providing such services, all levels of reviewers, signatories of reports, partners, directors, senior management personnel, and principal persons-in-charge;

(7) Persons who, within the past 12 months, have fallen under any of the circumstances listed in Items (1) to (6) above;

(8) Other persons who do not possess independence as prescribed by laws, administrative regulations, the CSRC, the rules of the stock exchange, or the Articles of Association.

Independent directors shall conduct a self-assessment of their independence annually and submit the results to the board of directors. The board of directors shall evaluate the independence of each incumbent independent director annually and issue a special opinion, which shall be disclosed together with the annual report.

Article 131 Persons serving as independent directors of the Company shall meet the following requirements:

(1) Possess the qualifications to serve as a director of a listed company as stipulated by laws, administrative regulations, and other relevant provisions;

(2) Meet the independence requirements set forth in the Articles of Association;

(3) Possess basic knowledge of listed company operations and be familiar with relevant laws, regulations, and rules;

(4) Have at least five years of work experience necessary for performing the duties of an independent director in areas such as law, accounting, or economics;

(5) Have good personal integrity, with no record of material dishonesty or other adverse record;

(6) Meet other conditions as prescribed by laws, administrative regulations, the CSRC, the rules of the stock exchange, and the Articles of Association.

Article 132 Independent directors, as members of the board of directors, owe fiduciary duties and duties of diligence to the Company and all shareholders, and shall prudently perform the following duties:

(1) Participate in the decision-making of the board of directors and express clear opinions on matters under deliberation;

(2) Supervise potential material conflicts of interest between the Company and its controlling shareholder, actual controller, directors, or senior management personnel, and protect the lawful rights and interests of minority shareholders;

(3) Provide professional and objective recommendations on the Company's operation and development to help enhance the decision-making level of the board of directors;

(4) Other duties as prescribed by laws, administrative regulations, the CSRC, and the Articles of Association.

Article 133 Independent directors shall exercise the following special powers:

(1) Independently engage intermediary institutions to conduct audits, consultations, or inspections on specific matters of the Company;

(2) Propose to the board of directors the convention of an extraordinary general meeting;

(3) Propose the convention of a meeting of the board of directors;

(4) Solicit shareholder rights from shareholders in accordance with the law;

(5) Express independent opinions on matters that may harm the Company or the interests of minority shareholders;

(6) Other powers as prescribed by laws, administrative regulations, the CSRC, and the Articles of Association.

The exercise of the powers listed in Items (1) to (3) above shall be subject to the consent of more than half of all independent directors.

The Company shall promptly disclose the exercise of the powers set forth in the first paragraph. Where such powers cannot be normally exercised, the Company shall disclose the specific circumstances and reasons.

Article 134 The following matters shall be submitted to the board of directors for deliberation only after being approved by more than half of all independent directors:

(1) Related-party transactions that are required to be disclosed;

(2) Proposals to change or waive commitments made by the Company or relevant parties;

(3) Decisions and measures taken by the board of directors of a listed company being acquired in response to the acquisition;

(4) Other matters as prescribed by laws, administrative regulations, the CSRC, and the Articles of Association.

Article 135 The Company shall establish a special meeting mechanism participated in solely by independent directors. Related-party transactions and other matters for deliberation by the board of directors shall first be approved by the special meeting of independent directors.

The Company shall convene special meetings of independent directors on a regular or ad hoc basis. Matters set forth in Items (1) to (3) of the first paragraph of Article 134 and in Article 135 of the Articles of Association shall be deliberated at special meetings of independent directors.

Special meetings of independent directors may, as needed, study and discuss other matters of the Company. A convener and chairperson of the special meeting shall be jointly elected by more than half of the independent directors. Where the convener fails or is unable to perform duties, two or more independent directors may convene the meeting themselves and elect one representative to preside.

Special meetings of independent directors shall prepare meeting minutes in accordance with the prescribed requirements, and the opinions of the independent directors shall be recorded in the minutes. Independent directors shall sign the meeting minutes to confirm them.

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

Section 4 Board Committees

Article 136 The board of directors shall establish the Audit Committee, the Strategy Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. These committees shall perform their duties in accordance with the Articles of Association and the authorization of the board of directors. Proposals of the committees shall be submitted to the board of directors for deliberation and decision. The working rules of the committees shall be formulated by the board of directors. The Audit Committee shall exercise the powers of the board of supervisors as stipulated in the Company Law.

Article 137 The Audit Committee shall comprise five members, who shall be directors not serving as senior management personnel of the Company. Independent directors shall constitute more than half of the members, and the convener shall be an independent director with professional expertise in accounting. Members of the Audit Committee shall be elected by the board of directors, and directors who are worker representatives may serve as members of the Audit Committee.

Article 138 The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and assessing internal

and external audit work and internal control. The following matters shall be submitted to the board of directors for deliberation only after being approved by more than half of all members of the Audit Committee:

(1) Disclosure of financial information in financial accounting reports and periodic reports, and reports on internal control assessment;

(2) Engagement or dismissal of the accounting firm undertaking the Company's audit business;

(3) Appointment or dismissal of the Company's chief financial officer;

(4) Changes in accounting policies or accounting estimates, or correction of significant accounting errors, except those arising from changes in accounting standards;

(5) Other matters as prescribed by laws, administrative regulations, the CSRC, and the Articles of Association.

Article 139 The Audit Committee shall hold at least one meeting each quarter. Extraordinary meetings may be convened upon the proposal of two or more members, or when the convener deems it necessary. A meeting of the Audit Committee shall be held only if more than two-thirds of its members are present.

Resolutions of the Audit Committee shall be adopted by a majority of all its members.

Voting on resolutions shall follow the principle of "one person, one vote".

Meeting minutes shall be prepared in accordance with the prescribed requirements, and members attending the meeting shall sign the minutes.

Article 140 The Strategy Committee shall comprise five members, including at least one independent director, and the convener shall be the chairman of the board of directors.

Article 141 The primary duties of the Strategy Committee are to study and make recommendations on the Company's long-term development strategy and major investment decisions, as well as other matters authorized by the board of directors.

Article 142 The Nomination Committee shall comprise five members, with independent directors constituting more than half of its members, and the convener shall be an independent director.

Article 143 The Nomination Committee shall be responsible for formulating the selection criteria and procedures for directors and senior management personnel, selecting and reviewing candidates for directors and senior management personnel and

their qualifications, and making recommendations to the board of directors on the following matters:

- (1) The nomination, appointment or removal of directors;
- (2) The engagement or dismissal of senior management personnel;
- (3) Other matters as prescribed by laws, administrative regulations, the CSRC, and the Articles of Association.

Where the board of directors does not adopt or fully adopt the recommendations of the Nomination Committee, it shall record the Committee's opinions and the specific reasons for not adopting them in the resolution of the board of directors, and make disclosure accordingly.

Article 144 The Remuneration and Appraisal Committee shall comprise five members, with independent directors constituting more than half of its members, and the convener shall be an independent director.

Article 145 The Remuneration and Appraisal Committee shall be responsible for formulating assessment criteria for directors and senior management personnel and conducting such assessments; formulating and reviewing remuneration decision-making mechanisms, decision-making procedures, payment arrangements, suspension and clawback arrangements, and other remuneration policies and plans for directors and senior management personnel; and making recommendations to the board of directors on the following matters:

- (1) The remuneration of directors and senior management personnel;
- (2) The formulation or amendment of share incentive plans and employee share ownership plans, and the achievement of conditions for the grant or exercise of rights to incentive recipients;
- (3) The arrangements for directors and senior management personnel to participate in employee share ownership plans in connection with the proposed spin-off of a subsidiary;
- (4) Other matters as prescribed by laws, administrative regulations, the CSRC, and the Articles of Association.

Where the board of directors does not adopt or fully adopt the recommendations of the Remuneration and Appraisal Committee, it shall record the Committee's opinions and the specific reasons for not adopting them in the resolution of the board of directors, and make disclosure accordingly.

Chapter 6 Senior Managers

Article 146 The Company shall have 1 general manager, who is appointed or dismissed by the board of directors. The chairman shall not hold the concurrent post of general manager of the Company.

The Company shall have several deputy general managers, who shall be engaged or dismissed by the board of directors. The Company's general manager, deputy general manager, chief financial officer, and secretary of the board of directors are senior managers of the Company.

Article 147 The provisions of the Articles of Association concerning circumstances under which a person may not serve as a director, and the system for administration of resignation of directors, shall apply equally to senior managers. The provisions of the Articles of Association concerning the fiduciary duty of directors and the duty of diligence of directors shall also apply to senior managers.

Article 148 Any person who holds other administrative positions in the controlling shareholder unit of the Company than directors and supervisors shall not serve as an executive of the Company.

The senior managers of the Company only receive salaries from the Company and are not paid by the controlling shareholders on behalf of the Company.

Article 149 The general manager's term of office is 3 years, and can be reappointed.

Article 150 The general manager shall be responsible to the board of directors and exercise the following functions and powers:

(1) Manage the production and operation of the Company, organize to implement the decision of board of directors, and report the work to the board of directors;

(2) Organize the execution of the Company's annual business plans and investment plans;

(3) Draft the setup of the Company's internal management organs;

(4) Draft the Company's basic management regulations;

(5) Formulate specific rules and regulations of the Company;

(6) Suggest to the board of directors the engagement or dismissal of deputy general managers and chief financial officer;

(7) Decide to engage or dismiss the principals who shall not be decided by the board of directors on engagement or dismissal;

(8) Other authorities granted in the Articles of Association or by the board of directors.

The general manager shall be present at the meetings of the board of directors.

Article 151 Matters that are lower than the decision-making standards of the board of directors in Article 117 of the Articles of Association, such as external investment, acquisition and sale of assets, asset mortgage, entrusted wealth management, and external donations, shall be submitted to the general manager's office meetings and other internal decision-making bodies or responsible persons for approval in accordance with the relevant internal system provisions or relevant authorization of the Company.

Article 152 The general manager shall formulate and implement detailed working rules for this position, subject to the approval by the board of directors.

Article 153 The detailed working rules for the general manager shall include the following contents:

(1) Conditions and procedures for holding a general manager's office meeting, and the attendees;

(2) The specific duties of the general manager and other senior managers and the division of such duties;

(3) Authority in using company funds and assets, as well as the signing of significant contracts, together with the reporting system to the board of directors;

(4) Other matters which are deemed necessary by the board of directors.

Article 154 The general manager may apply for resignation prior to the expiration of term of office. The specific procedures and methods for the general manager's resignation are stipulated in the contract signed between the general manager and the Company as well as the Company's management policies related to senior manager separation.

Article 155 The deputy general manager shall be nominated by the general manager and appointed or dismissed by the board of directors. The deputy general manager shall assist the general manager in his/her work.

Article 156 The Company shall have a board secretary, who shall be a natural person with necessary professional knowledge and experience, and shall be engaged by the board of directors. The board secretary is responsible for the preparation of the general meeting of shareholders and the meeting of the board of directors, the custody of documents, the management of the company's shareholders' materials, and be in charge of information disclosure. The secretary of the board of directors shall comply

with the law, administrative regulations, departmental regulations and the Articles of Association.

Article 157 The Company shall be liable for any damage caused to others by senior managers in the performance of their duties; Any members of the senior managers intentional or grossly negligent shall also bear the liabilities of compensation.

Senior managers who violate the laws, administrative rules, department regulations and the Articles of Association in the performance of their duties, and cause losses to the Company shall be liable for compensation.

Article 158 Senior managers of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If any senior managers of the Company cause damage to the interests of the Company and its public shareholders due to failure in faithfully performing their duties or violation of his/her fiduciary duties, he/she shall be liable for compensation in accordance with the laws.

Chapter 7 Financial and Accounting System, Distribution of Profit and Auditing

Section 1 Financial and Accounting System and Profit Distribution

Article 159 The Company shall formulate the financial and accounting system in accordance with laws, administrative regulations and rules of relevant state departments.

Article 160 The Company shall submit and disclose its annual report to the local office of the CSRC and the Stock Exchange within 4 months from the end of each fiscal year, and submit and disclose its interim report to the branch of the CSRC and the Stock Exchange within 2 months from the end of the first half of each fiscal year.

The aforesaid annual reports and interim reports shall be prepared in accordance with the relevant laws, administrative rules and departmental regulations.

Article 161 The Company shall not open a separate set of accounting books except for the statutory accounting books. The Company's capital shall not be deposited in any account which is opened in the name of any individual.

Article 162 When the Company distributes after-tax profit of the current year, 10% of the profit shall be withdrawn and counted into the Company's statutory common reserve. If the accumulated amount of the Company's statutory common reserve is greater than 50% of the Company's registered capital, no further withdrawal is required.

Where the Company's statutory common reserve is insufficient to cover the losses of previous years, the Company shall use the profits of the current year to cover the losses first before the withdrawal of the statutory common reserve in accordance with the preceding clause.

After the Company has withdrawn the statutory common reserve from after-tax profits, the Company may withdraw the optional common reserve from the after-tax profit according to a resolution of the general meeting.

The Company's remaining after-tax profits after the losses are made up for and the statutory common reserve is withdrawn, shall be distributed according to the proportion of shares held by shareholders, unless such profits are not distributed according to the shareholding proportion pursuant to the provisions of the Articles of Association.

Where the Company distributes profits to shareholders in violation of the provisions of the *Company Law*, the shareholders shall return the profits distributed in violation of the provisions to the Company; where losses are caused to the Company, shareholders, responsible directors, and senior managers shall be liable for compensation.

The Company's shares held by the Company itself will not participate in profit distribution.

Article 163 The Company's common reserve shall be used to make up the Company's losses, expand the production and operation of the Company or be converted into the registered capital of the Company. If the common reserve is used to make up for the Company's losses, discretionary and statutory reserves shall be used first; if the discretionary and statutory reserves are insufficient to make up for the losses, capital reserves may be used in accordance with the regulations.

When the statutory surplus reserve is changed to registered capital, the remainder of the surplus reserve shall not be less than 25% of the registered capital prior to the conversion.

Article 164 The objective of the Company's cash dividend policy is to achieve a residual dividend, based on balancing the interests of shareholders and the Company's sustainable development.

Under any of the following special circumstances, the Company may choose not to make a profit distribution:

(1) The most recent year's audit report contains a qualified opinion, or an unqualified opinion with an emphasis of matter paragraph relating to significant uncertainty regarding going concern;

(2) The Company's asset-liability ratio at year-end exceeds 70%;

(3) The Company's net operating cash flow for the year is negative;

(4) Other circumstances as prescribed by laws, regulations, the CSRC and the Shanghai Stock Exchange.

Article 165 The Company's profit distribution policy shall be as follows:

(1) Principles of profit distribution: The Company shall implement a continuous, stable and proactive profit distribution policy, place importance on providing reasonable investment returns to investors, and balance this with the Company's sustainable development.

(2) Forms of profit distribution: The Company may distribute dividends in the form of cash, shares, or a combination of cash and shares, with priority given to cash dividends. The board of directors may, based on the Company's profitability and funding needs, propose interim profit distributions.

(3) Specific conditions and ratios for cash dividends: Where the distributable profit of the Company for the year (i.e., the after-tax profit remaining after covering losses and making appropriations to the reserve funds) is positive, the cumulative distributable profit is positive, and there is no major investment plan or major cash expenditure during the year (excluding projects funded by proceeds from fundraising), then within any three consecutive years, the cumulative cash dividends distributed shall be no less than 30% of the average annual distributable profit achieved during such three years. When making a profit distribution, the proportion of cash dividends in that distribution shall be no less than 20%. Where the Company repurchases shares by way of tender offer or centralized bidding with cash consideration, such repurchase shall be deemed equivalent to a cash dividend and included in the calculation of the relevant proportion of cash dividends.

Major investment plan or major cash expenditures refer to:

1) The Company proposes to invest abroad, acquire assets or purchase equipment in the next twelve months, of which the accumulative expenditures are expected to reach or exceed 50% of the latest audited net assets, and exceed RMB50 million.

2) The Company's planned external investment, acquisition of assets or purchase of equipment in the next twelve months, with cumulative expenses amounting to 30% or more of the latest audited total assets of the Company.

(4) Specific conditions for issuing stock dividends: Where the Company is in good operating condition, and the Company's share price does not match its share capital size, and the issuance of stock dividends is conducive to the overall interests of all shareholders, the Company may, under the premise of ensuring a reasonable share capital size and equity structure and meeting the requirements set out in the Articles of Association, propose a stock dividend distribution plan.

(5) If a shareholder utilizes any fund of the Company in violation of provisions, the Company shall have the right to make a deduction from the cash dividends being distributed to this shareholder so as to repay the fund being utilized.

(6) Where the Company needs to adjust the profit distribution policy according to the needs of production and operation, investment planning and long-term development, the adjusted profit distribution policy shall not violate the relevant provisions of the

CSRC and the Stock Exchange.

Article 166 The decision-making procedures and mechanisms for the Company's profit distribution are as follows:

(1) The Company's annual profit distribution plan and three-year shareholder return plan shall be proposed by the board of directors in accordance with the Articles of Association, taking into account factors such as the Company's profitability, business development plan, shareholder returns, funding requirements, social capital costs, and the external financing environment. The profit distribution plan and the three-year shareholder return plan shall be reviewed and approved separately by the audit committee and the board of directors before being submitted to the general meeting for deliberation;

(2) When the Company convenes the annual general meeting to deliberate on the annual profit distribution plan, it may also deliberate on and approve the conditions, the upper limit of the ratio, and the maximum amount for the interim cash dividend for the following year. The maximum amount of the interim dividend for the following year approved by the annual general meeting shall not exceed the net profit attributable to shareholders of the Company for the corresponding period. The board of directors shall, in accordance with the resolution of the annual general meeting and subject to the conditions for profit distribution being met, formulate a specific interim dividend distribution plan;

(3) Where the Company does not pay a cash dividend, the board of directors shall provide a special explanation of the specific reasons and the measures proposed to enhance investor returns going forward. If the lack of cash dividend or a low dividend ratio is due to the existence of major investment plans or major cash expenditure, the board of directors shall also explain the intended use and expected returns of the retained undistributed profits. At the same time, when the Company convenes the general meeting, in addition to holding an on-site meeting, it shall also provide shareholders with a voting platform in the form of online voting. Where the cash dividend policy is adjusted or changed, the Company shall provide a detailed explanation as to whether the conditions and procedures for such adjustment or change are compliant and transparent;

(4) Independent directors are entitled to express their independent opinions if they believe that the specific cash dividend plan may harm the interests of the Company or the minority shareholders. Where the board of directors does not adopt or does not fully adopt the opinions of the independent directors, it shall record the opinions of the independent directors and the specific reasons for not adopting them in the resolution of the meeting of the board of directors and disclose them;

(5) Where any of the following circumstances occurs, the Company may adjust the profit distribution policy already determined:

1) The Company incurs losses or has issued an indicative announcement of a pre-

loss;

2) In the event of force majeure such as war or natural disaster, or other circumstances that have a significant impact on the Company's production and operations;

3) Within two months after the date of the general meeting on profit distribution, the balance of cash (including bank deposits and highly liquid bonds, etc.), excluding funds for specific purposes such as raised funds or government special financial funds that are earmarked for specific uses or managed in special accounts, is insufficient to pay cash dividends;

4) Implementation of the established dividend policy would cause major investment projects or major transactions approved by the general meeting or the board of directors to be unable to proceed according to the established transaction plan;

5) The board of directors has reasonable grounds to believe that implementation of the established dividend policy will have a substantial adverse effect on the Company's ability to continue as a going concern or to maintain profitability .

When adjusting the profit distribution policy, the Company shall actively communicate with minority shareholders through multiple channels (including but not limited to inviting minority shareholders to attend meetings and issuing announcements to solicit opinions) and shall make written records of shareholders' opinions

Article 167 Formulation or amendment of the profit distribution policy by the board of directors shall require approval by more than half of all directors and shall be submitted to the general meeting for deliberation, where it must be approved by shareholders representing two-thirds or more of the voting rights of the shareholders present. After the general meeting has adopted a resolution on the profit distribution plan, or after the board of directors has, in accordance with the terms and limits for the next year's interim dividend as approved by the annual general meeting, formulated a specific plan, the Company shall complete the distribution of dividends (or shares) within two months.

Section 2 Internal Auditing

Article 168 The Company shall implement an internal auditing system, clearly defining the leadership framework, duties and authorities, staffing, funding guarantees, application of audit results, and accountability for internal audit work.

The internal auditing system shall be implemented after approval by the board of directors and shall be disclosed to the public.

Article 169 The Company's internal audit institution shall conduct supervision and inspection of matters including the Company's business activities, risk management, internal control, and financial information.

The internal audit institution shall maintain independence, be staffed with full-time auditors, and shall not be placed under the leadership of, or share office premises with, the finance department.

Article 170 The internal audit institution shall be accountable to the board of directors.

In the course of supervising and inspecting the Company's business activities, risk management, internal control, and financial information, the internal audit institution shall be subject to the supervision and guidance of the audit committee. Where the internal audit institution discovers any significant issues or leads, it shall promptly report them directly to the audit committee.

Article 171 The specific organization and implementation of the Company's internal control evaluation shall be the responsibility of the internal audit institution. Based on the evaluation report and related materials issued by the internal audit institution and reviewed by the audit committee, the Company shall issue the annual internal control evaluation report.

Article 172 When the audit committee communicates with accounting firms, national audit institutions, or other external audit entities, the internal audit institution shall actively cooperate and provide necessary support and assistance.

Article 173 The audit committee shall participate in the performance evaluation of the person in charge of internal auditing.

Section 3 Engagement of the Accounting Firm

Article 174 The Company engages an accounting firm that complies with the provisions of the Securities Law to carry out accounting statement audit, net asset verification and other relevant consulting services. The term of employment is 1 year, and the engagement can be renewed.

Article 175 The appointment and removal of an accounting firm by the Company must be decided by the general meeting, and the board of directors shall not appoint an accounting firm before the decision of the general meeting.

Article 176 The Company shall guarantee that it will provide the engaged accounting firm with authentic and complete accounting vouchers, accounting books, financial and accounting report and others accounting materials, and shall not refuse to do so or conceal any of them or make any false statement.

Article 177 The audit fee paid to the accounting firm shall be determined by the general meeting.

Article 178 The Company, when terminating or not renewing the engagement of an accounting firm, will notify the accounting firm 30 days in advance. When the

general meeting of the Company votes on the dismissal of an accounting firm, the accounting firm shall be allowed to defend itself.

If an accounting firm proposes to discharge its engagement, it shall clarify whether the Company has any improper condition to the general meeting.

Chapter 8 Notices and Announcements

Section 1 Notice

Article 179 The Company services its notices by:

- (1) Courier;
- (2) Mail;
- (3) Communication mode;
- (4) Announcement;
- (5) Any other forms as stipulated in the Articles of Association.

Article 180 The Company's notice issued by announcement is deemed as serviced to all relevant parties upon the announcement is made.

Article 181 The notice for convening a general meeting shall be issued by announcement.

Article 182 The Company's notice on the convention of the meeting of the board of directors is serviced by courier, mail, means of communication or other means.

Article 183 When the Company services its notice by courier, the addressee shall sign or stamp the receipt of service and the date of the addressee's signature shall be the date of service; when the Company's notice is delivered by mail, the 5th working day after the notice is delivered to the post office shall be the date of service; When the Company's notice is sent by means of communication, the date on which the notice is sent shall be the date of service; when the Company's notice is issued by announcement, the date of the first publication shall be the date of service.

Article 184 In the event a meeting notice, due to unexpected omission, is not delivered to or not received by an eligible addressee, the meeting and the resolutions made at the meeting shall not, by reason thereof alone, be deemed invalid.

Section 2 Announcements

Article 185 The Company appoints media outlets that comply with the requirements of the CSRC and the website of Shanghai Stock Exchange (<http://www.sse.com.cn>) as the medias for publication of the Company's announcements and other information needed to disclose.

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

Section 1 Merger, Division, Increase and Reduction of Capital

Article 186 The merger of a company may be implemented by the way of merger by absorption or merger by new establishment.

In a merger by absorption, a company absorbs other companies, and the absorbed companies are dissolved. When two or more companies merge and establish a new company, this is called merger by new establishment. The companies subject to being merged will be dissolved respectively.

Article 187 In the event of a merger between the Company and a company in which the Company holds more than 90% of the shares, the merged company is not required to be approved by a resolution at the general meeting, but shall notify the other shareholders, who shall have the right to request the Company to acquire their equity or shares at a reasonable price.

If the price paid by the Company for the merger does not exceed 10% of the net assets of the Company, such merger is not required to be resolved by the general meeting, unless otherwise stipulated by the Articles of Association.

A merger of the Company under the provisions of the preceding two paragraphs shall be resolved by the board of directors, if it is not resolved by the general meeting.

Article 188 When the Company merges, all merging parties shall sign a merger agreement, and prepare balance sheets and asset checklists. The Company shall notify its creditors within 10 days from the date of the Company's resolution on merger and shall publish an announcement in the designated media or the National Enterprise Credit Information Publicity System within 30 days. A creditor has the right to require the Company to repay its debts or provide a corresponding guarantee for such debts within 30 days as of the date of receiving such notice, or within 45 days as of the announcement (for the creditors who do not receive the notice).

Article 189 When the Company merges, all merging parties' creditor's rights and debts will be inherited by the survival company or the newly established company.

Article 190 Where a company is divided, its properties shall be divided accordingly.

In case of division of the Company, a balance sheet and an inventory of property shall be prepared. The Company shall notify its creditors in 10 days after the resolution on division is passed and shall publish an announcement in 30 days on designated media or the National Enterprise Credit Information Publicity System.

Article 191 The Company's debts before the division shall be jointly and separately assumed by the companies after division. However, if the Company and its creditors have entered into a written agreement concerning the repayment of debts before the separation, then the former provision does not apply.

Article 192 When the Company needs to reduce its registered capital, a balance sheet and a list of properties shall be prepared.

The Company shall notify its creditors within 10 days from the date of the resolution made by the general meeting on decrease of registered capital, and shall publish an announcement on the designated media or the National Enterprise Credit Information Publicity System within 30 days. Creditors receiving the notice or those failing to receive the notice, may, in 30 days after the notice is serviced or in 45 days after the announcement is published, request the Company to repay its debts or provide a corresponding guarantee.

Article 193 When the Company reduces its registered capital, it shall reduce the capital contributions or shares held by shareholders proportionally to their shareholdings, unless otherwise provided by laws or the Articles of Association. After making up losses in accordance with the relevant provisions of the Company Law, if the Company still has losses, it may reduce its registered capital to cover such losses. When reducing the registered capital to cover losses, the Company shall not make any distribution to shareholders, nor shall it exempt shareholders from their obligation to pay in capital contributions or share subscription monies.

Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of the second paragraph of the preceding article shall not apply, but an announcement shall be made in the media or the National Enterprise Credit Information Publicity System within 30 days from the date of the resolution made by the general meeting on decrease of registered capital.

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

Article 194 Where the reduction of registered capital is in violation of the Company Law or other relevant provisions, the shareholders shall return the funds they have received, and any reduction or exemption of shareholders' capital contributions shall be reinstated to the original state. Where losses are caused to the Company, the shareholders and responsible directors or senior managers shall bear liability for compensation.

Article 195 When the Company issues new shares for the purpose of increasing its registered capital, the shareholders shall not have pre-emptive subscription rights, except as otherwise provided in the Articles of Association or as resolved by the general meeting to grant such rights.

Article 196 In the case of merger or separation of a company, where any registered item changed, the change shall be handled at the registration authority of the Company in accordance with the law; where the Company is dissolved, company cancellation registration shall be handled in accordance with the law; where a new company is established, the establishment registration shall be handled in accordance with the law.

When the Company increases or decreases its registered capital, it shall go through the change registration with the registration authority of the Company according to law.

Section 2 Dissolution and Liquidation

Article 197 The Company may be dissolved if:

(1) The term of operation expires or any other circumstances for dissolution as stipulated in the Articles of Association occur;

(2) The general meeting approves a resolution on dissolution;

(3) The dissolution is necessary because of the merger or separation of the Company;

(4) The Company has its business license revoked, is ordered to close down, or is revoked;

(5) The Company is dissolved by the people's court in accordance with regulations, as the Company has had serious difficulty in operation and management, which cannot be solved through other channels, its continuous existence will cause shareholders to suffer from significant losses, such difficulty, and shareholders holding no less than 10% of voting rights of all the Company's shareholders request the people's court to dissolve the Company.

The Company shall, within 10 days of the dissolution stipulated in the preceding paragraph, make public the dissolution matters through the National Enterprise Credit Information Publicity System.

Article 198 The Company may continue to exist by amending the Articles of Association or resolving by the general meeting in case of Items (1) and (2) of Article 190, and where no property has been distributed to shareholders.

Any amendment to the Articles of Association or resolution by the general meeting made pursuant to the preceding paragraphs must be approved on the general meeting by more than two-thirds of the voting rights present at the meeting.

Article 199 Shall the Company be liquidated if it is dissolved as per the provisions in Article 190, Items (1), (2), (4), (5) of the Articles of Association. The directors shall be the obligors of the Company's liquidation and shall set up a liquidation group to carry out the liquidation within 15 days from the date of the dissolution.

The liquidation group shall consist of the directors, unless otherwise specified in the Articles of Association or unless the general meeting resolves to elect another person.

If a liquidation obligor fails to fulfil its liquidation obligations in a timely manner and causes losses to the Company or creditors, he/she shall be liable for compensation.

Article 200 The liquidation group shall exercise the following authorities in the course of liquidation:

- (1) Liquidating the properties of the Company, preparing balance sheets and list of properties respectively;
- (2) Notifying creditors by notice and announcement;
- (3) Handling the Company's ongoing businesses related to liquidation;
- (4) Paying off all the unpaid taxes and fees as well as the taxes and fees incurred in the liquidation process;
- (5) Settling creditor's rights and debts;
- (6) Allocating remaining properties of the Company after paying off all debts;
- (7) Representing the Company to participate the civil litigation activities.

Article 201 The liquidation group shall, within 10 days as of the establishment, notify the creditors and make public announcement in the designated media or the National Enterprise Credit Information Publicity System within 60 days. The creditors shall declare their creditor's rights to the liquidation group within 30 days as of the date of receiving such notice, or within 45 days as of the announcement (for the creditors who do not receive the notice).

For declaring their creditor's rights, the creditors shall explain matters related to creditor's rights and provide proving materials. The liquidation group shall register the creditor's rights.

During the period for declaration of creditor's right, the liquidation group shall not make settlement to the creditor.

Article 202 The liquidation group, after liquidating the Company's assets and preparing balance sheets and asset checklists, shall work out a liquidation plan and submit the same to the general meeting or the people's court for approval.

The remaining property of the Company after paying the liquidation expenses, wages of workers, social insurance expenses and legal compensation, paying the taxes owed and paying off the debts of the Company shall be distributed by the Company according to the type and proportion of shares held by shareholders.

During the liquidation period, the Company exists, but shall not engage in any business activity unrelated to the liquidation.

The property of the Company will not be distributed to shareholders until the settlement is completed as stipulated in the provisions of the preceding paragraph.

Article 203 If the liquidation group, after liquidating the Company's property and preparing the balance sheets and inventory of property, finds that the property of the Company is insufficient to pay off its debts, it shall apply to the people's court for bankruptcy and liquidation according to law.

After the people's court accepts the bankruptcy application, the liquidation group shall handover the liquidation to the insolvency officer designated by the people's court.

Article 204 After the liquidation of the Company, the liquidation group shall prepare a liquidation report, submitted the report to the general meeting or people's court for confirmation, report to the registration authority of the Company apply for deregistration of the company.

Article 205 Members of the liquidation group shall perform their liquidation duties and have the fiduciary duty and the duty of diligence.

If a member of the liquidation group is negligent in performing his/her liquidation duties and causes losses to the Company, he/she shall be liable for compensation; if a member of the liquidation group causes losses to creditors due to intentional misconduct or gross negligence, he/she shall be liable for compensation.

Article 206 Where the Company is declared to be bankrupt according to law, it shall carry out a bankruptcy liquidation in accordance with the laws concerning bankruptcy of enterprises.

Chapter 0 Amendment to Articles of Association

Article 207 The Company shall amend this Articles of Association if:

(1) The provisions of the Articles of Association come into conflict with any amendments to the Company Law or other relevant laws, administrative rules;

(2) The circumstances of the Company have changed so that they are different from the contents of the Articles of Association;

(3) The general meeting decides to amend the Articles of Association.

Article 208 If the amendments to the Articles of Association adopted by the general meeting shall be subject to approval by the competent authority, it shall be reported to the competent authority for approval; If the Company's registered items are involved in, the registration changes shall be handled according to law.

Article 209 The board of directors shall amend the Articles of Association according to the resolution of the general meeting on amendment and the examination and approval opinions of the relevant competent authorities.

Article 210 Any amendments to the Articles of Association are information that required to disclose according to the laws and regulations shall be announced according to the regulations.

Chapter 11 Supplementary Provisions

Article 211 Interpretation

(1) A controlling shareholder means a person whose shares account for more than 50% of the total share capital of the Company; Although he holds less than 50% of the shares, the voting rights he enjoys attached to the shares he held are sufficient to have a significant influence on the resolutions of the general meeting.

(2) The actual controller means a natural person, legal person, or other organization who is able to actually dominate the acts of the Company by means of its investment relations, agreement or other arrangements.

(3) Associated relationship means the relations between the controlling shareholder, actual controller, directors, senior managers and the enterprises directly or indirectly controlled by them, as well as other relations that may cause to transfer the Company's interests. The enterprises controlled by the State, however, do not have any affiliation between them only because they are controlled by the State.

Article 212 The board of directors may formulate detailed rules and regulations according to the provisions of the Articles of Association. The detailed rules and regulations for the Articles of Association shall not conflict with the provisions herein.

Article 213 The Articles of Association are made in Chinese. If it conflicts with the Articles of Association in any other language or in other version, the Articles of Association in Chinese version recently examined and registered by Market supervision and administration of Shunde District, Foshan City shall prevail.

Article 214 In the Articles of Association, the terms of "above" and "within" shall be inclusive, and the terms of "beyond", "more than", and "less than" shall be exclusive.

Article 215 The Articles of Association shall be interpreted by the board of directors of the Company. In the event that the Articles of Association are inconsistent with laws and regulations, the provisions of the securities regulatory authority or stock exchange of the place where the stocks or GDRs of the Company are listed, the laws and regulations, the provisions of the securities regulatory agency or stock exchange of the place where the stocks or GDRs of the Company are listed shall apply.

Article 216 Attachments to the Articles of Association include the rules of procedure for the general meeting, the rules of procedure for the board of directors.

Article 217 The Articles of Association shall come into effect after it is approved at the general meeting. The original Articles of Association of the Company shall automatically become invalid from the effective date of the Articles of Association.

Keda Industrial Group Co., Ltd.

August 6, 2025