

Lingyi iTech (Guangdong) Company

Articles of Association

June 2026

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CHAPTER I GENERAL PROVISIONS

Article 1 To safeguard the legitimate rights and interests of the Company, its shareholders, employees and creditors thereof and regulate the organization and activities of the Company, the Articles of Association are formulated in accordance with the Company Law of the PRC (《中華人民共和國公司法》) (hereinafter referred to as the “Company Law”), the Securities Law of the PRC (《中華人民共和國證券法》) (hereinafter referred to as the “Securities Law”), the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》), the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange (《深圳證券交易所股票上市規則》), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (《香港聯合交易所有限公司證券上市規則》) (hereinafter referred to as the “Hong Kong Listing Rules”) and other relevant regulations.

Article 2 The Company is a joint stock company with limited liability established in accordance with the Company Law and other relevant provisions (hereinafter referred to as the “Company”).

The Company was established by overall conversion from its predecessor, Jiangmen Powder Metallurgy Factory Co., Ltd., and registered with Jiangmen Administration for Market Regulation to obtain its business license. The Company’s unified social credit code is 91440700193957385W.

Article 3 As approved by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) on June 27, 2011, the Company initially issued 79,500,000 RMB-denominated ordinary shares (hereinafter referred to as the “A Shares”) to the public and became listed on the Shenzhen Stock Exchange (hereinafter referred to as the “SZSE”) on July 15, 2011.

On [•] [•], [•], upon the filing with the CSRC and with the approval of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Stock Exchange**”, together with the SZSE, the “**Stock Exchanges**”), the Company initially issued [•] overseas listed shares (hereinafter referred to as the “H Shares”) to the public. If the 15% over-allotment option is exercised in full, a total of [•] H Shares will be issued. The aforementioned H Shares were listed on the Hong Kong Stock Exchange on [•] [•], [•].

Article 4 The registered name of the Company: 廣東領益智造股份有限公司

The English name of the Company: LINGYI iTech (GUANGDONG) COMPANY

The Company established the corporate group based on actual needs and relevant regulations, the name of which is “Lingyi iTech (Guangdong) Group” (廣東領益智造集團), with the parent company being “Lingyi iTech (Guangdong) Company” and the core enterprise being “Lingyi Technology (Shenzhen) Co., Ltd.”.

Article 5 Address of the Company: No. 8 Longwan Road, Jiangmen City, Guangdong Province. Postal code: 529000.

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

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

Article 8 The Company's legal representative shall be a director or general manager who performs corporate affairs on behalf of the Company. If the director or general manager who is a legal representative resigns, he/she shall be deemed to have resigned as a legal representative at the same time. If a legal representative resigns, the Company shall determine a new legal representative within thirty days from the date of the resignation of the legal representative.

Article 9 The legal consequences of civil activities conducted by the legal representative in the name of the Company shall be borne by the Company. Restrictions on the authority of the legal representative imposed by the Articles of Association or the Shareholders' Meeting shall not be asserted against a bona fide counterparty. If the legal representative causes harm to others while performing his/her duties, the Company shall bear civil liability. After the Company assumes civil liability, it may, in accordance with the law or the provisions of the Articles of Association, seek recourse against the legal representative at fault.

Article 10 Shareholders shall assume liability towards the Company to the extent of their respective shareholdings, and the Company shall be liable for its debts to the extent of all of its property.

Article 11 The Articles of Association shall, from the date when they come into force, constitute a legally binding document regulating the organization and activities of the Company, the rights and obligations between the Company and each shareholder and among the shareholders, and shall be legally binding on the Company and its shareholders, directors and senior management. Pursuant to the Articles of Association, shareholders may institute legal proceedings against other shareholders; shareholders may institute legal proceedings against directors and senior management of the Company; shareholders may institute legal proceedings against the Company; and the Company may institute legal proceedings against shareholders, directors and senior management.

Article 12 The senior management referred to in the Articles of Association means the General Manager, Deputy General Managers, Secretary of the Board and Financial controller of the Company.

CHAPTER II BUSINESS OBJECTIVES AND SCOPE

Article 13 The business objectives of the Company are to fully leverage the Company's advantages, continuously expand its production capacity, gradually strengthen the Company's strength, strive to improve the Company's technical and management level, and seek greater benefits and substantial returns for all shareholders of the Company.

Article 14 Upon registration in accordance with the law, the business scope of the Company includes: manufacturing and selling magnetic material components and their products, alloy powder products, micro-motors, mechanical equipment and parts, and exporting related technologies; producing raw and auxiliary materials, mechanical equipment, instruments and meters, spare parts, and other goods needed for scientific research, as well as exporting related technologies; undertaking Sino-foreign joint ventures, cooperative production, and carrying out the "three-plus-one (三來一補)" business (operated under Yue Jing Mao Jin Zi [94] No. 196); leasing of movable and immovable property; research and development of plastic and electronic precision component manufacturing technology; producing, processing and selling hardware products, plastic products, plastic electronic products and molds; import and export of goods or technologies (excluding goods and technologies prohibited by the state or subject to administrative approval). (Items subject to approval in accordance with the law shall only be conducted upon the approval by relevant departments).

CHAPTER III SHARES

Section 1 Issuance of Shares

Article 15 The shares of the Company are in the form of registered share certificates.

Article 16 The issuance of the Company's shares shall be conducted in accordance with the principles of openness, fairness and impartiality, and each share of the same class shall have equal rights.

For shares of the same class issued in the same offering, the issuance conditions and price per share shall be the same; subscribers shall pay the same price for each share subscribed.

Article 17 Shares with a par value issued by the Company shall have their nominal value indicated in Renminbi, with a nominal value of RMB1 each.

Article 18 The A Shares issued by the Company shall be deposited collectively in the Shenzhen Branch of the China Securities Depository and Clearing Corporation Limited.

If the A shares of the Company are delisted, such share certificates of the Company shall continue to be traded under the agency share transfer system after delisting.

The H Shares of the Company issued and listed on the Hong Kong Stock Exchange shall be primarily deposited in the custodian company under the Hong Kong Securities Clearing Company Limited in accordance with the applicable Hong Kong laws and practices of securities registration and depository, or may also be held by shareholders in their own names.

Article 19 The Company was established as a joint stock limited company by overall conversion from a limited liability company.

The Company's founders are all the investors of the original limited liability company. The founders of the Company agree to fully subscribe for the Company's shares in proportion to the equity they held in the original limited liability company.

As of July 31, 2008, the audited net asset value of the Company was RMB369,316,483.55. The founders of the Company agreed that all the shares issued at the time of establishment would be converted into 190,300,000 shares at a ratio of 1:0.515276 based on this net asset value. Therefore, the number of shares subscribed by each founder at the time of establishment and the shareholding ratio are as follows:

| | Founders | Number of shares subscribed ('0,000 shares) | Shareholding percentage (%) |
|----|---|--|------------------------------------|
| 1 | Wang Nandong | 12,325.86 | 64.77 |
| 2 | Wu Jie (吳捷) | 1,745.68 | 9.17 |
| 3 | Lv Zhaomin (呂兆民) | 1,197.80 | 6.29 |
| 4 | Wu Xingyuan (伍杏媛) | 676.62 | 3.56 |
| 5 | Ye Jianhua (葉健華) | 315.30 | 1.66 |
| 6 | Mo Rujing (莫如敬) | 237.50 | 1.25 |
| 7 | Zhong Caixian (鐘彩嫻) | 144.80 | 0.76 |
| 8 | Huang Yaoxiang (黃耀祥) | 132.70 | 0.70 |
| 9 | Huang Xiufen (黃秀芬) | 71.50 | 0.38 |
| 10 | Gao Wen (高雯) | 200.00 | 1.05 |
| 11 | Chen Yuhua (陳宇華) | 730.00 | 3.84 |
| 12 | Fan Yaoji (范耀紀) | 100.00 | 0.52 |
| 13 | Jiangmen Longxin Investment Management Co., Ltd. (江門龍信投資管理有限公司) | 1,152.24 | 6.05 |
| | Total | 19,030.00 | 100.00 |

Article 20 The total share capital of the Company comprises [•] shares, all of which are ordinary shares, including [•] A ordinary shares, representing [•]% of the total share capital of the Company, and [•] H ordinary shares, representing [•]% of the total share capital of the Company.

Article 21 The Company and its subsidiaries (including its affiliates) shall not provide financial assistance to others for the acquisition of the Company's or its parent company's shares in the form of gift, advancement, guarantee, borrowing or otherwise, except when the Company implements an employee stock ownership plan.

For the benefit of the Company, a resolution may be passed by the Shareholders' Meeting, or the Board may pass a resolution in accordance with the authorization of the Articles of Association or the Shareholders' Meeting, allowing the Company to provide financial assistance to others for the acquisition of the Company's or its parent company's shares. However, the cumulative total of such financial assistance shall not exceed 10% of the total issued share capital. Resolutions passed by the Board shall require the approval of at least two-thirds of all directors.

Section 2 Increase, Decrease and Repurchase of Shares

Article 22 In light of the Company's operational and developmental needs, the Company may increase its capital in accordance with the provisions of laws and regulations and subject to separate resolutions of the Shareholders' Meeting by any of the following methods:

- (I) Issuance of shares to unspecified parties;

- (II) Issuance of shares to specified parties;
- (III) Distribution of bonus shares to existing shareholders;
- (IV) Conversion of reserve funds to share capital;
- (V) Other methods stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and relevant domestic and foreign securities regulatory authorities.

When the Company issues convertible corporate bonds, the issuance, conversion procedures and arrangements of the convertible corporate bonds, as well as the changes in the Company's share capital resulting from the conversion, shall be handled in accordance with the provisions of the laws, administrative regulations, departmental rules, and other documents, as well as the terms set forth in the Company's convertible corporate bond prospectus. For the Company to increase registered capital, after approval in accordance with the Articles of Association, the procedures stipulated by the relevant laws and regulations shall be followed.

Article 23 The Company may reduce its registered capital. Any reduction of the Company's registered capital shall be handled in accordance with the procedures prescribed in the Company Law, other relevant regulations and the Articles of Association.

Article 24 The Company may acquire its own shares in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association under the following circumstances:

- (I) Reducing the registered capital of the Company;
- (II) Merging with other companies that hold shares of the Company;
- (III) Using the shares for employee shareholding plans or equity incentives;
- (IV) Acquiring the shares of shareholders (upon their request) who vote against any resolution adopted at any Shareholders' Meeting on the merger or division of the Company;
- (V) Using the shares to satisfy the conversion of corporate bonds convertible into shares issued by the Company;
- (VI) Safeguarding the Company's value and shareholders' equity as the Company deems necessary.

The Company shall not acquire its own shares save for the circumstances specified above.

Article 25 The Company may acquire its own shares through open centralized trading or other methods recognized by laws, regulations, the securities regulatory rules of the place where the Company's shares are listed and relevant domestic and foreign securities regulatory authorities.

Where the Company acquires its own shares due to the reason as set out in item (III), (V) or (VI) of the first paragraph of Article 24 of the Articles of Association, the open centralized trading method shall be adopted.

Article 26 Where the Company acquires its own shares due to the reason as set out in item (I) or (II) of the first paragraph of Article 24 of the Articles of Association, it shall be resolved at a Shareholders' Meeting. Where the Company acquires its own shares due to the reason as set out in item (III), (V) or (VI) of the first paragraph of Article 24 of the Articles of Association, a resolution may be made at a Board meeting attended by more than two – thirds of the directors in accordance with the provisions of the Articles of Association or the authorization of the Shareholders' Meeting.

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

Where the Company acquires its own shares due to the reason as set out in item (I) of the first paragraph of Article 24 of the Articles of Association, it shall cancel such shares within 10 days from the date of the acquisition. Where the Company acquires its own shares due to the reason as set out in item (II) or item (IV), it shall transfer or cancel such shares within six months. Where the Company acquires its own shares due to the reason as set out in item (III), (V) or (VI), the total number of its shares held by the Company shall not exceed 10% of its total issued shares, and such shares shall be transferred or cancelled within three years.

Section 3 Transfer of Shares

Article 27 Shares of the Company shall be transferred in accordance with the law. All transfers of H Shares shall be effected by way of written instrument of transfer in general or ordinary format or any such other format as acceptable to the Board (including the standard format of transfer or form of transfer as prescribed by the Hong Kong Stock Exchange from time to time). Such instrument of transfer shall only be signed by hand or, if the transferor or the transferee is a company, affixed with a valid seal of such company. If the transferor or transferee is a recognized clearing house (hereinafter referred to as the "Recognized Clearing House") as defined under the relevant ordinances of the Hong Kong laws in force from time to time or an agent thereof, the written instrument of transfer may be signed by hand or in machine-printed form. All instruments of transfer shall be kept at the legal address of the Company or other places as may be designated by the Board from time to time. In the event that the Company refuses to register the transfer of shares, the Company shall give a notice regarding the refusal of share transfer to the transferor and transferee within two months from the date the application regarding the transfer of shares is received.

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

Article 29 Shares issued by the Company prior to the public offering shall not be transferred within one year from the date on which the Company's shares are listed and traded on the stock exchange.

Directors and senior management of the Company shall declare to the Company their holdings of the Company's shares and changes thereto. During their term of office as determined at the time of appointment, the number of shares transferred each year shall not exceed 25% of the total number of shares of the same class of the Company held by them; the shares of the Company held by them shall not be transferred within one year from the date on which the Company's shares are listed and traded. The aforementioned personnel shall not transfer the shares of the Company held by them within half a year from the date of their resignation.

Where the securities regulatory rules of the place where the Company's shares are listed have other provisions on restrictions on the transfer of the Company's shares, such provisions shall prevail.

Article 30 Any gains from sale of Company's shares or other securities with the nature of equity by the directors, senior management or shareholders (except for Hong Kong Securities Clearing Company Limited and HKSCC Nominees Limited) holding 5% or more of the Company's shares within six months after their purchase of the same, and any gains from the purchase of the shares or other securities with the nature of equity by any of the aforesaid parties within six months after sale of the same shall be paid to the Company, and the Board of the Company shall recover such gains from the abovementioned parties. However, there is an exception for securities companies that hold more than 5% of the shares due to the underwriting of the remaining shares after sale, and other circumstances stipulated by the securities regulatory authorities of the place where the Company's shares are listed and the stock exchange.

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

If the Board of the Company fails to comply with the provision set forth in the preceding paragraph of this article, the shareholders are entitled to request the Board to do so within 30 days. If the Board of the Company fails to comply within the aforesaid period, the shareholders are entitled to initiate litigation directly in the people's court in their own names for the interest of the Company.

If the Board of the Company fails to implement the provisions set forth in the first paragraph of this article, the responsible directors shall bear joint and several liability in accordance with law.

CHAPTER IV SHAREHOLDERS AND SHAREHOLDERS' MEETING

Section 1 Shareholders

Article 31 The Company shall establish a register of shareholders based on the documents provided by the securities registration institution. The register of shareholders is sufficient evidence to prove that shareholders hold the Company's shares. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold; shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations. The Company shall enter into a share custody agreement with the securities registration and settlement institution, make regular inquiries about the information on major shareholders and the changes in shareholdings (including equity pledges) of major shareholders, and keep abreast of the Company's shareholding structure. The original register of shareholders of H shares listed in Hong Kong is kept in Hong Kong. Duplicates of the register of shareholders of H shares shall be maintained at the Company's place of domicile. The appointed overseas agency shall ensure the consistency between the original and the duplicate of the register of shareholders of H shares. The register of shareholders of H shares kept in Hong Kong shall be available for inspection by shareholders. However, the register of shareholders may be closed on terms equivalent to those set out in section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and requirements of the securities regulatory rules of the place where the Company's shares are listed. Any shareholder registered in the register of shareholders or any person who requests that his/her name be registered in the register of shareholders may apply to the Company for a new share to be reissued for the share (the "Relevant Share") if his/her share (the "Original Share") is lost. If a shareholder of overseas listed foreign shares loses his/her shares and applies for a reissue, the matter may be handled in accordance with the laws of the place where the original copy of the shareholder register of overseas listed foreign shares is kept, the rules of the stock exchange, or other relevant regulations.

Article 32 When the Company holds a Shareholders' Meeting, distributes dividends, liquidates or engages in other activities requiring confirmation of shareholder identity, the record date for shareholding shall be determined by the Board or the convener of the Shareholders' Meeting, and the shareholders registered after the close of trading on the record date shall be the shareholders entitled to relevant rights and interests.

Article 33 Shareholders of the Company shall enjoy the following rights:

- (I) To receive dividends and other forms of benefit distribution according to their shareholdings;
- (II) To legally request, convene, preside over, attend or appoint proxies to attend the Shareholders' Meeting and exercise the corresponding voting rights (excluding cases where voting rights must be waived for relevant matters in accordance with the securities regulatory rules of the place where the Company's shares are listed);
- (III) To supervise the operation of the Company and make suggestions or inquiries;
- (IV) To transfer, gift or pledge their held shares in accordance with the provisions of laws, administrative regulations and the Articles of Association;
- (V) To inspect and copy the Articles of Association, register of shareholders, minutes of Shareholders' Meetings, resolutions of Board Meetings, and financial accounting reports; shareholders meeting the relevant requirements may inspect the Company's accounting books and accounting vouchers;
- (VI) To participate in the distribution of the remaining property of the Company according to their shareholdings in the event of termination or liquidation of the Company;
- (VII) To request the Company to acquire their shares if they dissent from the resolution of the Shareholders' Meeting on the merger or division of the Company;
- (VIII) Other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The Articles of Association, Shareholders' Meeting resolutions or Board resolutions shall comply with laws and regulations and shall not deprive or restrict the legitimate rights of shareholders. The Company should safeguard the legitimate rights of shareholders and ensure that they are treated fairly.

Article 34 Shareholders requesting to inspect or copy relevant materials of the Company shall comply with the provisions of the Company Law, the Securities Law and other laws and administrative regulations, and provide the Company with written documents proving the class and number of shares they hold in the Company. After verifying the shareholder's identity, the Company shall provide the requested materials in accordance with the shareholder's requirements.

Shareholders who have held individually or collectively more than 3% of the Company's shares for more than 180 consecutive days may request to inspect the Company's accounting books or accounting vouchers. In such case, such request shall be made to the Company in writing and state its purposes. If the Company, on reasonable grounds, considers that the shareholders are inspecting the accounting books and accounting vouchers for improper purposes and may result in damage to the legitimate interests of the Company and other shareholders, the Company may refuse the inspection and make written response to the shareholders stating its reasons within 15 days upon delivery of the written request by the shareholders. If the Company refuses the inspection, the shareholders may institute legal proceedings in the people's court. Shareholders may appoint an intermediary agency, such as an accounting firm or a law firm, to inspect the accounting books and accounting vouchers.

When shareholders of the Company request to inspect or copy the Company's relevant documents and data, for those involving the Company's trade secrets and other confidential materials, they can do so only after signing a confidentiality agreement with the Company. Shareholders and their appointed accounting firms, law firms and other intermediary agencies shall abide by the relevant laws and administrative regulations concerning the protection of state secrets, trade secrets, personal privacy and personal information, and bear the legal responsibility for disclosing such secrets.

Shareholders who request to inspect or copy materials related to the Company's wholly-owned subsidiaries should follow the provisions stipulated in the first four paragraphs.

Article 35 If the content of the resolution of the Company's Shareholders' Meeting or Board violates laws or administrative regulations, the shareholders have the right to request the people's court to clarify it invalid.

If the procedures for convening or voting at a Shareholders' Meeting or Board Meeting violate laws, administrative regulations or the Articles of Association, or the content of the resolution violates the Articles of Association, shareholders shall have the right to request the people's court to revoke the resolution within 60 days from the date of the resolution, provided that minor flaws in the convening procedures or voting methods of the Shareholders' Meeting or Board Meeting that do not substantially affect the resolution are excluded.

If the Board, shareholders or other relevant parties dispute the validity of a Shareholders' Meeting resolution, they shall promptly institute legal proceedings in the people's court. Prior to the people's court issuing a judgment or ruling, the relevant parties shall implement the Shareholders' Meeting resolution. The Company, directors and senior management shall diligently perform their duties to ensure the normal operation of the Company.

Where the people's court has issued a judgement or ruling on the relevant matter, the Company shall fulfill the obligation of information disclosure in accordance with the laws, administrative regulations and provision of the CSRC and the stock exchange, which shall include a full account of the impact, and shall actively implement in compliance with such judgement or ruling after the same comes into effect. Where rectification of previous executed matters is involved, such rectification shall be promptly processed and the obligation of information disclosure shall be fulfilled accordingly.

Article 36 Under any of the following circumstances, a resolution of the Company's Shareholders' Meeting or Board shall be invalid:

- (I) The resolution was made without convening a Shareholders' Meeting or Board meeting;
- (II) No vote was taken on the matter resolved during the Shareholders' Meeting or Board meeting;
- (III) The number of attendees or the voting rights held did not meet the quorum or the voting rights held required by the Company Law or the Articles of Association;
- (IV) The number of persons or voting rights held in favor of the resolution did not meet the quorum or the voting rights held required by the Company Law or the Articles of Association.

Article 37 If directors (excluding those on the Audit Committee) and senior management violate laws, administrative regulations or the provisions of the Articles of Association in the performance of their duties and cause losses to the Company, shareholders who have held individually or collectively more than 1% of the Company's shares for more than 180 consecutive days shall have the right to request the Audit Committee in writing to institute legal proceedings in the people's court; if members of the Audit Committee violate laws, administrative regulations or the provisions of the Articles of Association in the performance of their duties and cause losses to the Company, the aforementioned shareholders may request the Board in writing to institute legal proceedings in the people's court.

If the Audit Committee or the Board refuses to institute legal proceedings upon receipt of a written request from shareholders as provided for in the preceding paragraph, or fails to institute legal proceedings within 30 days from the date of receipt of the request, or if the situation is urgent and failure to institute legal proceedings immediately will cause irreparable damage to the Company's interests, the shareholders as provided for in the preceding paragraph shall have the right to institute legal proceedings directly in the people's court in their own names for the interests of the Company.

If another person infringes upon the legitimate rights and interests of the Company and causes losses to the Company, the shareholders as stipulated in the first paragraph of this article may institute legal proceedings in the people's court in accordance with the provisions of the preceding two paragraphs.

Where directors, supervisors, or senior management of a wholly-owned subsidiary of the Company violate laws, administrative regulations, or the provisions of the Articles of Association in the performance of their duties and cause losses to the Company, or where the lawful rights and interests of the wholly-owned subsidiary are infringed upon by others resulting in losses, shareholders who have held individually or collectively more than 1% of the Company's shares for more than 180 consecutive days may, in accordance with the first three paragraphs of Article 189 of the Company Law, submit a written request to the board of supervisors or the board of directors of the wholly-owned subsidiary to institute legal proceedings in the people's court, or may directly institute legal proceedings in the people's court in their own name. If a wholly-owned subsidiary of the Company does not have supervisors, the provisions of the first and second paragraphs of this article shall apply.

Article 38 If directors or senior management violate the provisions of laws, administrative regulations or the Articles of Association and damage the interests of shareholders, shareholders may institute legal proceedings in the people's court.

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

- (I) To comply with laws, administrative regulations and the Articles of Association;
- (II) To pay the share capital in accordance with the shares subscribed and the method of subscription;
- (III) Not to withdraw their share capital except under circumstances stipulated by laws and regulations;
- (IV) Not to abuse shareholder rights to damage the interests of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liability of shareholders to damage the interests of the Company's creditors; shareholders of the Company who abuse shareholder rights and cause losses to the Company or other shareholders shall be liable for compensation in accordance with the law; shareholders of the Company who abuse the independent legal person status of the Company and the limited liability of shareholders to evade debts and seriously damage the interests of the Company's creditors shall be jointly and severally liable for the Company's debts;
- (V) Other obligations stipulated by laws, administrative regulations and the Articles of Association.

Section 2 Controlling Shareholders and Actual Controller

Article 40 The controlling shareholders and actual controller of the Company shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, and the provisions of the CSRC and the stock exchange, and shall safeguard the interests of the Company.

Article 41 The controlling shareholders and actual controller of the Company shall comply with the following provisions:

- (I) Exercise shareholder rights in accordance with the law, and refrain from abusing controlling power or using affiliated relationships to harm the legitimate rights and interests of the Company or other shareholders;
- (II) Strictly fulfill public statements and various commitments made, and shall not unilaterally alter or exempt themselves from such commitments;
- (III) Strictly fulfill information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in carrying out information disclosure work, and promptly inform the Company of major events that have occurred or are planned to occur;
- (IV) Not misappropriate the Company's funds in any form;
- (V) Not compel, instruct, or demand that the Company or related personnel provide guarantees in violation of laws or regulations;
- (VI) Not use undisclosed material information of the Company to seek benefits, disclose undisclosed material information related to the Company in any form, or engage in illegal or noncompliant activities such as insider trading, short-swing trading, or market manipulation;
- (VII) Not harm the legitimate rights and interests of the Company and other shareholders through non-arm's length related-party transactions, profit distribution, asset restructuring, external investments, or any other means;
- (VIII) Ensure the Company's asset integrity, personnel independence, financial independence, organizational independence, and business independence, and not affect the Company's independence in any way;
- (IX) Other provisions stipulated by laws, administrative regulations, the securities regulatory authorities and the stock exchange of the place where the Company's shares are listed, and the Articles of Association.

If a controlling shareholder or actual controller of the Company does not serve as a director but actually manages the Company's affairs, the provisions of the Articles of Association regarding directors' duties of loyalty and diligence shall apply. If a controlling shareholder or actual controller of the Company instructs a director or senior management to engage in acts that harm the interests of the Company or shareholders, they shall bear joint and several liability with such director or senior management.

Article 42 Where a controlling shareholder or actual controller pledges the Company's shares held or actually controlled by them, they shall maintain the stability of the Company's control rights and production operations.

Article 43 When a controlling shareholder or actual controller transfers the Company's shares held by them, they shall comply with the restrictive provisions on share transfers stipulated by laws, administrative regulations, the securities regulatory authorities and the stock exchange of the place where the Company's shares are listed, as well as any commitments they have made regarding restrictions on share transfers.

Article 44 The controlling shareholder and actual controller of the Company shall not use their associated relationships to damage the interests of the Company. If they violate the provisions and cause losses to the Company, they shall be liable for compensation. The controlling shareholder and actual controller of the Company owe a fiduciary duty to the Company and the public shareholders of the Company. The controlling shareholder shall exercise the rights of an investor in strict accordance with the law. The controlling shareholder shall not damage the legitimate rights and interests of the Company and public shareholders through profit distribution, asset restructuring, external investment, capital occupation, loan guarantees or other means, shall not damage the interests of the Company and public shareholders by virtue of its controlling position, shall not seek additional benefits by virtue of its special status, shall not perform any approval procedures for the resolutions of the Shareholders' Meeting on personnel election and the resolutions of the Board on personnel appointment, shall not appoint or remove senior management of the Company beyond the Shareholders' Meeting and the Board, shall not directly or indirectly interfere in the production and operation decisions of the Company, shall not occupy or control the assets or other interests of the Company, shall not interfere in the financial and accounting activities of the Company, shall not issue any business plans or instructions to the Company, shall not engage in the same or similar business as the Company, and shall not affect the independence of the Company's operation and management or damage the legitimate rights and interests of the Company in any other form.

Article 45 The Company shall not provide non-full collateral guarantee to shareholders, actual controllers or their affiliated relatives or their affiliated enterprises; nor shall it engage in unfair related transactions with shareholders, actual controllers or their affiliated relatives or their affiliated enterprises. The directors and senior management of the Company have the obligation to supervise and report any acts of shareholders and actual controllers that misappropriation of the Company's assets. If it is discovered that the directors and senior management of the Company tacitly permit or assist shareholders, actual controllers or their affiliated relatives or their affiliated enterprises in misappropriating the Company's assets, the Board of the Company shall, depending on the severity of the circumstances, give a notification or warning to the direct responsible person. For directors and senior management who bear serious responsibilities, the Board of the Company shall submit them to the Shareholders' Meeting for removal, and even pursue their criminal responsibility.

Transactions involving the provision of funds, goods, services or other assets between the Company and its shareholders or actual controllers shall strictly follow the Board's and Shareholders' Meeting's review procedures in accordance with the relevant related transaction decision-making systems, and related directors and related shareholders shall abstain from voting.

Article 46 The Board of the Company has established a "moratorium upon misappropriation" mechanism for the shares held by major shareholder, which means that if the controlling shareholder is found to misappropriate the Company's assets, then the Board shall immediately apply for judicial procedures to freeze the shares held by him/her. If it cannot be settled in cash, then his/her equity shall be realized to repay the misappropriated assets. The Chairman of the Company is the primary person in charge of the mechanism of "moratorium upon misappropriation", and the vice Chairman is the primary person when the Chairman is a controlling shareholder. The Financial controller and the Secretary of the Board shall assist him/her in the related work.

Specific procedures are as follows:

- (I) The Financial controller shall report in writing to the Chairman or vice Chairman on the day when the controlling shareholder is found to have misappropriated the Company's assets; if the Chairman is the controlling shareholder, the Financial controller shall report in writing to the vice Chairman on the day when the controlling shareholder is found to have misappropriated the Company's assets, and a copy shall be sent to the Chairman and the Secretary of the Board. The contents of the report shall include but

not be limited to the name of shareholders with misappropriation, the name of assets misappropriated, the location of assets misappropriated, the assets misappropriation time, the amount involved and the proposed settlement period. If any director or senior management of the Company is found to have tolerated or assisted the controlling shareholders or their subsidiaries to misappropriate the assets of the Company, the Financial controller shall also state the name of directors or senior management involved and the details of tolerating or assisting the abovementioned misappropriation, and the proposed disciplinary actions for the directors or senior management involved in the written report.

- (II) In according to the written report of the Financial controller, the Chairman or vice Chairman shall urge the Secretary of the Board to notify all directors in writing or via email and convene an emergency meeting to consider the settlement period required on the controlling shareholders, the punishment decisions on directors and senior management involved, the application to relevant judicial authorities for freezing the shares of the controlling shares and other relevant matters. Connected directors shall abstain from voting on the abovementioned matters.
- (III) For directors who are to assume material responsibility, the Board shall submit relevant punishment decisions to the Shareholders' Meeting for consideration after considering them, and shall promptly inform the relevant director after the relevant matters have been approved by the Shareholders' Meeting of the Company.

The Secretary of the Board shall send the notice on settlement within a prescribed period to the controlling shareholders, implement the punishment decisions on directors or senior management involved, apply to relevant judicial departments for procedures to freeze the shares of the controlling shareholders, and conduct information disclosure based on the resolutions of the Board or the Shareholders' Meeting.

- (IV) If the controlling shareholder is unable to make repayment within a prescribed period, the Company shall make application to the relevant judicial departments within thirty days after the expiration of such prescribed period for the realization of the frozen shares to compensate for the misappropriated assets. Secretary of the Board shall be responsible for making proper disclosure of such information.

Section 3 General Provisions of the Shareholders' Meeting

Article 47 The Shareholders' Meeting of the Company shall be composed of all shareholders. The Shareholders' Meeting is the authority of the Company and shall exercise the following powers in accordance with the law:

- (I) To elect and replace directors who are not representatives of employees, and to decide on matters relating to the remuneration of such directors;
- (II) To consider and approve the report of the Board;
- (III) To consider and approve the Company's profit distribution plan and loss offset plan;
- (IV) To adopt resolutions on the increase or reduction of the registered capital of the Company;
- (V) To adopt resolutions or authorize the Board to adopt resolutions on the issuance of corporate bonds by the Company;
- (VI) To adopt resolutions on the merger, division, dissolution, liquidation or change of corporate form of the Company;

- (VII) To amend the Articles of Association;
- (VIII) To adopt resolutions on the engagement or dismissal of the accounting firm responsible for auditing the Company's business;
- (IX) To consider and approve the guarantee matters stipulated in Article 48;
- (X) To consider matters involving the purchase or sale of major assets by the Company within one year that exceed 30% of the Company's latest audited total assets;

The assets purchased or sold as mentioned above do not include the purchase of raw materials, fuels and power, and the sale of products, commodities and other assets related to daily operations, but assets of such nature involved in asset swaps are still included.

- (XI) To consider and approve matters relating to the change of the use of raised funds;
- (XII) To consider equity incentive plans and employee shareholding plans;
- (XIII) To consider granting general authorization to the Board (unconditional authorization or authorization subject to the terms and conditions set out in the resolution) to distribute or issue securities, or to make any share sale plans, agreements or grant any options that will or may require the issuance, distribution or sale of securities during or after the validity period of such authorization; the number of securities to be distributed or agreed to be distributed shall not exceed 20% of the number of the issued shares of the Company on the date of the adoption of the resolution on the general authorization. The general authorization shall be valid until: (a) the conclusion of the first Annual Shareholders' Meeting after the adoption of the resolution, at which time such authorization shall lapse unless the meeting adopts an ordinary resolution to extend it (whether with or without conditions); or (b) the shareholders adopt an ordinary resolution at the Shareholders' Meeting to revoke or amend such authorization, whichever occurs first;
- (XIV) To consider other matters that shall be decided by the Shareholders' Meeting as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Article 48 Where the Company provides external guarantees ("external guarantees" refer to guarantees provided by the Company for others, including guarantees provided by the Company to its controlling subsidiaries, and external guarantees provided by the Company's wholly-owned subsidiaries and controlling subsidiaries), such guarantees shall be subject to the approval of the Shareholders' Meeting if any of the following circumstances applies:

- (I) Any guarantee provided after the aggregate amount of external guarantees provided by the Company and its controlling subsidiaries exceeds 50% of the Company's latest audited net assets;
- (II) Any guarantee provided after the aggregate amount of external guarantees provided by the Company and its controlling subsidiaries exceeds 30% of the Company's latest audited total assets;

- (III) Any guarantee provided by the Company to others within one year with an amount exceeding 30% of the Company's latest audited total assets;
- (IV) Any guarantee provided to a guarantee recipient with an asset-liability ratio exceeding 70%;
- (V) Any guarantee with a single guarantee amount exceeding 10% of the Company's latest audited net assets;
- (VI) Any guarantee provided to shareholders, actual controllers and their related parties;
- (VII) Other guarantee circumstances that need to be approved by the Shareholders' Meeting as stipulated by laws, regulations, the CSRC, stock exchanges or the Articles of Association.

When the Board considers guarantee matters, the resolution shall be adopted by more than two-thirds of the directors attending the Board Meeting. When the Shareholders' Meeting considers the guarantee matters specified in item (III) of the preceding paragraph, the resolution shall be adopted by more than two-thirds of the voting rights held by the shareholders attending the meeting.

When the Shareholders' Meeting considers a proposal for a guarantee provided to shareholders, actual controllers and their related parties, such shareholders or shareholders controlled by such actual controllers shall not participate in the voting on such proposal, and such voting shall be adopted by more than half of the voting rights held by other shareholders attending the Shareholders' Meeting.

Article 49 The Shareholders' Meeting shall be divided into the Annual Shareholders' Meeting and Extraordinary Shareholders' Meeting. The Annual Shareholders' Meeting shall be held once a year and shall be convened within six months after the end of the preceding accounting year.

Article 50 The Company shall convene an Extraordinary Shareholders' Meeting within two months from the date of occurrence of any of the following circumstances:

- (I) When the number of directors is less than the statutory minimum number prescribed by the Company Law or two-thirds of the number stipulated in the Articles of Association;
- (II) When the Company's unrecovered losses reach one-third of the total paid-in share capital;
- (III) At the request of shareholders who individually or collectively hold more than 10% of the Company's shares;
- (IV) Whenever the Board deems it necessary;
- (V) When the Audit Committee proposes to convene;
- (VI) Other circumstances stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

If the Extraordinary Shareholders' Meeting is convened in response to the requirements of the securities regulatory rules of the place where the Company's shares are listed, the actual date of the Extraordinary Shareholders' Meeting may be adjusted according to the approval progress of the stock exchange.

Article 51 The on-site Shareholders' Meeting of the Company is held in Lingyi Building (領益大廈), No. 1012, Shennan Avenue, Futian District, Shenzhen, Guangdong Province, or any other location deemed convenient by the Board for shareholders to attend the meeting. The Shareholders' Meeting shall be held in a venue in the form of an on-site meeting. The Shareholders' Meeting may be held not only at the meeting venue in the form of an on-site meeting, but also simultaneously through electronic communication means.

The Company held a Shareholders' Meeting, providing shareholders with convenient options for participation, including both on-site voting and online or other voting methods, in accordance with the securities regulatory rules of the place where the Company's shares are listed. The Company clearly specified the method for confirming shareholder identity in the notice for the Shareholders' Meeting. Shareholders who participated in online voting would have their identity confirmed by the Shenzhen Stock Exchange trading system. Shareholders who participated in the Shareholders' Meeting through any of these methods would be considered to have attended.

Article 52 The Company shall engage lawyers to issue legal opinions and make announcement in respect of the following issues in the Shareholders' Meeting:

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

Section 4 Convening of the Shareholders' Meeting

Article 53 The Board shall convene a Shareholders' Meeting on time within the specified period.

Upon approval by the majority of all the independent directors, any independent director may propose to the Board to convene an Extraordinary Shareholders' Meeting. Where an independent director proposes to convene an Extraordinary Shareholders' Meeting, the Board shall, in accordance with laws, administrative regulations and the Articles of Association, provide written feedback on whether it agrees to convene the Extraordinary Shareholders' Meeting within ten days of receipt of the proposal.

If the Board agrees to convene an Extraordinary Shareholders' Meeting, it shall send out a Shareholders' Meeting notice within five days of making its resolution; where the Board declines to convene an Extraordinary Shareholders' Meeting, its reasons shall be given and announced.

Article 54 The Audit Committee has the right to propose to the Board to convene an Extraordinary Shareholders' Meeting and shall make any such proposal to the Board in writing. The Board shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, provide written feedback on whether it agrees to convene the Extraordinary Shareholders' Meeting within ten days of receipt of the proposal.

If the Board agrees to convene the Extraordinary Shareholders' Meeting, it shall issue a notice of the convening of the Shareholders' Meeting within five days after the adoption of the Board resolution, and any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee.

If the Board disagrees to convene the Extraordinary Shareholders' Meeting or fails to provide feedback within ten days of receipt of the proposal, it shall be deemed that the Board is unable to perform or fails to perform its duty to convene the Shareholders' Meeting, and the Audit Committee has the right to convene and preside over the meeting on its own.

Article 55 Shareholders who individually or collectively hold more than 10% of the Company's shares have the right to request the Board to convene an Extraordinary Shareholders' Meeting and shall make such request in writing to the Board. The Board shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, provide written feedback on whether it agrees to convene the Extraordinary Shareholders' Meeting within ten days of receipt of the request.

If the Board agrees to convene the Extraordinary Shareholders' Meeting, it shall issue a notice of the convening of the Shareholders' Meeting within five days after the adoption of the Board resolution, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Board disagrees to convene the Extraordinary Shareholders' Meeting or fails to provide feedback within ten days of receipt of the request, shareholders who individually or collectively hold more than 10% of the Company's shares have the right to propose to the Audit Committee to convene the Extraordinary Shareholders' Meeting and shall make such request in writing to the Audit Committee.

If the Audit Committee agrees to convene the Extraordinary Shareholders' Meeting, it shall issue a notice of the convening of the Shareholders' Meeting within five days of receipt of the request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Audit Committee fails to issue the notice of the Shareholders' Meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the Shareholders' Meeting, and shareholders who individually or collectively hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the meeting on their own.

Article 56 If the Audit Committee or shareholders decide to convene the Shareholders' Meeting on their own, they shall notify the Board in writing and file a record with the SZSE. The Audit Committee or the convening shareholders shall submit the relevant certification materials to the SZSE when issuing the notice of the Shareholders' Meeting and the announcement of the resolution of the Shareholders' Meeting.

Before the announcement of the resolution of the Shareholders' Meeting, the shareholding ratio of the convening shareholders shall not be less than 10%.

Article 57 For the Shareholders' Meeting convened by the Audit Committee or shareholders on their own, the Board and the Secretary of the Board shall provide cooperation. The Board shall provide the register of shareholders as of the record date for shareholding.

Article 58 The expenses necessary for the Shareholders' Meeting convened by the Audit Committee or shareholders on their own shall be borne by the Company.

Section 5 Proposals and Notice of the Shareholders' Meeting

Article 59 The matters contained in a proposal shall be fall within the terms of reference of the Shareholders' Meeting and shall have explicit topics and specific matters for resolution, and shall be in compliance with the relevant provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 60 When the Company convenes a Shareholders' Meeting, the Board, the Audit Committee and shareholders who individually or collectively hold more than 1% of the Company's shares shall have the right to submit proposals to the Company.

Shareholders who individually or collectively hold more than 1% of the Company's shares may submit provisional proposals in writing to the convener ten days prior to the convening of the Shareholders' Meeting. The convener shall issue a supplementary notice of the Shareholders' Meeting within two days of receipt of the proposal, announce the content of the provisional proposal and submit the provisional proposal to the Shareholders' Meeting for consideration, provided that the provisional proposal does not violate the provisions of laws, administrative regulations or the Articles of Association or fall outside the scope of the powers of the Shareholders' Meeting. If the Shareholders' Meeting needs to be postponed due to the issuance of the supplementary notice of the Shareholders' Meeting in accordance with the securities regulatory rules of the place where the Company's shares are listed, the convening of the Shareholders' Meeting shall be postponed in accordance with the securities regulatory rules of the place where the Company's shares are listed.

Except for the circumstances specified in the preceding paragraph, after the convener has issued the notice of the Shareholders' Meeting, it shall not modify the proposals already listed in the notice of the Shareholders' Meeting or add new proposals.

Any proposal that is not stated in the notice of the Shareholders' Meeting or does not comply with Article 59 of the Articles of Association shall not be voted and resolved at the Shareholders' Meeting.

Article 61 The convener shall notify shareholders by way of an announcement 21 days before the Annual Shareholders' Meeting and shareholders shall be notified by way of an announcement 15 days before the Extraordinary Shareholders' Meeting.

Article 62 The notice of the Shareholders' Meeting shall include the following contents:

- (I) The time, place and duration of the meeting;
- (II) The matters and proposals to be submitted to the meeting for consideration;
- (III) A clear statement in prominent characters that all shareholders are entitled to attend the Shareholders' Meeting and may appoint proxies in writing to attend and vote at the meeting, and such proxies need not be shareholders of the Company;
- (IV) The record date for shareholding of shareholders entitled to attend the Shareholders' Meeting;
- (V) The name and telephone number of the permanent contact person for meeting affairs;
- (VI) The voting time and procedures through online or other means.

All specific contents of all proposals shall be fully and completely disclosed in the notice of the Shareholders' Meeting and supplementary notices.

Where a Shareholders' Meeting is held over network, the notice of Shareholders' Meeting shall specify the voting time and voting procedure over network. The time to start voting at a Shareholders' Meeting held over network shall not be earlier than 3:00 p.m. of the day preceding the date of the onsite Shareholders' Meeting or later than 9:30 a.m. of the date of the onsite Shareholders' Meeting, and shall not conclude earlier than 3:00 p.m. of the date of the onsite Shareholders' Meeting. The online voting period through the Shareholders' Meeting trading system is during the stock trading hours on the date of the Shareholders' Meeting. The Internet voting system opens for voting at 9:15 a.m. of the date of the Shareholders' Meeting and ends at 3:00 p.m. of the date of the onsite Shareholders' Meeting.

The interval between the record date for shareholding and the date of the meeting shall be no less than two working days and no more than seven working days. Once the record date for shareholding is fixed, rescheduling is not allowed.

Article 63 If the election matters of directors are proposed to be discussed at a Shareholders' Meeting, the notice of the Shareholders' Meeting shall adequately disclose the detailed information on the director candidates, which shall at least include:

- (I) Personal information, such as educational background, working experience and part time jobs;
- (II) Whether the candidates are related with the Company or its controlling shareholders or actual controller;
- (III) Disclosure of their shareholdings in the Company;
- (IV) Whether the candidates have been subject to penalties by the CSRC and other relevant authorities or sanctions by any stock exchanges;
- (V) Other requirements by the securities regulatory rules of the place where the Company's shares are listed.

Except for the election of directors by cumulative voting system, a separate proposal shall be submitted for each director candidate.

Article 64 After the Shareholders' Meeting notice has been issued, the meeting should not be postponed or canceled without a valid reason, and the proposals listed in the notice should not be canceled. In the event of a postponement or cancellation, the convener shall announce and explain the reasons at least two working days before the originally scheduled date. If the securities regulatory rules of the place where the Company's shares are listed have special provisions regarding the procedures for postponing or canceling a Shareholders' Meeting, these provisions shall be followed, provided that they do not violate the regulatory requirements of the domestic jurisdiction.

Section 6 Convening of Shareholders' Meeting

Article 65 The Company shall hold the Shareholders' Meeting at the residence of corporation or the place specified in the Articles of Association.

The Shareholders' Meeting shall be held in a venue. The Shareholders' Meeting may be held not only in the form of an on-site meeting, but also simultaneously through electronic communication means, and in accordance with the provisions of the laws, administrative regulations, the CSRC or the Articles of Association, the Company shall provide convenience for shareholders to participate in the Shareholders' Meeting by using safe, economic and convenient network voting or other means. Shareholders participating in the Shareholders' Meeting by aforesaid means will be deemed attend the meeting.

The Board and other convener of the Company will take necessary measures to safeguard the normal order of the Shareholders' Meeting. Behavior such as disruption of the Shareholders' Meeting, provocation of trouble and infringement on the legitimate rights and interests of shareholders will be prevented and promptly reported to relevant authorities for investigation.

Article 66 All shareholders or their proxies registered on the record date for shareholding shall be entitled to attend the Shareholders' Meeting. They shall have the right to exercise voting rights in accordance with relevant laws, regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association (unless individual shareholders are required to abstain from voting on certain matters under the securities regulatory rules of the place where the Company's shares are listed).

Shareholders may attend the Shareholders' Meeting in person or appoint proxies to attend and vote on their behalf.

Article 67 If a natural person shareholder attends the meeting in person, he/she shall present his/her identity card or other valid documents or certificates proving his/her identity; if he/she appoints a proxy to attend the meeting on his/her behalf, the proxy shall present his/her valid identity card and the shareholder's power of attorney.

A legal person shareholder shall be represented at the meeting by its legal representative or a proxy appointed by the legal representative. If the legal representative attends the meeting, he/she shall present his/her identity card and a valid certificate proving his/her qualification as a legal representative; if a proxy attends the meeting, the proxy shall present his/her identity card and a written power of attorney issued in accordance with the law by the legal representative of the legal person shareholder (excluding cases where the shareholder is a recognized clearing house or its agent as defined by the relevant ordinances of Hong Kong law from time to time or the securities regulatory rules of the place where the Company's shares are listed).

Shareholders of a partnership enterprise that is not a legal person should attend the meeting in person as the natural person managing partner or the appointed representative of a non-natural person managing partner, or through an agent appointed by the aforementioned persons. When a natural person managing partner or an appointed representative of a non-natural person managing partner attends the meeting, they should present their personal identification and valid proof of their qualifications as a natural person managing partner or an appointed representative of a non-natural person managing partner. Proxies authorized to attend the meeting shall present their personal identification and the written power of attorney legally issued by the natural person managing partner or the appointed representative of a non-natural person managing partner of that shareholder's entity.

If the shareholder is a recognized clearing house, the recognized clearing house may authorize one or more persons it deems fit to act as its proxy or representative at any Shareholders' Meeting or any meeting of creditors; however, if two or more persons are authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized. The power of attorney shall be signed by personnel authorized by the recognized clearing house. A person so authorized may attend any meeting and exercise the rights on behalf of the recognized clearing house or its proxy (without presenting share certificates, provided that the authorization is notarized and/or further evidence confirms that he/she has been formally authorized) as if such person were an individual shareholder of the Company.

Article 68 Any shareholder who is entitled to attend and vote at a Shareholders' Meeting has the right to appoint one or more persons (who may not be shareholders) as his/her proxy to attend and vote on his or her behalf. The power of attorney issued by the shareholder authorizing his or her proxy to attend the Shareholders' Meeting should contain the following:

- (I) Name of the principal, and the class and number of shares of the Company held;
- (II) Name of the proxy;
- (III) Specific instructions from the shareholder to vote for or against or abstain from voting on each and every issue included in the agenda of the Shareholders' Meeting, etc.;
- (IV) The date of issue and validity period of the power of attorney;
- (V) The signature (or seal) of the principal. If the principal is a corporate shareholder, the corporate seal shall be affixed;

Article 69 Where a power of attorney appointing a proxy with the authority to vote is signed by another person authorized by the principal, the power of attorney authorizing the signature or other authorization documents shall be notarized. A notarized copy of that power of attorney or other authorization documents, together with the power of attorney appointing a proxy with the authority to vote, shall be deposited at the domicile of the Company or such other place as specified in the notice of the meeting.

Proxy forms with the authority to vote shall be deposited at the domicile of the Company or such other place as specified in the notice of the meeting at least twenty-four hours before the relevant meeting for voting according to the proxy form, or twenty-four hours before the designated time of voting.

Article 70 The Company shall be responsible for preparing a register of attendees of the meeting. Such register shall record name (or company name), ID Card no., domicile, number of voting shares held or represented, name (or company name) of appointer and other matters of the attendees.

Article 71 The convener and the counsel engaged by the Company shall jointly verify the legality of the shareholders' qualifications in accordance with the register of shareholders provided by the securities registration and settlement institution, and record and register the name of the shareholders and the number of voting shares held by such shareholders. The registration process shall end before the presider of the meeting announces on site the number of shareholders and proxies that attend the meeting, and the total number of their voting shares.

Article 72 If the Shareholders' Meeting requires directors and senior management to attend the meeting and the directors and senior management shall also be present and receive inquiries from the shareholders.

Article 73 The Shareholders' Meeting shall be presided over by the Chairman. Where the Chairman is unable or fails to perform his/her duties, the vice Chairman (in the case of two or more vice Chairmen, the vice Chairman jointly elected by more than half of the directors) shall preside over the meeting. Where the vice Chairman is unable or fails to perform his/her duties, one director shall be elected jointly by half or more of the directors to preside over the meeting.

Any Shareholders' Meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee (i.e., the chairman of the Audit Committee, the same below). Where the convener of the Audit Committee is unable or fails to fulfill his/her duties, the meeting shall be presided over by a member of the Audit Committee jointly elected by an absolute majority of members of the Audit Committee.

Any Shareholders' Meeting convened by shareholders shall be presided over by the convener or a representative elected by the convener.

If the presider of the Shareholders' Meeting violates the rules of procedure and prevents the meeting from proceeding, upon the agreement of more than half of the shareholders present and entitled to vote, the Shareholders' Meeting may elect one person to serve as the presider to continue the meeting.

Article 74 The Company shall establish rules of procedure for the Shareholders' Meeting, which shall detail the procedures for convening, holding and voting at the Shareholders' Meeting, including notification, registration, review of proposals, voting, counting of votes, announcement of voting results, formation of resolutions, minutes and signing, and announcement. The rules shall also specify the principles and specific content of the authorization granted by the Shareholders' Meeting to the Board. The rules of procedure for the Shareholders' Meeting shall be an appendix to the Articles of Association, drafted by the Board, and approved by the Shareholders' Meeting.

Article 75 In the Annual Shareholders' Meeting, the Board shall make a report to the Shareholders' Meeting in respect of their work in the previous year. Every independent director shall also make a report on work.

Article 76 Directors and senior management shall make explanations and statements in respect of shareholders' inquiries and advices in the Shareholders' Meeting.

Article 77 The presider shall, prior to voting, declare the number of attending shareholders and their proxies on site as well as the total number of their voting shares, which shall be the number of attending shareholders and their proxies on site and the total number of their voting shares as indicated in the meeting's registration record.

Article 78 Minutes of the Shareholders' Meeting shall be prepared by the Secretary of the Board. The minutes shall record:

- (I) The time, venue, agenda of the meeting and the name of the convener;
- (II) The names of the presider and directors and senior management who attend the meeting;
- (III) The number of shareholders and proxies attending the meeting, the total of voting shares held thereby and the proportion of such voting shares in the total of the Company's shares;
- (IV) The consideration process, speech highlights and voting results of each proposal;
- (V) Inquiries or advices of shareholders and corresponding replies or explanations;

(VI) The names of solicitor, vote counters and scrutineers;

(VII) Other contents which shall be recorded in the minutes in accordance with the Articles of Association.

Article 79 The convener shall ensure the meeting minutes are true, accurate and complete. Directors and the secretary of the Board attending the meeting, the convener or representative thereof and the presider shall sign the meeting minutes. The meeting minutes and the signed attendance record of the shareholders who attended in person, the proxy forms for the proxies present at the meeting and the valid information relating to the internet and other methods of voting shall be kept together for at least 10 years.

Article 80 A convener shall ensure that a Shareholders' Meeting shall be held continuously until a final resolution is formed. In the event that a Shareholders' Meeting is suspended or no resolutions can be made thereat due to special circumstances such as force majeure, the convener shall take necessary measures to restore the meeting as soon as possible or directly terminate the meeting, and make an announcement promptly. Meanwhile, the convener shall report to the local office of CSRC and the stock exchange.

Section 7 Voting at and Resolutions of the Shareholders' Meeting

Article 81 Resolutions of the Shareholders' Meeting are divided into ordinary resolutions and special resolutions.

An ordinary resolution of the Shareholders' Meeting shall be adopted by more than half of the voting rights held by the shareholders (including proxies) attending the Shareholders' Meeting.

A special resolution of the Shareholders' Meeting shall be adopted by more than two-thirds of the voting rights held by the shareholders (including proxies) attending the Shareholders' Meeting.

Article 82 The following matters shall be adopted by ordinary resolutions of the Shareholders' Meeting:

- (I) The report of the Board;
- (II) The profit distribution plan and loss offset plan formulated by the Board;
- (III) The appointment and removal of members of the Board and their remuneration and payment methods;
- (IV) Other matters except those that shall be adopted by special resolutions as stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Article 83 The following matters shall be approved by special resolutions of the Shareholders' Meeting:

- (I) The increase or reduction of the registered capital of the Company;
- (II) The division, spin-off, merger, dissolution and liquidation of the Company;

- (III) The amendment of the Articles of Association;
- (IV) The purchase or sale of major assets by the Company within one year or the provision of guarantees to others with an amount exceeding 30% of the Company's latest audited total assets;
- (V) Equity incentive plans;
- (VI) Other matters stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, as well as those determined by the Shareholders' Meeting through ordinary resolutions to have a significant impact on the Company and require adoption by special resolutions.

Article 84 Shareholders (including proxies) exercise their voting rights by the number of voting shares they represent, with each share carrying one vote. Shares of the Company held by the Company do not carry voting rights, and such shares are not included in the total number of voting shares of the shareholders attending the Shareholders' Meeting. Where material issues affecting the interests of minority shareholders are considered at the Shareholders' Meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

If a shareholder purchases shares with voting rights of the Company in violation of the provisions of items (I) and (II) of Article 63 of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the Shareholders' Meeting for 36 months after the purchase.

In accordance with applicable laws, regulations and the Hong Kong Listing Rules, if any shareholder is required to waive voting rights on a certain resolution matter, or any shareholder is restricted to voting in favor of (or against) a certain resolution matter, the votes cast by such shareholders or their representatives in violation of the relevant provisions or restrictions shall not be included in the total number of voting shares.

The Board, independent directors, shareholders holding more than 1% of the voting shares or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit shareholders' voting rights. The solicitation of shareholders' voting rights shall meet the following conditions:

- (I) There is a reasonable basis and the relevant information is fully disclosed to the shareholders whose voting rights are being solicited;
- (II) Exercising the voting rights in accordance with the promises and conditions made to the shareholders whose voting rights were solicited at the time of solicitation.

In soliciting shareholders' voting rights, information such as specific voting intention shall be sufficiently disclosed to the shareholders whose voting rights are being solicited. Solicitation of voting rights at any consideration, whether in direct or indirect form, is prohibited. The Company shall not propose any minimum shareholding restriction on the solicitation of voting rights.

Article 85 Where relevant related/connected transactions are considered at a Shareholders' Meeting, the related/connected shareholders shall not participate in voting and the number of voting shares represented by them shall not be counted in the total number of valid votes; the announcement of any resolution of the Shareholders' Meeting shall adequately disclose the voting by non-related/non-connected shareholders.

When the Shareholders' Meeting of the Company considers on related/connected transactions, the related/connected shareholders should proactively submit a request for recusal before the Shareholders' Meeting considers; the non-related/non-connected shareholders have the right to submit a request for the recusal of related/connected shareholders to the Shareholders' Meeting before it considers on related/connected transactions. The recusal request submitted by shareholders should be in writing and indicate the reasons why the related/connected shareholders should be recused. Before considering on related/connected transactions, the Shareholders' Meeting should first examine the recusal requests submitted by non-related/non-connected shareholders.

The term "Connected Transaction" in the Articles of Association includes the "connected transaction" as defined in the Hong Kong Listing Rules, the term "Connected Party(ies)" includes the "connected party(ies)" as defined in the Hong Kong Listing Rules, and the term "Connected Relationship" includes the "connected relationship" as defined in the Hong Kong Listing Rules.

Article 86 The Company shall, on the premise of ensuring the legality and effectiveness of the Shareholders' Meeting, provide modern information technology means such as online voting platforms through various ways and channels, so as to facilitate the participation of shareholders in the Shareholders' Meeting.

Article 87 Except under special circumstances such as crisis, the Company shall not enter into any contract with any person other than the directors and senior management to hand over all the management responsibilities or that of important businesses, unless it is approved through special resolutions by the Shareholders' Meeting.

Article 88 The list of candidates for the directors shall be proposed to the Shareholders' Meeting for voting by way of proposals.

The methods and procedures for the nomination of the directors are as follows:

- (I) The Nomination Committee of the Board has the authority to recommend director candidates who are not employee representatives to the Board of the Company, and provide the candidates' resumes and basic information. After approval by the Board, the Board shall submit the recommendation to the Shareholders' Meeting for consideration in the form of a proposal. Shareholders who individually or collectively hold more than 3% of the Company's total share capital may propose director candidates who are not employee representatives to the Board, and provide the candidates' resumes and basic information. After approval by the Board, the Board shall submit the candidates proposed by such shareholders to the Shareholders' Meeting for consideration in the form of a proposal.
- (II) The employee representatives on the Board are elected democratically by the Company's employees.

Article 89 In voting on the election of directors, the Shareholders' Meeting may adopt the cumulative voting system in accordance with the provisions of the Articles of Association and the resolutions of the Shareholders' Meeting. When electing two or more independent directors, the Shareholders' Meeting shall implement the cumulative voting system. When a single shareholder of the Company and its concerted actors hold an interest of 30% or more, the Shareholders' Meeting shall implement the cumulative voting system.

The cumulative voting system referred to in the preceding paragraph means each share shall have the same voting right as the number of directors to be elected, when election of directors is voted at the Shareholders' Meeting. The voting right held by shareholders may be used collectively.

The cumulative voting system is implemented as follows:

- (I) When two or more directors is elect, the Shareholders' Meeting shall conduct separate voting for each director candidate, and the cumulative voting system shall be applied;
- (II) Each voting share held by a participating shareholder has voting rights equal to the number of directors to be elected, and the voting rights held by each participating shareholder are equal to the product of the number of directors to be elected and the number of shares held by that shareholder;
- (III) Shareholders can either concentrate their voting rights to vote for a single director candidate, or distribute them among several director candidates. According to the number of votes each candidate receives, the candidates with the highest votes are elected in order, based on the number of directors to be elected;
- (IV) Under the cumulative voting system, independent directors should be elected separately from the other members of the Board;
- (V) If the total number of voting rights a shareholder exercises, concentrated on or distributed among one or several director candidates, exceeds their total cumulative voting rights, the shareholder's vote is invalid and shall be deemed as a waiver of that vote; if the total number of voting rights a shareholder exercises, concentrated on or distributed among one or several director candidates, is equal to or less than their total cumulative voting rights, the shareholder's vote is valid, and the portion of cumulative voting rights exceeding the exercised voting rights shall be deemed as waived.

If the Shareholders' Meeting passes a proposal regarding the election of directors, the term of office of the newly elected directors shall commence at the time specified in the resolution of the Shareholders' Meeting. If the resolution of the Shareholders' Meeting does not specify the commencement time, the term of office shall commence on the date the resolution of the Shareholders' Meeting electing the directors is adopted.

Article 90 In addition to the cumulative voting system, the Shareholders' Meeting shall resolve on all the proposals separately. In the event of several proposals for the same issue, such proposals shall be voted in the order of time when they are submitted. Unless the Shareholders' Meeting is suspended or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the Shareholders' Meeting.

Article 91 No amendment shall be made to a proposal when it is considered at a Shareholders' Meeting, otherwise such amendments shall be deemed as a new proposal and shall not be voted at the current Shareholders' Meeting.

Article 92 The same voting right can only be exercised in only one form: onsite, over the network or others. Where the same voting right is exercised more than once, the voting result of the first time shall prevail.

Article 93 At any Shareholders' Meeting, voting shall be conducted in a registered form.

Article 94 Before the relevant proposal is voted on at the Shareholders' Meeting, two representatives of shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll. Any shareholder who is connected with the matter under consideration and such shareholder and his/her proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.

When votes are cast on proposals at the Shareholders' Meeting, the lawyers and shareholder representatives shall be jointly responsible for counting and scrutinizing votes and shall announce the voting results at the meeting. The voting result shall be recorded in the meeting minutes.

Shareholders of the Company or their proxies, who have cast their votes by online voting or other methods, shall have the right to check the voting results in the way in which they have cast their votes.

Article 95 An on-site Shareholders' Meeting shall not end before that held on-line or other ways, and the presider of the meeting shall announce the voting status and results of each proposal and announce whether the proposal is adopted or not based on the voting results.

Prior to the formal announcement of voting results, the relevant parties involved in relation to the on-site or on-line voting at the Shareholders' Meeting, including the Company, the persons responsible for counting votes and scrutinizing the voting, the shareholders, and the internet service provider, shall be obliged to keep the voting status confidential.

Article 96 A shareholder attending any Shareholders' Meeting shall vote for or against or abstain from voting on each proposal submitted to the meeting for voting. The securities registration and settlement institution, as the nominal holder of the stocks under the trading interconnection mechanism of mainland China and Hong Kong stock markets, making declarations in accordance with the intention of the actual shareholders are excluded. Where permitted by the applicable securities regulatory rules of the place where the shares are listed, shareholders (including proxies) with two or more votes are not required to cast all their votes as affirmative, negative or abstention votes. The securities registration and settlement institution is entitled to appoint representatives or company representatives to attend the Shareholders' Meetings and creditors' meetings of the issuer, and such representatives or company representatives shall enjoy the same statutory rights as other shareholders, including the right to speak and vote.

A blank, wrongly filled, or illegible vote, or an uncast vote shall be deemed to be a waiver of the voting right of the voter, and the voting result for the number of shares he/she holds shall be accounted as "abstention".

Resolutions made pursuant to Articles 2.2 and 2.10 under the Code on Takeovers and Mergers and Article 3.3 under the Code on Share Buy-backs issued by the Securities and Futures Commission of Hong Kong, as well as other resolutions that shall only be approved by H shareholders in accordance with the relevant provisions of the Hong Kong Listing Rules, the Code on Takeovers and Mergers and the Code on Share Buy-backs, as amended from time to time, shall be passed by and only by H Shareholders' Meeting.

Article 97 If the presider of the meeting has any doubts as to the result of a resolution which has been put to vote at the Shareholders' Meeting, he/she may have the votes counted. If the presider of the meeting has not counted the votes, any shareholder present in person or by proxy who objects to the result announced by the presider of the meeting may, immediately after the declaration, demand that the votes be counted, and the presider of the meeting shall have the votes counted immediately.

Article 98 Resolutions of Shareholders' Meeting shall be announced in a timely manner. The announcements shall set forth the number of shareholders and proxies present at the meeting, the total number of voting shares held and the proportion to the total number of voting shares of the Company, the voting method, the voting results on each proposal and the details of each of the resolutions passed.

Article 99 Where a proposal has not been passed or the resolutions of the preceding Shareholders' Meeting have been changed at the current Shareholders' Meeting, special mention shall be made in the announcement of the resolutions of the Shareholders' Meeting.

Article 100 If the Shareholders' Meeting passes the proposal on cash dividends, bonus shares or conversion of capital reserve into share capital, the Company shall implement the specific scheme in two months after the end of the Shareholders' Meeting. If the specific scheme cannot be implemented within two months due to the laws and regulations or the securities regulatory rules of the place where the Company's shares are listed, the implementation date of the specific scheme may be adjusted accordingly in accordance with such regulations and the actual situation.

CHAPTER V BOARD

Section 1 Directors

Article 101 Directors of the Company shall be individuals, and a person may not serve as a director of the Company in case of any of the following circumstances:

- (I) Having no capacity for civil conduct or limited capacity for civil conduct;
- (II) Having been sentenced to criminal punishment for corruption, bribery, embezzlement of property, misappropriation of property or disruption of the social economic order, or having been deprived of political rights for a crime, and the period of execution has not expired for five years; if a suspended sentence is announced, the period from the expiration of the probation period has not expired for two years;
- (III) Having served as a director, factory director or manager of a company or enterprise in bankruptcy liquidation and bearing personal responsibility for the bankruptcy of such company or enterprise, and the period from the completion of the bankruptcy liquidation of such company or enterprise has not expired for three years;
- (IV) Having served as the legal representative of a company or enterprise whose business license has been revoked or ordered to close down due to illegal activities and bearing personal responsibility for such revocation or closure, and the period from the date of revocation of the business license or order to close down of such company or enterprise has not expired for three years;
- (V) Being listed as a person subject to enforcement for dishonesty by the people's court due to failure to repay a relatively large amount of debt when due;
- (VI) Having been subject to securities market entry prohibition measures by the CSRC and the period has not expired;
- (VII) Having been publicly identified by stock exchanges or other regulatory authorities as unfit to serve as a director, senior management of a listed company, etc., and the period has not expired;
- (VIII) Other circumstances stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or departmental rules.

For any election or appointment of a director in contravention of the provisions prescribed by this article, such election, appointment or employment shall be void and null. Where a director falls into any of the aforesaid circumstances in his/her term of office, the director shall be removed from office.

Article 102 Directors who are not representatives of employees shall be elected or replaced by the Shareholders' Meeting and may be removed from office by the Shareholders' Meeting before the expiration of their term of office, but such removal shall not affect the director's claim for damages under any contract. Directors who are representatives of employees shall be democratically elected through employee representative meetings or other forms and need not be submitted to the Shareholders' Meeting for consideration. The term of office of directors is three years, and directors may be re-elected upon the expiration of their term of office.

The term of office for directors begins on the date of their appointment and ends when the current Board's term expires. If the term of office for directors expires and a timely re-election has not taken place, the original directors shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules and the Articles of Association until the newly elected directors take office. The Board shall convene an Extraordinary Shareholders' Meeting as soon as possible to elect a director to fill the casual vacancy arising from the resignation of the director. If there are otherwise special provisions in the applicable laws, administrative regulations, departmental rules and securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

A director may serve concurrently as senior management, but the directors serving concurrently as senior management and as director who is an employee representative shall not exceed half of the total number of directors of the Company.

The election and appointment procedure of directors is as follows:

- (I) To nominate a director candidate in accordance with Article 88 of the Articles of Association;
- (II) The Company shall disclose the details of the director candidate in the form of an announcement prior to the Shareholders' Meeting;
- (III) The director candidate makes a written undertaking before the Shareholders' Meeting that they agree to accept the nomination, undertake that the information publicly disclosed about the director candidate is true and complete and guarantee that he/she will fulfill their duties as directors in good faith after being elected;
- (IV) To vote on the director candidate in accordance with the provisions of Article 89 of the Articles of Association.

Article 103 Directors shall comply with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, owe a fiduciary duty to the Company, take measures to avoid conflicts of interest between their own interests and the Company's interests, and shall not use their powers to seek improper interests.

Directors owe the following fiduciary duties to the Company:

- (I) Not to occupy the Company's property or misappropriate the Company's funds;
- (II) Not to deposit the Company's funds in accounts opened in their own names or the names of other individuals;

- (III) Not to accept bribes or other illegal incomes by virtue of their powers;
- (IV) Not to directly or indirectly enter into contracts or conduct transactions with the Company without reporting to the Board or the Shareholders' Meeting and obtaining the resolution of the Board or the Shareholders' Meeting in accordance with the provisions of the Articles of Association;
- (V) Not to use the convenience of their positions to seek business opportunities that should belong to the Company for themselves or others, unless they report to the Board or the Shareholders' Meeting and obtain the resolution of the Shareholders' Meeting, or the Company cannot take advantage of such business opportunities in accordance with the provisions of laws, administrative regulations or the Articles of Association;
- (VI) Not to engage in business similar to that of the Company for themselves or others without reporting to the Board or the Shareholders' Meeting and obtaining the resolution of the Shareholders' Meeting;
- (VII) Not to accept commissions from transactions with the Company for their own benefit;
- (VIII) Not to disclose the Company's secrets without authorization;
- (IX) Not to use their associated relationships to damage the interests of the Company;
- (X) Other fiduciary duties stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Any income obtained by directors in violation of the provisions of this article shall belong to the Company; if such violation causes losses to the Company, the directors shall be liable for compensation.

When near relatives of directors and senior management, enterprises directly or indirectly controlled by directors, senior management or their near relatives, and other affiliated persons who have other related party relationships with directors or senior management enter into contracts or conduct transactions with the Company, the provisions of item (IV) of paragraph 2 of this article shall apply.

Article 104 Directors shall comply with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, owe a duty of care to the Company, and shall exercise their powers with the reasonable care that a manager would normally exercise in order to maximize the Company's interests:

Directors owe the following duties of care to the Company:

- (I) To exercise the powers entrusted by the Company in a prudent, serious and diligent manner to ensure that the Company's business activities comply with the requirements of national laws, administrative regulations and various national economic policies, and that the business activities do not exceed the business scope specified in the business license;
- (II) To treat all shareholders fairly;

- (III) To keep abreast of the Company's business operation and management status;
- (IV) To sign written confirmation opinions on the Company's periodic reports to ensure that the information disclosed by the Company is true, accurate and complete;
- (V) To truthfully provide relevant information and materials to the Audit Committee and not to hinder the Audit Committee from exercising its powers;
- (VI) Other duties of care stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 105 If any director fails to attend Board meetings in person or by proxy for two consecutive times, the said director shall be deemed incapable of performing his/her duties, and the Board shall propose removal of such director to the Shareholders' Meeting. Subject to the securities regulatory rules of the place where the Company's shares are listed, any director attending the Board meeting by internet, video, telephone or other equivalent means, shall also be deemed to be present in person thereat.

Article 106 Directors may resign before the expiration of their term. Resignation of a director shall be submitted to the Board in writing. The Board shall disclose the relevant circumstances within two days.

Where the resignation of the director will render the number of directors of the Board of the Company to fall below the statutory quorum, or the resignation of an independent director resulting in the proportion of independent directors in the Board of the Company or the Board's special committees not complying with laws and regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, or the absence of accounting professionals among the independent directors, the original director shall continue to perform director duties pursuant to the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association prior to appointment of his/her replacement.

Except for the circumstances listed in the preceding paragraph, the resignation of a director shall take effect upon the delivery of the resignation report to the Board.

Article 107 The Company shall establish a director resignation management system, implementing safeguard measures for pursuing accountability and recovery for unfulfilled public commitments and other pending issues. Upon the effectiveness of a director's resignation or the expiration of his/her term of office, the director shall complete all handover procedures with the Board. The fiduciary duty owed by the director to the Company and shareholders shall not be automatically terminated after the expiration of the term of office, but shall remain valid for three years after the effectiveness of the resignation or the expiration of the term of office. The liability of a director for acts performed in the performance of his/her duties during the term of office shall not be exempted or terminated due to resignation. If there is any violation of relevant commitments or other acts damaging the interests of the listed company, the Board shall take necessary measures to hold the relevant personnel liable and effectively protect the interests of the listed company and minority investors.

Article 108 The Shareholders' Meeting may resolve to remove a director, and the removal shall take effect on the date when the resolution is made.

If a director is removed before the expiry of his/her term of office without just cause, the director may claim compensation from the Company.

Article 109 Without the provisions of the Articles of Association or the legal authorization of the Board, no director shall act on behalf of the Company or the Board in his/her personal name. When a director acts in his/her personal name, if a third party would reasonably believe that the director is acting on behalf of the Company or the Board, the director shall declare his/her position and identity in advance.

Article 110 If a director causes harm to others in performing duties to the Company, the Company shall bear liability for compensation; the director shall also bear liability for compensation if the director is intentional or has gross negligence. Directors shall be liable for compensation if the Company incurred any losses due to violations of laws, administrative regulations, departmental rules or the Articles of Association on the part of the directors in performing their duties. In cases of serious misconduct, the directors should be required to resign or be removed from their positions by the Board through a Shareholders' Meeting.

Section 2 Independent Directors

Article 111 The Company shall have independent directors. Independent directors shall perform their duties in accordance with the relevant provisions of laws, administrative regulations, the CSRC and stock exchanges. Independent directors shall play their roles in participating in decision-making, providing supervision and checks-and-balances, and offering professional advice at the Board level, so as to safeguard the overall interests of the Company and protect the lawful rights and interests of minority shareholders.

Article 112 Independent directors must maintain their independence. None of the following persons shall serve as an independent director:

- (I) Persons who hold positions in the Company or its subsidiaries, and their spouses, parents, children, and close social relations;
- (II) Natural person shareholders who directly or indirectly hold 1% or more of the Company's issued shares, or who are among the top ten shareholders of the Company, and their spouses, parents, and children;
- (III) Persons who hold positions in shareholders that directly or indirectly hold 5% or more of the Company's issued shares, or in the top five shareholders of the Company, and their spouses, parents, and children;
- (IV) Persons who hold positions in the subsidiaries of the Company's controlling shareholder or actual controller, and their spouses, parents, and children;
- (V) Persons who have significant business dealings with the Company, its controlling shareholder, actual controller or their respective subsidiaries, or persons who hold positions in entities that have significant business dealings with them, including the controlling shareholders or actual controller of such entities;
- (VI) Persons who provide financial, legal, consulting, sponsorship or other services to the Company, its controlling shareholder or actual controller, or their respective subsidiaries, including but not limited to all project team members of the intermediaries providing such services, reviewing personnel at all levels, signatories of reports, partners, directors, senior management and principal responsible persons;

(VII) Persons who, within the past twelve months, have fallen under any of the circumstances listed in items (I) to (VI) above;

(VIII) Other persons who are not independent as stipulated by laws, administrative regulations, regulations of the CSRC, business rules of the stock exchange, or the Articles of Association.

For items (IV) to (VI) above, the subsidiaries of the Company's controlling shareholder or actual controller do not include enterprises that are under the control of the same state-owned assets supervision and administration authority as the Company and are not deemed to be related parties of the Company in accordance with relevant regulations.

Independent directors shall conduct a self-assessment of their independence each year and submit the results to the Board. The Board shall assess the independence of the incumbent independent directors each year and issue a dedicated opinion, to be disclosed together with the annual report.

Article 113 A person serving as an independent director of the Company shall meet the following conditions:

- (I) Possess the qualifications to serve as a director of a listed company in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and other relevant provisions;
- (II) Meet the independence requirements specified in the Articles of Association;
- (III) Possess basic knowledge of the operation of listed companies and be familiar with relevant laws, regulations, and rules;
- (IV) Have more than five years of working experience in law, accounting, economics, or other fields necessary for performing the duties of an independent director;
- (V) Possess good personal integrity and have no record of material dishonesty or other adverse conduct;
- (VI) Meet other conditions required by laws, administrative regulations, regulations of the CSRC, business rules of the stock exchange, or the Articles of Association.

Article 114 Powers of independent directors and special meetings of independent directors:

- (I) The following matters shall be submitted to the Board for consideration only after being approved by more than half of all independent directors of the Company:
 1. Connected transactions that are required to be disclosed;
 2. Proposals concerning the modification or waiver of undertakings by the Company or relevant parties;
 3. Decisions made and measures taken by the board of the acquired listed company in response to an acquisition;
 4. Other matters stipulated by laws, administrative regulations, regulations of the CSRC, and the Articles of Association.

(II) The Company shall regularly or irregularly convene a meeting attended by all of its independent directors (hereinafter referred to as the “Special Meeting of Independent Directors”). Matters below shall be considered at a Special Meeting of Independent Directors:

1. To independently appoint intermediary institutions to audit, consult or verify specific matters concerning the Company;
2. To propose to the Board to convene an Extraordinary Shareholders’ Meeting;
3. To propose the convening of a Board meeting;
4. The matters listed in item (I) of this article.

The Special Meeting of Independent Directors may study and discuss other matters of the Company as needed.

The Special Meeting of Independent Directors shall be convened and presided over by an independent director jointly elected by more than half of the independent directors; where the convener fails or is unable to perform such duties, two or more independent directors may convene the meeting on their own and elect one representative to preside over it.. The Company shall provide convenience and support for the convening of the Special Meeting of Independent Directors.

(III) In addition to the powers endowed by the Company Law and other laws, administrative regulations, departmental rules and normative documents, independent directors also have and exercise the following special powers:

1. To independently appoint intermediary institutions to audit, consult or verify specific matters concerning the Company;
2. To propose to the Board to convene an Extraordinary Shareholders’ Meeting;
3. To propose the convening of a Board meeting;
4. To solicit shareholders’ rights from shareholders in a public manner according to laws;
5. To express independent opinions on matters that may damage the interests of the Company or minority shareholders;
6. Other powers as stipulated by laws, administrative regulations, provisions of the securities regulatory authorities and stock exchange of the place where the Company’s shares are listed and the Articles of Association.

The exercise of the functions and powers listed in items 1 to 3 of the preceding paragraph by an independent director(s) shall be subject to the consent of a majority of all independent directors. Where an independent director exercises his/her functions and powers under the item 1, the Company shall make timely disclosure. Where the above functions and powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

- (IV) If the independent directors exercise their powers and functions, the directors, senior management and other relevant personnel of the Company shall provide cooperation and shall neither refuse, obstruct or conceal relevant information nor interfere with their independent exercise of their powers and functions.

If the independent directors encounter obstacles in exercising their powers and functions according to laws, they may explain the situation to the Board, request the directors, senior management and other relevant personnel to cooperate, and record the specific circumstances and solutions of the obstacles in their work records; if the obstacles still cannot be removed, they may report to CSRC and stock exchange. If the performance of the duties by the independent directors involves the information that shall be disclosed, the Company shall promptly handle the disclosure matters; if the Company does not disclose the information, the independent directors may directly apply for disclosure, or report to CSRC and stock exchange.

Section 3 Board

Article 115 The Company has established a Board which shall be accountable to the Shareholders' Meeting.

Article 116 The Board shall consist of seven directors, including three independent directors and one director who is a representative of employees.

Article 117 The Board shall have one Chairman and one Vice Chairman; the Chairman and Vice Chairman shall be elected by more than half of all directors. Independent directors shall not serve as the Chairman or Vice Chairman of the Company.

Article 118 The Board shall exercise the following powers:

- (I) To convene the Shareholders' Meeting and report to the Shareholders' Meeting;
- (II) To implement the resolutions of the Shareholders' Meeting;
- (III) To determine the Company's business plans and investment plans;
- (IV) To formulate the Company's profit distribution plan and loss offset plan;
- (V) To formulate plans for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities and the listing of the Company;
- (VI) To formulate plans for major acquisitions of the Company, the acquisition of the Company's own shares, or the merger, division, dissolution and change of corporate form of the Company;
- (VII) To determine, within the scope of authorization granted by the Shareholders' Meeting, matters such as the Company's external investments, purchase and sale of assets, pledge of assets, external guarantee matters, entrusted wealth management, connected transactions and external donations;
- (VIII) To determine the establishment of the Company's internal management structure;

- (IX) To determine the appointment or dismissal of the General Manager, Secretary of the Board and other senior management of the Company and decide on matters relating to their remuneration, rewards and punishments; to determine the appointment or dismissal of the Deputy General Manager, Financial controller and other senior management of the Company upon the nomination of the General Manager and decide on matters relating to their remuneration, rewards and punishments;
- (X) To formulate the basic management system of the Company;
- (XI) To formulate proposals for the amendment of the Articles of Association;
- (XII) To manage the Company's information disclosure matters;
- (XIII) To propose to the Shareholders' Meeting the engagement or replacement of the accounting firm responsible for auditing the Company;
- (XIV) To receive the work report of the General Manager of the Company and inspect the work of the General Manager;
- (XV) Other powers entrusted by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Article 119 The Board of the Company shall make an explanation to the Shareholders' Meeting on the non-standard auditing opinions issued by certified public accountants on the financial statements of the Company.

Article 120 The Board shall formulate the rules of procedure for the Board to ensure that the Board can implement the resolutions of the Shareholders' Meeting, improve work efficiency and ensure scientific decision-making.

Article 121 Within the scope of authorization granted by the Shareholders' Meeting, the Board decides on matters such as the Company's external investments, acquisition and sale of assets, asset pledges, external guarantees, entrusted wealth management, related-party transactions, and external donations, implementing strict review and decision-making procedures; and arrange relevant experts and professionals to review major investment projects and submit them to the Shareholders' Meeting for approval.

- (I) The purchase or sale of assets (excluding the purchase of raw materials, fuels and power, and the sale of products, commodities and other assets related to daily operations, but assets of such nature involved in asset swaps are still included), external investments (including entrusted wealth management, entrusted loans, investment in subsidiaries, etc.), external guarantees, provision of financial assistance, leasing in or out of assets, signing of management contracts (including entrusted operation and commissioned operation, etc.), donation or reception of assets (excluding cash received as donations), debt or debt restructuring, transfer of research and development projects, signing of licensing agreements, and other transaction matters, if they meet any of the following criteria, must be approved by the Board and then submitted to the Shareholders' Meeting for approval (if the Articles of Association have separate provisions for providing guarantees, they should also be handled accordingly):

1. The total assets involved in the transaction (excluding external guarantees) account for more than 30% of the Company's latest audited total assets; if the total assets involved in the aforementioned transaction have both book value and appraised value, the higher one shall be used as the calculation data;
2. The business income of the transaction subject (such as equity) in the latest accounting year accounts for 50% or above of the audited business income of the Company in the last accounting year, and the absolute amount exceeds RMB50 million;
3. The net profit of the transaction subject (such as equity) in the latest accounting year accounts for 50% or above of the audited net profit of the Company in the last accounting year, and the absolute amount exceeds RMB5 million;
4. The transaction value (including liabilities and expenses incurred) accounts for 50% or above of the latest audited net assets of the Company, and the absolute amount exceeds RMB50 million;
5. The profit derived from the transaction accounts for 50% or above of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB5 million;
6. The transactions between the Company and related parties (excluding cases where the Company receives cash assets as donations and provides guarantees) amount to more than RMB30 million, and account for more than 5% of the Company's latest audited net assets in absolute terms.

If the amount or proportion involved in the related transactions exceeds the above standards, it shall be submitted to the Shareholders' Meeting of the Company for consideration after approval by the Board.

- (II) Except as otherwise stipulated in the Articles of Association, the Board shall have the following authorities to make decisions on the Company's purchase or sale of assets (excluding the purchase of raw materials, fuels and power, and the sale of products, commodities and other assets related to daily operations, but assets of such nature involved in asset swaps are still included), external investments (including entrusted wealth management, entrusted loans, investment in subsidiaries, etc.), provision of financial assistance, leasing in or out of assets, signing of management contracts (including entrusted operation and commissioned operation, etc.), donation or reception of assets (excluding cash received as donations), debt or debt restructuring, transfer of research and development projects, signing of licensing agreements, and other transaction matters (if the Articles of Association have separate provisions for providing guarantees, they should also be handled accordingly):
1. The total assets involved in the transaction (excluding external guarantees) account for more than 10% of the Company's latest audited total assets; if the total assets involved in the aforementioned transaction have both book value and appraised value, the higher one shall be used as the calculation data;

2. The business income of the transaction subject (such as equity) in the latest accounting year accounts for 10% or above of the audited business income of the Company in the last accounting year, and the absolute amount exceeds RMB10 million;
 3. The net profit of the transaction subject (such as equity) in the latest accounting year accounts for 10% or above of the audited net profit of the Company in the last accounting year, and the absolute amount exceeds RMB1 million;
 4. The transaction value (including liabilities and expenses incurred) accounts for 10% or above of the latest audited net assets of the Company, and the absolute amount exceeds RMB10 million;
 5. The profit derived from the transaction accounts for 10% or above of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB1 million;
 6. Related transactions between the Company and connected natural persons amounting to between RMB300,000 (inclusive) and RMB3,000,000 (exclusive) shall be approved by the Board; related transactions between the Company and connected legal persons amounting to RMB3,000,000 (inclusive) or more, and accounting for more than 0.5% of the Company's latest audited net assets in absolute value, shall be approved by the Board.
- (III) Except as otherwise stipulated in the Articles of Association, the Company's purchase or sale of assets (excluding the purchase of raw materials, fuels and power, and the sale of products, commodities and other assets related to daily operations, but assets of such nature involved in asset swaps are still included), external investments (including entrusted wealth management, entrusted loans, investment in subsidiaries, etc.), provision of financial assistance, leasing in or out of assets, signing of management contracts (including entrusted operation and commissioned operation, etc.), donation or reception of assets (excluding cash received as donations), debt or debt restructuring, transfer of research and development projects, signing of licensing agreements, related transaction and other transaction matters (excluding providing guarantees) that do not meet the review standards of the Shareholders' Meeting and the Board of the Company, shall be implemented after approval by the General Manager of the Company.
- (IV) If a number involved in the above indicators is negative, its absolute value shall be taken for the purpose of calculation.
- (V) The above-mentioned transaction subject is equity, and if the purchase or sale of such equity results in a change in the scope of the Company's consolidated statements, the total assets and business income of the Company corresponding to the equity shall be regarded as the total assets and business income related to the transaction target.
- (VI) When the Company engages in the purchase or sale of assets, it should use the higher value between the total asset amount and the transaction amount as the calculation standard, and calculate cumulatively within a twelve-month consecutive period according to the type of transaction. If the cumulative calculation reaches 30% of the latest audited total assets, it should be submitted to the Shareholders' Meeting for approval. Transactions for which the relevant decision-making procedures have been carried out in accordance with the aforementioned provisions shall no longer be included in the relevant cumulative calculation.

(VII) When the Company provides financial assistance or entrusts wealth management and other matters, the calculation should be based on the amount incurred, and calculate cumulatively within a twelve-month consecutive period according to the type of transaction. Transactions for which the relevant decision-making procedures have been carried out in accordance with the aforementioned provisions shall no longer be included in the relevant cumulative calculation.

(VIII) The Company's external guarantees shall follow the following requirements:

1. The Company's external guarantees must be considered by the Board or the Shareholders' Meeting. The Board shall have the right to approve the external guarantees other than those required to be submitted to the Shareholders' Meeting for consideration and approval as specified in the Articles of Association.
2. When the Board considers on guarantee matters, in addition to being approved by a majority of all directors, it must also be agreed upon by more than two-thirds of the directors present at the Board meeting.
3. External guarantees approved by the Company's Board or Shareholders' Meeting shall be disclosed in a timely manner, including the resolutions of the Board or Shareholders' Meeting, the total amount of external guarantees provided by the Company and its controlling subsidiaries as of the information disclosure date, and the total amount of guarantees provided by the Company to its controlling subsidiaries.

If it falls within the above authorization scope, but according to the law, regulations, or the Board deems it necessary to obtain the approval of the Shareholders' Meeting, it shall be submitted to the Shareholders' Meeting for consideration.

(IX) The Company's external donations shall follow the following requirements:

1. External donations by the Company with a single amount or an accumulated amount within a accounting year of up to RMB100 million are approved by the General Manager;
2. External donations by the Company with a single amount or an accumulated amount within a accounting year of more than RMB100 million but not exceeding RMB200 million are approved by the Board;
3. External donations by the Company with a single amount or an accumulated amount within a accounting year of more than RMB200 million are approved by the Shareholders' Meeting.

Article 122 The Chairman shall exercise the following duties and powers:

- (I) To preside over Shareholders' Meeting and to convene and preside over Board meetings;
- (II) To supervise and examine the implementation of the resolutions of the Board;
- (III) Other duties and powers as authorized by the Board.

Article 123 The vice Chairman of the Company shall assist the Chairman in performing his or her duties. If the Chairman is unable or fails to perform his or her duties, the duties shall be performed by the vice Chairman. When the vice Chairman are unable or fails to perform duties, the duties shall be performed by a director jointly elected by more than one half of the directors.

Article 124 The Board shall convene at least four regular meetings per year, approximately once every quarter, called by the Chairman, and all directors, the General Manager and the Secretary of the Board shall be notified in writing at least 14 days prior to the meeting.

Article 125 Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors, or the Audit Committee may propose to convene an extraordinary meeting of the Board. The Chairman shall convene and preside over the Board meeting within 10 days after receiving the proposal.

Article 126 The notice of the extraordinary Board meeting shall be given by email, telephone, facsimile, mail, personal delivery or other methods stipulated in the Articles of Association, and notices not served by hand shall be confirmed by telephone and record should be made accordingly. Notice of the meeting shall be served three days before the date of the meeting.

Article 127 The notice of the Board meeting shall include the following:

- (I) Date and venue of the meeting;
- (II) Duration of the meeting;
- (III) Reasons and issues of discussion;
- (IV) Date of issuance of notice;
- (V) The meeting contact person and the contact information.

Article 128 A Board Meeting shall be held only if more than half of the directors are present. Resolutions of the Board must be adopted by more than half of all directors, unless otherwise stipulated by laws, regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Voting on resolutions of the Board shall be conducted on a one-person-one-vote basis.

Article 129 If any director has connection with the enterprise involved in the resolution made at a Board meeting, such director shall submit a written report to the Board in a timely manner. The said director shall not vote on the said resolution for himself/herself or on behalf of another director. The Board meeting may be held when more than half of the non-connected directors attend the meeting. The resolution of the Board meeting shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the meetings is less than three, the issue shall be submitted to the Shareholders' Meeting for consideration. If there are any additional restrictions on directors' participation in and voting at Board meetings in accordance with laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

Article 130 The voting for resolution of the Board shall be carried out by way of written voting, a show of hands, or electronic communication voting. In the case of an extraordinary Board meeting, to ensure directors can fully express their opinions, if a director cannot attend the meeting in person due to special reasons and cannot authorize another director to attend on his/her behalf, the Board should provide electronic communication methods to ensure the director can perform their duties. Directors can vote by video, telephone, fax, or email, and participating directors shall sign the resolution.

Article 131 Directors shall attend the meetings of the Board in person. Where a director is unable to attend a meeting for any reason, he/she may, by a written power of proxy, appoint another director to attend the meeting on his/her behalf. The power of proxy shall set out the name of the proxy, issues under authorization, scope of authorization and valid period, which will be signed or sealed with the chop by the appointing director. A director who attends the meeting on behalf of appointed director shall exercise the rights of a director to the extent authorized. Where a director is unable to attend a meeting of the Board and has not appointed a proxy to attend the meeting on his/her behalf, he/she shall be deemed to have waived his/her right to vote at the meeting.

Article 132 The Board shall keep the minutes of the decisions on the matters discussed at the meeting, and all directors attending the meeting shall sign on the minutes.

The minutes of the Board meetings shall be kept as company files for a period of not less than 10 years.

Article 133 The minutes of the Board meeting shall include the following:

- (I) The date, venue and name of the convener of the meeting;
- (II) The names of the directors attending the meeting, and the names of directors (proxy) authorized by other directors to attend the meeting;
- (III) The agenda of the meeting;
- (IV) Key points of directors' speeches;
- (V) The voting methods and results for each resolution (the voting results shall indicate the number of votes for and against the proposal or abstention).

Section 4 Special Committees of the Board

Article 134 The Board of the Company shall establish an Audit Committee, a Nomination Committee, a Remuneration and Appraisal Committee, and a Strategy and Development Committee. Among them, independent directors shall account for more than half of the members of the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee and serve as the conveners (i.e., the chairman of the committee, the same below). The Audit Committee shall exercise the powers of the supervisors as stipulated in the Company Law and the powers of the Audit Committee as stipulated in the Articles of Association. The Nomination Committee shall include at least one director of a different gender. The Board shall be responsible for formulating the working rules of the special committees to regulate the operation of the special committees. The composition of the special committees shall be in accordance with the provisions of laws, administrative regulations, the CSRC and stock exchanges that are in effect from time to time.

Article 135 The Audit Committee shall consist of three directors who do not hold senior management positions in the Company, including three independent directors, with an accounting professional among the independent directors serving as the convener.

Article 136 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 controls. The following matters shall be submitted to the Board for consideration only after being approved by more than half of all members of the Audit Committee:

- (I) The disclosure of financial accounting reports, financial information in periodic reports, and internal control appraisal reports;
- (II) The engagement or dismissal of the accounting firm that undertakes the audit services for the listed company;
- (III) The appointment or dismissal of the Financial controller of the listed company;
- (IV) Changes in accounting policies, accounting estimates, or corrections of major accounting errors due to reasons other than changes in accounting standards;
- (V) Other matters stipulated by laws, administrative regulations, regulations of the CSRC, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Article 137 The Audit Committee shall hold at least one meeting per quarter. An extraordinary meeting may be convened at the proposal of two or more members or when the convener deems it necessary. A meeting of the Audit Committee may be held only if more than two-thirds of the members are present. Resolutions of the Audit Committee shall be adopted by more than half of the members of the Audit Committee. Voting on resolutions of the Audit Committee shall be on a one-person-one-vote basis. Minutes of the resolutions of the Audit Committee shall be prepared in accordance with the relevant provisions, and the members of the Audit Committee attending the meeting shall sign the minutes. The working rules of the Audit Committee shall be formulated by the Board.

Article 138 The Nomination Committee shall be responsible for formulating selection criteria and procedures for directors and senior management, selecting and reviewing candidates for directors and senior management and their qualifications, and making recommendations to the Board on the following matters:

- (I) The nomination or appointment and removal of directors;
- (II) The appointment or dismissal of senior management;
- (III) Other matters stipulated by laws, administrative regulations, regulations of the securities regulatory authorities and the stock exchange of the place where the Company's shares are listed, and the Articles of Association.

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

Article 139 The Remuneration and Appraisal Committee shall be responsible for formulating appraisal standards for directors and senior management and conducting such appraisals, formulating and reviewing remuneration policies and plans including mechanisms for determining remuneration, decision-making procedures, payment arrangements, and clawback arrangements for directors and senior management and making recommendations to the Board on the following matters:

- (I) The remuneration of directors and senior management;
- (II) The formulation or amendment of equity incentive plans, employee stock ownership plans, and the achievement of conditions for the grant and exercise of rights by incentive recipients;
- (III) Arrangements for directors and senior management to participate in employee stock ownership plans of subsidiaries proposed to be spun off;
- (IV) Other matters stipulated by laws, administrative regulations, regulations of the CSRC, and the Articles of Association.

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

CHAPTER VI SENIOR MANAGEMENT

Article 140 The Company shall have one General Manager, who shall be appointed or dismissed by the Board.

The Company may have several Deputy General Managers, who shall be appointed or dismissed by the Board.

The General Manager, Deputy General Managers, Secretary of the Board and Financial controller of the Company shall be the senior management of the Company.

Article 141 Provisions of the Articles of Association with respect to the circumstances where a person may not serve as director of the Company, as well as the requirements on resignation management, are applicable to senior management.

Provisions of the Articles of Association with respect to the fiduciary duties and duties of diligence of the directors are applicable to senior management.

Article 142 Any person holding other executive position other than directors and supervisors in the Company's controlling shareholders shall not serve as the senior management of the Company.

The senior management of the Company shall only receive remuneration in the Company and shall not be paid by the controlling shareholders on behalf of the Company.

Article 143 The General Manager has a term of office of three years and may be re-appointed for a second consecutive term.

Article 144 The General Manager shall be responsible to the Board and shall exercise the following powers:

- (I) To preside over the production, operation and management of the Company, organize the implementation of the resolutions of the Board and report to the Board;

- (II) To submit a business report for the preparation of the annual report;
- (III) To formulate the Company's annual production and operation plan, investment plan and the main measures for the realization of the plan;
- (IV) To organize the implementation of the Company's annual plan and investment plan;
- (V) To formulate plans for the establishment of the Company's internal management structure;
- (VI) To formulate plans for the Company's internal reform;
- (VII) To formulate the relevant basic management system of the Company;
- (VIII) To formulate specific rules and regulations of the Company;
- (IX) To propose to the Board the appointment or dismissal of the Company's senior management;
- (X) To appoint or dismiss middle-level management personnel other than those to be appointed or dismissed by the Board, and formulate reward and punishment plans for them based on their work performance;
- (XI) In accordance with the provisions of the Articles of Association and the authorization of the Board, the General Manager of the Company shall have the right to decide on the Company's external donation amount not exceeding RMB100 million;
- (XII) To formulate the wages, welfare and reward and punishment system for the Company's employees and decide on the appointment and dismissal of the Company's employees;
- (XIII) To sign daily administrative and business documents;
- (XIV) To propose the convening of an extraordinary meeting of the Board;
- (XV) Other powers stipulated by the Articles of Association, the securities regulatory rules of the place where the Company's shares are listed or entrusted by the Board.

The General Manager shall attend the meetings of the Board.

Article 145 The General Manager shall formulate his/her working rules which shall be implemented after approval by the Board.

Article 146 The working rules for the General Manager shall contain the following details:

- (I) Conditions for the convening of and the procedures for the General Manager's meetings, and the attendees thereof;
- (II) Specific duties and division of work of the General Manager and other senior management;
- (III) The authority to use the funds and assets and execute material contracts, and the system of reporting to the Board;
- (IV) Other matters as the Board considers necessary.

Article 147 The General Manager may resign before the expiration of his/her term. The specific procedures and measures regarding the resignation of the General Manager shall be governed by the employment contract between the General Manager and the Company.

Article 148 Deputy General Managers shall be nominated by the General Manager and appointed by the Board. Deputy General Managers shall assist the General Manager in carrying out the respective works of the Company.

Article 149 The Company shall have a Secretary of Board, who is responsible for the organization of Shareholders' Meeting and Board meetings, document keeping and management of information regarding the shareholders of the Company, dealing with information disclosure and other matters.

The Secretary of Board shall comply with the provisions of laws, administrative regulations, departmental rules and the Articles of Association.

Article 150 Where a senior management, in the performance of his/her duties for the Company, causes damage to any other person, the Company shall bear the liability for compensation; where such senior management acts with intent or gross negligence, he/she shall also bear the liability for compensation.

If a senior management contravenes the provisions of laws, administrative regulations, departmental rules or the Articles of Association when carrying out his/her duties in the Company, he/she shall be liable to compensate the Company for the losses thereof. In cases of serious misconduct, the senior management should be required to resign or be removed from their positions by the Board.

Senior management of the Company shall perform their duties honestly, and protect the best interests of the Company and all the shareholders. Senior management of the Company shall be liable for compensation in accordance with the laws for any damage caused to the interests of the Company and public shareholders as a result of their failure to perform duties honestly or violation of their fiduciary duties.

Article 151 The Company shall establish a senior management resignation management system, specifying safeguard measures for pursuing accountability and recovery for unfulfilled public commitments and other pending issues. Responsibilities that senior management should bear during their tenure due to the performance of their duties are not exempted or terminated upon resignation. In the event of violations of relevant commitments or other actions that harm the interests of the listed company, the Board shall take necessary measures to hold the relevant personnel accountable, effectively safeguarding the interests of the listed company and minority investors.

CHAPTER VII FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Section 1 Financial Accounting System

Article 152 The Company shall formulate its financial accounting system in accordance with the provisions of laws, administrative regulations and relevant national departments. The accounting year of the Company shall adopt the calendar year, that is, starting from January 1 of every calendar year to December 31 of every calendar year.

Article 153 The Company shall submit and disclose the annual report to the CSRC and the stock exchange within four months from the end of each accounting year, and submit and disclose the interim report to the local office of the CSRC and the stock exchange within two months from the end of the first half of each accounting year.

The aforementioned annual report and interim report shall be prepared in accordance with the relevant provisions of laws, administrative regulations, the CSRC and the stock exchange.

Article 154 The Company shall not maintain separate accounting books other than the statutory accounting books. The assets of the Company shall not be deposited in accounts opened in the name of any individual.

Article 155 When the Company distributes its after-tax profits for the year, it shall withdraw 10% of the profits and include them in the Company's statutory reserve fund. If the accumulated amount of the Company's statutory reserve fund exceeds 50% of the Company's registered capital, no further withdrawal may be made.

If the Company's statutory reserve fund is insufficient to cover the losses of previous years, the Company shall first use the current year's profits to cover the losses before withdrawing the statutory reserve fund in accordance with the provisions of the preceding paragraph.

After the Company withdraws the statutory reserve fund from the after-tax profits, it may also withdraw discretionary reserve funds from the after-tax profits upon the resolution of the Shareholders' Meeting.

The remaining after-tax profits of the Company after making up for losses and withdrawing reserve funds shall be distributed in proportion to the shares held by shareholders, unless the Articles of Association stipulate that the distribution shall not be made in proportion to the shareholdings.

If the Shareholders' Meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return the profits distributed in violation of the provisions to the Company; if such violation causes losses to the Company, the shareholders and the responsible directors and senior management shall be liable for compensation.

Shares of the Company held by the Company shall not participate in the distribution of profits.

The Company shall appoint one or more collecting agents in Hong Kong for H-share shareholders. The collecting agent(s) shall collect and hold the dividends and other amounts payable by the Company in respect of H-shares on behalf of the relevant H-share shareholders pending payment to such H-share shareholders. The collecting agent(s) appointed by the Company shall comply with the requirements of laws, regulations and the securities regulatory rules of the place where the Company's shares are listed.

Article 156 The Company's reserve funds shall be used to make up for the Company's losses, expand the Company's production and operation or convert into increased registered capital of the Company.

When using reserve funds to make up for the Company's losses, discretionary reserve funds and statutory reserve funds shall be used first; if the losses still cannot be made up, capital reserve funds may be used in accordance with the relevant provisions.

When the statutory reserve fund is converted into registered capital, the remaining amount of such reserve fund shall not be less than 25% of the Company's registered capital before the conversion.

Article 157 After the Shareholders' Meeting of the Company adopts a resolution on the profit distribution plan, or the Board of the Company formulates a specific plan based on the conditions and upper limit of the interim dividend distribution for the following year as considered and approved by the Annual Shareholders' Meeting, the distribution of dividends (or shares) shall be completed within two months.

Article 158 The Company implements a continuous and stable profit distribution policy, adopting cash, stock, a combination of cash and stock, or other methods permitted by laws and regulations to distribute profits. While meeting the normal production and operational funding needs, the Company will actively adopt cash to distribute profits. The Company's implementation of profit distribution shall follow the following provisions:

- (I) The Company's profit distribution shall focus on providing investors with a reasonable return on investment, and the Company shall fully listen to the opinions of minority shareholders, maintain the continuity and stability of the profit distribution policy, and take into account the Company's sustainable development.
- (II) The Company's profit distribution shall prioritize cash distribution. On the premise of giving priority to cash distribution, it may be combined with the distribution of stock dividends and other methods permitted by laws and regulations. When distributing profits using stock dividends, there shall be real and reasonable factors such as the Company's growth and the dilution of net assets per share.
- (III) Conditions for the Company to distribute cash dividends:
 1. The Company's distributable profit (i.e. post-tax profit after making up for losses and extracting surplus reserves) in such year are positive in value;
 2. The auditing firm issues a standard unqualified audit report on the financial report of the Company for such year;

3. The Company has no major investment plans or significant cash expenditures in the next twelve months.

(IV) The time intervals and proportions for profit distribution

Under the premise of complying with the principles of profit distribution, ensuring the normal operation and long-term development of the Company, and when the conditions for cash dividends are met, the Company shall, in principle, distribute cash dividends once a year. The profit distributed in cash each year shall not be less than 10% of the distributable profit realized in that year, and the cumulative profit distributed in cash over three consecutive years shall not be less than 30% of the average annual distributable profit realized during those three years. If the above ratio cannot be achieved due to special reasons, the Board shall provide a special explanation to the Shareholders' Meeting. The Company's profit distribution shall not exceed the scope of accumulated distributable profits and shall not jeopardize the Company's ongoing operational capability.

(V) Differentiated cash dividend policy

When the Board formulates a profit distribution plan, it should comprehensively consider factors such as the characteristics of the industry in which the Company operates, the Company's ranking within the industry, competitiveness, and profit margins to assess the development stage of the Company, as well as whether there are significant capital expenditure plans, in order to formulate the Company's profit distribution policy. The profit distribution plan follows the following principles:

1. In the mature stage of development of the Company with no major capital expenditure plans, the cash dividend proportion in the profit distribution plan should reach 80%;
2. In the mature stage of development of the Company with major capital expenditure plans, the cash dividend proportion in the profit distribution plan should reach 40%;
3. In the growth stage of development of the Company with major capital expenditure plans, the cash dividend proportion in the profit distribution plan should reach 20%;
4. If the stage of Company development is difficult to distinguish but there are major capital expenditure plans, it shall be handled by the Board of the Company according to the provisions of the preceding paragraph, based on the specific circumstances.

A major capital expenditure plan refers to the Company's proposed external investment, asset acquisition, or equipment purchase over the next twelve months, with cumulative expenditure exceeding 20% of the Company's latest audited consolidated net assets.

The proportion of cash dividends in this profit distribution is the cash dividend divided by the sum of cash dividends and stock dividends.

(VI) Procedures for the consideration of profit distribution

1. When a Company carries out profit distribution, the Board should first formulate a distribution plan and then submit it to the Shareholders' Meeting for consideration. When making decisions and forming a profit distribution plan, the Board should carefully record the management's recommendations, key points of the directors' speeches during the meeting, the Board's voting results, and other relevant information, and create a written record to be properly kept as company files.
2. When the Board considers the specific plan for cash dividends, it should carefully study and demonstrate the timing, conditions, and minimum ratio of the Company's cash dividends, the conditions for adjustment, and the requirements of the decision-making procedures.
3. When the Shareholders' Meeting considers the specific plan for cash dividends, the Company should proactively communicate and interact with shareholders, especially minority shareholders, through multiple channels (including but not limited to providing online voting, inviting minority shareholders to attend the meeting, etc.), fully listen to the opinions and demands of minority shareholders, and respond promptly to the issues that concern them.
4. If there is an annual profit but no cash dividend is proposed, the Board should explain in the distribution plan the reasons for not proposing a cash dividend, the purpose of the funds not used for cash dividends retained by the Company, and the plan for their use. After the Board considers and approves, it shall be submitted to the Shareholders' Meeting for consideration and approval, and the Board shall provide a report to the Shareholders' Meeting on the situation.
5. The Audit Committee should supervise the Board and management in implementing the Company's profit distribution policy and shareholder return planning, as well as the decision-making process, and should provide a special explanation and opinion on the relevant policies and implementation status for any annual profits for which a profit distribution plan has not been proposed.

(VII) Principles for adjusting profit distribution policy

According to production and operational conditions, investment plans, and the needs of long-term development, if the Company indeed needs to adjust its profit distribution policy, the adjusted profit distribution policy shall not violate the relevant regulations of the CSRC and the SZSE; the proposal regarding the adjustment of the profit distribution policy shall be reviewed by the Audit Committee, submitted to the Board of the Company for consideration, and then submitted to the Shareholders' Meeting for approval, requiring the approval of more than two-thirds of the voting rights held by the shareholders present at the Shareholders' Meeting. The Company shall make every effort to facilitate shareholders in participating in the Shareholders' Meeting.

- (VIII) The Company should strictly disclose the profit distribution plan and the implementation of the cash dividend policy in the annual and semi-annual reports in accordance with relevant regulations. If the Company has annual profits but does not propose a cash dividend plan, it should provide a detailed explanation in the annual report of the reasons for not distributing dividends, as well as the purposes and plans for using the funds retained in the Company instead of for dividends.

(IX) If a shareholder illegally uses the Company's funds, the Company shall deduct the cash dividends allocated to that shareholder to repay the funds they have used.

Section 2 Internal Audit

Article 159 The Company shall implement an internal audit system, specifying the leadership system, duties and powers, staffing, funding guarantee, application of audit results and accountability for internal audit work. Full-time auditors shall be appointed to conduct internal audit supervision over the Company's financial revenue and expenditure and economic activities.

Article 160 The internal audit system of the Company and the duties of the auditors shall be implemented after approval by the Board. The person in charge of audit shall be responsible to the Board and report to the Board.

Article 161 The internal audit institution of the Company shall supervise and inspect the Company's business activities, risk management, internal control, financial information and other matters.

Article 162 The internal audit institution shall be responsible to the Board.

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

Article 163 The specific organizational implementation of the Company's internal control evaluation is handled by the internal audit department. Based on the evaluation report and relevant materials issued by the internal audit department and reviewed by the Audit Committee, the Company issues an annual internal control evaluation report.

Article 164 When the Audit Committee communicates with accounting firms, national audit institutions, and other external audit units, the internal audit department should actively cooperate, providing necessary support and collaboration.

Article 165 The Audit Committee participates in the evaluation of the head of internal audit.

Section 3 Appointment of Accounting Firm

Article 166 The Company shall engage an accounting firm that complies with the provisions of the Securities Law and the securities regulatory rules of the place where the Company's shares are listed to conduct accounting statement audits, net asset verification and other related consulting services. The term of engagement is one year, and the engagement may be renewed.

Article 167 The engagement or dismissal of an accounting firm by the Company shall be submitted to the Board for consideration after the approval of more than half of all members of the Audit Committee, and shall be decided by the Shareholders' Meeting. The Board shall not appoint an accounting firm before the decision is made by the Shareholders' Meeting.

Article 168 The Company shall guarantee to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information to the engaged accounting firm, and shall not refuse, conceal or falsely report.

Article 169 The audit fee of the accounting firm shall be decided by the Shareholders' Meeting.

Article 170 When the Company dismisses or does not renew the engagement of an accounting firm, it shall notify the accounting firm 30 days in advance. When the Shareholders' Meeting votes on the dismissal of the accounting firm, the accounting firm shall be allowed to state its opinions.

An accounting firm proposing to resign shall state its opinions in the Shareholders' Meeting whether the Company has committed any improper act.

CHAPTER VIII NOTICES AND ANNOUNCEMENTS

Section 1 Notices

Article 171 Notices of the Company shall be served by the following methods:

- (I) By personal delivery;
- (II) By post;
- (III) By announcement;
- (IV) By other methods stipulated in the Articles of Association or recognized by the regulatory authorities of the place where the Company's shares are listed.

Article 172 A notice issued by the Company that is published as an announcement shall be deemed to have been received by all relevant persons once it is announced. The term "announcement" referred to in the Articles of Association, unless the context otherwise specifies, for announcements issued to A-share shareholders or announcements that are required to be issued within China in accordance with relevant regulations and the Articles of Association, refers to the dissemination of information on the Shenzhen Stock Exchange website and media that meet the conditions stipulated by the CSRC; for announcements issued to H-share shareholders or announcements that are required to be issued within Hong Kong in accordance with relevant regulations and the Articles of Association, such announcements must be published on the Company's website, the website of the Hong Kong Stock Exchange, and other websites as prescribed from time to time according to the Hong Kong Listing Rules. Regarding the manner in which the Company provides and/or distributes corporate communications to H-share shareholders in accordance with the listing rules of the place the shares are listed, subject to compliance with the relevant listing rules of the place the shares are listed, the Company may also send or provide corporate communications to its H-share shareholders electronically or via publication on the Company website or the stock exchange website, in lieu of delivering corporate communications to H-share shareholders in person or by prepaid mail.

Article 173 The notice of the Shareholders' Meeting of the Company shall be issued in the form of an announcement.

Article 174 The notice of convening Board meetings shall be delivered to all directors by personal delivery, mail, fax, telephone or email or several of these methods.

Article 175 If the notice of the Company is served by personal delivery, the recipient shall affix their signature (or seal) to the return on service and the signing date shall be the date of service; if the notice of the Company is served by post, the seventh working day after handover to the post office shall be the date of service; if the notice of the Company is served by announcement, the date of first announcement shall be the date of service; if the notice of the Company is sent by fax, the time recorded by the fax machine shall be the date of service; if the notice of the Company is made by telephone, the date of the call shall be the date of service; if the notice of the Company is sent by email, the time of sending the email shall be the date of service.

Article 176 The accidental failure to give notice of meeting to, or non-receipt of notice of meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions adopted at the meeting.

Section 2 Announcements

Article 177 The Company shall designate at least one newspaper among Securities Times (《證券時報》), Securities Daily (《證券日報》), Shanghai Securities News (《上海證券報》) and China Securities Journal (《中國證券報》) as the media for publishing Company announcements and other information that needs to be disclosed. The Company shall designate the CNINFO (巨潮資訊網) and the Hong Kong Stock Exchange's HKEXnews (<https://www.hkexnews.hk/>) as the media for publishing Company announcements and other information that needs to be disclosed.

CHAPTER IX EMPLOYEES AND TRADE UNION ORGANIZATION

Section 1 Employees

Article 178 The Company, based on production and business needs, independently decides on the Company's organizational structure and staffing. According to the hiring plan approved by the labor department, the Company independently conducts public recruitment, and after assessment, selects and employs the required employees based on merit.

Article 179 When a Company employs staff within China, both the Company and the employees should comply with the Labor Law of the PRC as well as other relevant Chinese laws, regulations, and related provisions, and legally enter into a labor contract. The contract should specify the labor (work) tasks, the term of the labor contract, working conditions and labor protection, work discipline, remuneration, social insurance, welfare benefits, as well as the conditions for dismissal, resignation, contract changes, termination and cancellation, responsibilities for breach of the labor contract, and other mutually agreed matters. After the labor contract is concluded, the employment procedures should be handled with the labor department in accordance with relevant regulations.

Article 180 Matters such as employees' welfare, bonuses, labor protection, and labor insurance will be stipulated by the Company in each respective system to ensure that employees engage in production and work under normal conditions.

Section 2 Trade Union Organization

Article 181 The Company employees have the right, in accordance with the provisions of the Trade Union Law of the PRC, to establish grassroots trade union organizations and carry out trade union activities.

Article 182 Trade union is the representative of employees' interests, and the basic tasks are to safeguard the legitimate rights and interests of employees in accordance with the provisions of Chinese laws and regulations; to assist in mediating disputes between employees and the Company; to organize employees for learning, carry out cultural and sports activities, educate employees to comply with labor discipline, and strive to complete the Company's various economic tasks.

Article 183 When the Company conducts research and makes decisions on issues related to employees' vital interests, such as employee rewards and punishments, wage systems, living benefits, labor protection, and insurance, the union representatives have the right to attend the meetings (without voting rights) to express the opinions and demands of the employees.

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

Section 1 Merger, Division, Capital Increase and Capital Reduction

Article 184 Merger of the Company may take the form of absorption or establishment of a new company.

Article 185 In case of merger by absorption, a company absorbs any other company and the absorbed company is dissolved. In case of merger by new establishment, two or more companies merge into a new one and the parties to the merger are dissolved.

Article 186 Where the consideration paid by the Company in a merger does not exceed 10% of the Company's net assets, a resolution of the Shareholders' Meeting is not required, unless otherwise provided in the Articles of Association.

A merger conducted by the Company in accordance with the preceding paragraph without a resolution of the Shareholders' Meeting shall be approved by a resolution of the Board.

Article 187 If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the merger and shall publish an announcement on the newspapers published at the municipal level (and above) or the National Enterprise Credit Information Publicity System within 30 days as of the date of such resolution. At the same time, an announcement shall be made in accordance with the provisions of Article 177 of the Articles of Association. A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts.

Article 188 When the Company is merged, the claims and debts of each party to the merger shall be succeeded to by the company surviving the merger or the new company established subsequent to the merger.

Article 189 Where there is a division of the Company, its assets shall be divided accordingly.

Article 190 Where there is a division of the Company, a balance sheet and property list shall be prepared. The Company shall notify its creditors within 10 days as of the date of the resolution for the division and shall publish an announcement on the newspapers published at the municipal level (and above) or the National Enterprise Credit Information Publicity System within 30 days as of the date of such resolution. Unless a written agreement has been entered into, before the division, by the Company and its creditors in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

Article 191 Where the Company reduces its registered capital, it shall prepare a balance sheet and property list.

The Company shall notify its creditors within 10 days as of the date of the resolution for the reduction of registered capital of Shareholders' Meeting and shall publish an announcement on the newspapers published at the municipal level (and above) or the National Enterprise Credit Information Publicity System within 30 days as of the date of such resolution. Creditors have the right, within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts.

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

Article 192 If the Company faces a shortfall in covering losses in accordance with the provisions of the second paragraph of Article 156 of the Articles of Association, it may reduce the registered capital to make up losses. In such a case, the Company may neither make distributions to shareholders nor release them from the obligation to pay capital contributions or pay for shares.

If the Company reduces its registered capital according to the preceding paragraph, it is exempted from the second paragraph of Article 191 of the Articles of Association. However, the Company shall publish an announcement on the newspapers published at the municipal level (and above) or the National Enterprise Credit Information Publicity System within 30 days as of the date of the resolution for the reduction of registered capital of Shareholders' Meeting.

The Company shall not distribute profit after a reduction of registered capital under the preceding two paragraphs, before the cumulative amount of the statutory common reserve fund and discretionary common reserve fund reaches 50% of the Company's registered capital.

Article 193 If registered capital is reduced in violation of the Company Law and other relevant provisions, shareholders shall return the funds they received, and if shareholders are granted exemption from or a reduction in capital contributions, the original state shall be restored; and shareholders and each liable director and senior manager shall be liable for compensation for losses caused to the Company, if any.

Article 194 When the Company issues new shares to increase its registered capital, shareholders shall have no preemptive right to subscribe unless otherwise stipulated by the Articles of Association or unless the Shareholders' Meeting resolves to grant such right.

Article 195 In the event of a merger or division of the Company, if there is a change in the registration items, the Company shall go through the change registration with the company registration authority in accordance with the law. If the Company is dissolved, it shall go through the deregistration of the procedures company in accordance with the law. If a new company is established, the Company establishment registration shall be completed in accordance with the law.

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

Section 2 Dissolution and Liquidation

Article 196 The Company shall be dissolved for the following reasons:

- (I) The expiration of the business term stipulated in the Articles of Association or the occurrence of other dissolution events stipulated in the Articles of Association;
- (II) The adoption of a resolution on dissolution by the Shareholders' Meeting;
- (III) Dissolution required due to the merger or division of the Company;
- (IV) The revocation of the business license, order to close down or revocation in accordance with the law;
- (V) If the Company encounters serious difficulties in its operation and management, and its continued existence will cause significant losses to the interests of shareholders and cannot be resolved through other means, shareholders holding more than 10% of the voting rights of the Company may request the people's court to dissolve the Company.

Where any cause for dissolution as specified in the preceding paragraph arises, the Company shall, within ten days, disclose such cause for dissolution through the National Enterprise Credit Information Publicity System.

Article 197 The Company may continue to exist by amending the Articles of Association or resolution of Shareholders' Meeting in the event of the items (I) and (II) of Article 196 of the Articles of Association if the property has not yet been distributed to shareholders.

The amendment to the Articles of Association or resolution of Shareholders' Meeting according to the preceding paragraph shall be passed by more than two-thirds of the voting rights held by shareholders present at the Shareholders' Meeting.

Article 198 If the Company is dissolved due to the circumstances specified in items (I), (II), (IV) and (V) of Article 196 of the Articles of Association, it shall be liquidated. Directors shall be the liquidation obligors and shall form a liquidation team to conduct liquidation within 15 days from the date of the occurrence of the dissolution event.

The liquidation team shall be composed of directors. If the liquidation obligors fail to perform their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.

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

- (I) To dispose of the Company's assets, and respectively prepare a balance sheet and an inventory of the assets;
- (II) To notify creditors by notice or public announcement;
- (III) To deal with the outstanding business of the Company involved in the liquidation;

- (IV) To pay all outstanding taxes and taxes arising in the course of liquidation;
- (V) To liquidate claims and debts;
- (VI) To deal with the remaining property of the Company after paying off debts;
- (VII) To participate in civil litigation on behalf of the Company.

Article 200 The liquidation team shall notify the creditors within 10 days from the date of its establishment and make an announcement in newspapers publicly issued at or above the municipal level (including municipal level) or the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation team within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if no notice is received.

When declaring claims, creditors shall explain the relevant matters of the claims and provide supporting materials. The liquidation team shall register the claims.

During the period of declaring claims, the liquidation team shall not settle with creditors.

Article 201 After the liquidation group has sorted out the Company's assets, prepared the balance sheet and inventory of assets, it shall formulate a liquidation plan and submit it to the Shareholders' Meeting or the people's court for confirmation.

The Company's assets shall be used to pay the liquidation expenses, employees' wages, social insurance fees, and statutory compensation, to pay the taxes owed, and to repay the company's debts. The remaining assets shall be distributed among the shareholders in proportion to their shareholdings.

During the liquidation period, the Company shall continue to exist but shall not engage in business activities unrelated to the liquidation. The property of the Company shall not be distributed to shareholders before the settlement in accordance with the provisions of the preceding paragraph.

Article 202 After liquidating the Company's property and preparing a balance sheet and a list of property, if the liquidation team finds that the Company's property is insufficient to pay off its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law.

After the people's court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator appointed by the people's court.

Article 203 Upon the completion of the Company's liquidation, the liquidation group shall prepare a liquidation report, submit it to the Shareholders' Meeting or the people's court for confirmation, and file it with the company registration authority to apply for the cancellation of the company registration.

Article 204 Members of the liquidation group shall owe fiduciary duties and duties of care in discharging their liquidation duties.

If a member of the liquidation group neglects to perform liquidation duties and causes losses to the Company, he/she shall bear compensation responsibility. If losses are caused to creditors due to intentional or gross negligence, he/she shall bear compensation liability.

Article 205 After the Company is declared bankrupt in accordance with the law, bankruptcy liquidation shall be implemented in accordance with the relevant laws on enterprise bankruptcy.

CHAPTER XI AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 206 The Company shall amend the Articles of Association under any of the following circumstances:

- (I) After the revision of the Company Law or relevant laws, administrative regulations or the securities regulatory rules of the place where the Company's shares are listed, the matters stipulated in the Articles of Association conflict with the provisions of the revised laws and administrative regulations;
- (II) Changes in the Company's situation that are inconsistent with the matters recorded in the Articles of Association;
- (III) The adoption of a resolution on amending the Articles of Association by the Shareholders' Meeting.

If the matters of amending the Articles of Association adopted by the resolution of the Shareholders' Meeting need to be approved by the competent authority, they must be reported to the competent authority for approval; if such amendments involve the registration matters of the Company, the change registration shall be handled in accordance with the law.

In the event of any conflict between the Articles of Association and the provisions of the laws, administrative regulations, other relevant normative documents and the securities regulatory rules of the place where the Company's shares are listed issued from time to time, the laws, administrative regulations, other relevant normative documents and the securities regulatory rules of the place where the Company's shares are listed shall prevail.

Article 207 The Board shall amend the Articles of Association in accordance with the resolution of the Shareholders' Meeting to amend the Articles of Association and the approval of the relevant competent authorities.

Article 208 Amendments to the Articles of Association are information required by laws and regulations to be disclosed and are announced in accordance with regulations.

CHAPTER XII SUPPLEMENTARY PROVISIONS

Article 209 Definitions

- (I) The controlling shareholder refers to a shareholder holding shares representing more than 50% of the total share capital of the Company; a shareholder holding less than 50% of shares in the Company, but the voting rights vested by the shares held by him/her have a material effect on any resolutions made at a Shareholders' Meeting, or controlling shareholder as defined in the securities regulatory rules of the place where the Company's shares are listed.
- (II) The actual controller refers to a natural person, legal person or organization that can actually control the actions of the Company through investment relationships, agreements or any other arrangements.

(III) The affiliated relationship refers to relationship between a controlling shareholder, actual controller, director or senior management of the Company and the enterprise directly or indirectly controlled by the same, or any other relationship that may give rise to a transfer of interests of the Company. However, there should be no related party relationship between state-controlled enterprises solely because they are under the common control of the State.

(IV) Unless otherwise clearly specified by the relevant national laws, administrative regulations, or the regulatory rules of the place where the Company's shares are listed, the term "independent director" in the Articles of Association includes "independent non-executive directors" as defined under the Hong Kong Listing Rules, and "Accounting Firm" includes "Auditor" as defined under the Hong Kong Listing Rules.

Article 210 The Board may formulate by-laws in accordance with the provisions of the Articles of Association, provided that such by-laws shall not be in violation of the Articles of Association.

Article 211 The Articles of Association are written in Chinese. In case of any inconsistency between the Articles of Association and those in any other language or of different version, the latest Chinese version of the Articles of Association approved by and registered with Jiangmen Market Supervision and Administration Bureau shall prevail.

Article 212 The phrases "more than", "within" and "below" in the Articles of Association for the numbers include the numbers indicated themselves, while the phrases "above", "beyond", "less than" and "over" exclude the numbers indicated themselves.

Article 213 The interpretation of the Articles of Association shall be vested to the Board of the Company.

Article 214 The appendices to the Articles of Association include the rules of procedure of the Shareholders' Meeting and the rules of procedure of the Board.

Article 215 Subject to the consideration and approval at the Shareholders' Meeting of the Company, the Articles of Association shall become effective upon the date on which the H shares publicly issued by the Company are listed on the Hong Kong Stock Exchange. Since the effective date of the Articles of Association, the original articles of association of the Company shall be automatically invalidated.

Lingyi iTech (Guangdong) Company
June 2026