Befar Group Co., Ltd

ARTICLES OF ASSOCIATION

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CHAPTER 1 GENERAL PROVISIONS

Article 1 These Articles of Association are formulated in accordance with the "Company Law of the People's Republic of China" (hereinafter referred to as the "Company Law"), the "Securities Law of the People's Republic of China" (hereinafter referred to as the "Securities Law"), the "Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies "(hereinafter referred to as the "Trial Administration Measures"), the "Guidelines for Articles of Association of Listed Companies", the "Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited" (hereinafter referred to as the "Hong Kong Listing Rules") and other relevant provisions, with a view to safeguarding the lawful rights and interests of the Company, its shareholders, employees and creditors, and standardizing the organization and behavior of the Company.

Article 2 The Company is a joint stock limited company incorporated under the Company Law and other relevant provisions. The Company was established by way of overall restructuring from a limited liability company; it is registered with the Binzhou Municipal Administrative Approval Service Bureau, has obtained a business licence, and its unified social credit code is 91370000166926751K.

Article 3 The Company, upon approval by the China Securities Regulatory Commission (hereinafter referred to as the "CSRC") on January 26, 2010, conducted its initial public offering of 110 million ordinary shares to the general public, and the shares have been listed on the Shanghai Stock Exchange (hereinafter referred to as the "Shanghai Stock Exchange") since February 23, 2010.

The Company, upon filing with the CSRC on [•], conducted its initial public offering in Hong Kong of [•] foreign-listed foreign capital shares (hereinafter referred to as "H Shares"), and the aforesaid H Shares were listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange"; together with the Shanghai Stock Exchange, collectively referred to as the "Stock Exchanges") on [•].

Article 4 Registered Name of the Company: 濱化集團股份有限公司

English Name of the Company: Befar Group Co., Ltd.

Article 5 Registered Address of the Company: No. 888 Huanghe 5th Road, Bincheng District, Binzhou City, Shandong Province

Postal Code: 256600

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

Article 7 The Company is a permanently existing joint stock limited company.

The Company shall adopt scientific and advanced governance experience and models at home and abroad, and gradually establish and improve a safe and efficient corporate governance structure. Pursuant to the provisions of the Company Law and the Constitution of the Communist Party of China, the Company shall establish organizations of the Communist Party of China (the "Party Organizations") and working institutions. The Party Organizations shall play a leading political role in the Company and ensure that the guidelines and policies of the Party and the state are implemented and carried out in the Company; the Company shall provide necessary conditions for the activities of the Party Organizations, promote the institutionalization and standardization of Party building work, and facilitate the Party Organizations to carry out activities centering on production and operation and play their roles.

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

If the general manager who serves as the legal representative resigns, he/she shall be deemed as resigning from the legal representative at the same time.

In the event that the legal representative resigns, the Company shall determine a new legal representative within 30 days of the resignation.

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 powers of the legal representative under the Articles of Association or by the shareholders' meeting shall not be asserted against a bona fide counterparty.

If the legal representative causes damage to others while performing his/her duties, the Company shall bear civil liability. After assuming civil liability, the Company may recover compensation from the legal representative who is at fault in accordance with the law or the Articles of Association.

Article 10 The entire capital of the Company is divided into shares of equal value. Shareholders shall bear liability for the Company to the extent of the shares subscribed for by them, and the Company shall bear liability for its debts with all its assets.

Article 11 These Articles of Association of the Company, from the date of its entry into force, shall become a legally binding document that regulates the Company's organization and operations, as well as the rights and obligations among the Company and its shareholders, and among the shareholders. It shall be legally binding on the Company, its shareholders, directors and senior management personnel. Pursuant to these Articles of Association, a shareholder may sue another shareholder; a shareholder may sue the Company's directors, General Manager and other senior management personnel; a shareholder may sue the Company; and the Company may sue its shareholders, directors, General Manager and other senior management personnel.

Article 12 For the purposes of these Articles of Association, other senior management members refer to the Company's deputy general managers, secretary to the Board of Directors and chief financial officer.

CHAPTER 2 OBJECTIVES AND SCOPE OF BUSINESS

Article 13 The Company's Business Purpose: Adhere to market-oriented operations and national industrial policies as the guidance, take improving economic benefits and realizing the preservation and appreciation of assets as the objectives, conduct business with integrity, practice standardized governance, and engage in all business activities legally with high quality and high efficiency. Pursue customer satisfaction, employee satisfaction and social satisfaction, so as to maximize shareholders' rights and interests and the Company's value.

Article 14 Upon lawful registration, the business scope of the Company is as follows: production and sales of propylene oxide, dichloropropane solvent, sodium hydroxide (liquid and solid), food-grade sodium hydroxide (liquid and solid), dichloroisopropyl ether, allyl chloride, cis-dichloropropylene, trans-dichloropropylene, DD mixture, low-boiling solvent, high-boiling solvent, perchloroethylene, hydrofluoric acid, epichlorohydrin, hydrochloric acid, sodium hypochlorite solution, hydrogen, chlorine gas, liquid chlorine, nitrogen, oxygen and sulfuric acid; production and sales of demulsifier series, emulsifier series (including pesticide emulsifier series, printing and dyeing textile auxiliaries, mud auxiliaries, etc.), corrosion inhibitor series, polyether, lithium hexafluorophosphate, glycerol and other chemical products (excluding monitored hazardous chemicals and precursor chemicals); production and sales of plastic woven bags; installation and manufacturing of mechanical equipment; import of raw and auxiliary materials, mechanical equipment, instruments, meters and spare parts required for the Company's production and scientific research; export of products manufactured by the Company.

CHAPTER 3 SHARES

Section 1 Issuance of Shares

Article 15 The shares of the Company shall take the form of registered share certificates.

Article 16 The issuance of the Company's shares follows the principles of openness, fairness, and justice. Each share of the same class shall have equal rights.

Shares of the same class and in the same issuance shall be issued on the same conditions and at the same price; any entity or individual shall pay the same price per share subscribed for shares.

Article 17 The shares issued by the Company shall have their par values denominated in RMB.

Article 18 The A shares issued by the Company are centrally deposited with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. The H Shares issued by the Company may, in accordance with the laws of the place of listing and the conventions of securities registration and custody, be mainly deposited and custodied at the entrusted custodian companies under Hong Kong Securities Clearing Company Limited, or may be held in the personal name of the shareholders.

Article 19 The names of the Company's promoters, the number of shares subscribed for by them, and the time of their capital contribution are as follows respectively:

No.	Name of promoter	Number of shares subscribed
1	Binzhou Municipal People's Government State-owned Assets Supervision and Administration Commission	33,000,000
2	Shanghai Fosun Chemical and Pharmaceutical Investment Co., Ltd.	33,000,000
3	Zhejiang Lonsen Group Co., Ltd.	31,515,000
4	Ximeng Asset Holdings Co., Ltd*	6,600,000
5	Zhang Zhongzheng	46,200,000
6	Shi Qinling	23,100,000
7	Du Qiumin	9,900,000
8	Chu Zhaosheng	9,900,000
9	Li Demin	9,900,000
10	Liu Weiqun	9,900,000
11	Wang Shuhua	9,900,000
12	Jin Jianquan	9,900,000
13	Wang Liming	9,900,000
14	Zhao Hongxing	6,600,000
15	Yu Jiang	6,600,000
16	Niu Qi	2,200,000
17	Li Jiali	1,439,167
18	Liu Tongshun	1,439,167
19	Ren Yuanbin	1,439,167
20	Wang Aiping	1,439,167
21	Zhang Zhongxiu	1,439,167
22	Liu Hongan	1,439,165
23	Ding Yunsheng	880,000
24	Ma Fuzhen	880,000
25	Wang Zhiming	880,000
26	Xu Weiqing	880,000

No.	Name of promoter	Number of shares subscribed
27	Yu Taiji	880,000
28	Zhao Shuguang	880,000
29	Chen Baohe	660,000
30	Guo Jianhua	660,000
31	Kong Xiangjin	660,000
32	Li Mintang	660,000
33	Li Weizhong	660,000
34	Liu Rongshan	660,000
35	Shi Zhenxi	660,000
36	Sun Xuejun	660,000
37	Tian Hongjun	660,000
38	Xue Dehua	660,000
39	You Siquan	660,000
40	Zhang Tao	660,000
41	Zhang Jinghua	660,000
42	Zhao Xiuhua	660,000
43	Zheng Jizhong	660,000
44	Zhong Bin	660,000
45	Deng Yalin	550,000
46	Gao Fengyan	550,000
47	Gong Yuzhi	550,000
48	Guo Fengliang	550,000
49	Han Keqin	550,000
50	He Jiang	550,000
51	Huang Yuande	550,000
52	Ji Yuzhong	550,000
53	Jia Lianhua	550,000
54	Li Jianhua	550,000
55	Li Peixin	550,000
56	Li Shaojun	550,000

No.	Name of promoter	Number of shares subscribed
57	Li Yanwei	550,000
58	Li Yumin	550,000
59	Liu Feng	550,000
60	Liu Tao	550,000
61	Liu Mingde	550,000
62	Liu Shujun	550,000
63	Ming Baoguo	550,000
64	Pang Dianzhong	550,000
65	Qiu Bo	550,000
66	Song Mingshou	550,000
67	Sun Guoqiang	550,000
68	Sun Jingquan	550,000
69	Sun Shuguang	550,000
70	Wang Bingjing	550,000
71	Wang Ruixin	550,000
72	Wang Zengli	550,000
73	Xia Hongbing	550,000
74	Xiao Jinxian	550,000
75	Xu Weifang	550,000
76	Yang Aiguo	550,000
77	Yang Huiwen	550,000
78	Yuan Chunjun	550,000
79	Yuan Ruoquan	550,000
80	Zhang Min	550,000
81	Zhang Dongchun	550,000
82	Zhang Renming	550,000
83	Zhao Jianfang	550,000
84	Bi Yancai	330,000
85	Cao Shengxiang	330,000
86	Che Qiang	330,000

No.	Name of promoter	Number of shares subscribed
87	Chen Dongbin	330,000
88	Cheng Hongwei	330,000
89	Cui Jidong	330,000
90	Deng Zhonghua	330,000
91	Dong Bo	330,000
92	Dong Liang	330,000
93	Dou Baoguo	330,000
94	Fu Huijiang	330,000
95	Fu Zhiqiang	330,000
96	Ge Liang	330,000
97	Geng Qingxiang	330,000
98	Gu Jiaqing	330,000
99	Guo Songjie	330,000
100	Han Baiquan	330,000
101	Han Jianfeng	330,000
102	Han Yunyou	330,000
103	Han Yunhui	330,000
104	Hao Shuyi	330,000
105	He Hongbo	330,000
106	Jiang Zhenping	330,000
107	Jin Changbin	330,000
108	Li Jian	330,000
109	Li Changlin	330,000
110	Li Guilian	330,000
111	Li Huayou	330,000
112	Li Shaojun	330,000
113	Li Shuxian	330,000
114	Liu Baogang	330,000
115	Liu Guoqi	330,000
116	Liu Jinping	330,000

No.	Name of promoter	Number of shares subscribed
117	Liu Qinghua	330,000
118	Liu Xuefeng	330,000
119	Qi Chongguang	330,000
120	Qian Feng	330,000
121	Song Shaoyong	330,000
122	Sun Lei	330,000
123	Sun Huiqing	330,000
124	Suo Zhanfeng	330,000
125	Tian Hongfeng	330,000
126	Xu Liang	330,000
127	Xu Xinju	330,000
128	Xu Fengjiu	330,000
129	Yang Yuanfu	330,000
130	Yang Zhenjun	330,000
131	Yu Baotian	330,000
132	Zhang Aimin	330,000
133	Zhang Jianbo	330,000
134	Zhang Lijun	330,000
135	Zhang Shengping	330,000
136	Zhang Yanling	330,000
137	Zhao Qinglai	330,000
138	Zhou Xiangdong	330,000
139	Zhu Hongguo	330,000
140	Cui Hongsheng	220,000
141	Cui Zhongsan	220,000
142	Dong Hongbo	220,000
143	Fu Yingyi	220,000
144	Gong Qingjun	220,000
145	Gu Ming	220,000
146	Jia Guoqing	220,000

No.	Name of promoter	Number of shares subscribed
147	Jiang Jubing	220,000
148	Kang Zengguang	220,000
149	Li Ying	220,000
150	Li Huafang	220,000
151	Liu Mingguo	220,000
152	Liu Xuejun	220,000
153	Qin Xinhua	220,000
154	Qiu Chunjie	220,000
155	Sun Yongfeng	220,000
156	Tian Yidan	220,000
157	Wang Yun	220,000
158	Wang Huailiang	220,000
159	Wang Qingming	220,000
160	Wang Shihuan	220,000
161	Wang Xilin	220,000
162	Wang Xuezhen	220,000
163	Wang Yunhong	220,000
164	Wei Xuefu	220,000
165	Wu Shouzhen	220,000
166	Yang Zijun	220,000
167	Yuan Jingxian	220,000
168	Zhai Yongjun	220,000
169	Zhang Hong	220,000
170	Zhang Qingxin	220,000
171	Zhang Rongli	220,000
172	Zhang Zhanjun	220,000
173	Zhu Changjian	220,000

The method and time of capital contribution by the Company's promoters are as follows: Each promoter shall use the net assets corresponding to the equity interests of the former limited liability company held by them respectively as capital contribution, and the capital contribution was verified and confirmed to be fully paid on September 28, 2007.

Article 20 The total number of shares of the Company is [•] 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 Neither the Company nor its subsidiaries (including the Company's affiliated enterprises) shall provide financial assistance in the form of gifts, advances, guarantees, loans, etc. for others to acquire shares of the Company or its parent company, unless the Company implements an employee share ownership plan.

Unless otherwise provided by the securities regulatory rules of the places where the Company's shares are listed, for the benefit of the Company, the Company may provide financial assistance for others to acquire shares of the Company or its parent company upon a resolution of the Shareholders' meeting or a resolution of the Board of Directors made in accordance with the authorisation of the Articles of Association or the Shareholders' meeting, provided that the cumulative total amount of financial assistance shall not exceed ten percent of the total issued share capital. A resolution of the Board of Directors shall be passed by more than two-thirds of all directors.

Section 2 Increase, Decrease and Buyback of Shares

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

(I) issuance of shares to unspecified objects;

(II) issuance of shares to specific objects;

(III) allotment of bonus shares to existing shareholders;

(IV) conversion of capital reserve to share capital;

(V) other means stipulated by laws and administrative regulations, as well as the CSRC or other securities regulatory authorities of the place where other companies' shares are listed.

Article 23 The Company may reduce its registered capital. Any reduction of the Company's registered capital shall be subject to the procedures prescribed in the Company Law, the Hong Kong Listing Rules, and other relevant regulations, as well as the Articles of Association.

Article 24 The Company may purchase its shares in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed 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 in the Company;

(III) using the shares for employee shareholding schemes or as share 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 those corporate bonds convertible into shares issued by the Company;

(VI) safeguarding corporate value and shareholders' rights and interests as the Company deems necessary.

In addition to the above situations, the Company shall not purchase its own shares.

After the Company acquires its own shares, it shall fulfill its information disclosure obligations in accordance with the Securities Law, the Hong Kong Listing Rules and other applicable laws and regulations, as well as the securities regulatory rules of the places where the Company's shares are listed.

Article 25 The Company may acquisition its own shares through public centralized trading, or through other means recognized by the laws, regulations, the CSRC and the securities regulatory authorities of the place where the Company's shares are listed.

Where the Company purchases its own shares under any of the circumstances specified in items (III), (V) and (VI) of Article 24 of these Articles of Association, centralized trading shall be adopted publicly.

Article 26 Where the Company purchases its own shares under the circumstances described in items (I) or (II) of Article 24 of these Articles of Association, it shall be implemented after being resolved by the Shareholders' meeting; where the Company repurchases its own shares under the circumstances described in items (III), (V) or (VI) of Article 24 of these Articles of Association, it shall, provided that the applicable securities regulatory rules of the places where the Company's shares are listed are complied with, be implemented after being resolved by a board meeting attended by more than two-thirds of the directors.

After the Company purchases its own shares in accordance with Article 24 of these Articles of Association, if it falls under item (I), the shares shall be cancelled within ten days from the date of purchase; if it falls under items (II) or (IV), the shares shall be transferred or cancelled within six months; if it falls under items (III), (V) or (VI), the total number of the Company's own shares held by the Company shall not exceed ten percent of the total issued shares of the Company, and such shares shall be transferred or cancelled within three years.

Upon acquisition of H Shares of the Company in accordance with the items (I) of Article 24 of these Articles of Association, the Company may immediately cancel the H Shares at the Company's option or hold them as treasury shares in accordance with the Hong Kong Listing Rules. If the directors do not specify that the underlying shares are to be held as treasury shares, such shares shall be cancelled. The Company shall deposit the treasury shares in a separate account with Hong Kong Securities Clearing Company Limited which can be clearly identified as treasury shares. The Company shall not exercise any rights in respect of the treasury shares, nor shall any dividends be declared or paid in respect of the treasury shares. Subject to compliance with the Articles of Association and the Hong Kong Listing Rules, the Company may dispose of its treasury shares on such terms and conditions as the directors may determine.

Section 3 Transfer of Shares

Article 27 The shares of the Company shall be transferred in accordance with the law. All transfers of H Shares shall be effected by an instrument of transfer in writing in the usual or common form or in any other form acceptable to the Board (including the standard transfer form or instrument of transfer prescribed by the Hong Kong Stock Exchange from time to time); and such instrument of transfer may only be executed by hand or by affixing the company's valid chop (if the transferor or transferee is a company). If the transferor or transferee is a recognised clearing house (as defined in the relevant ordinances from time to time in force in Hong Kong) or its nominee, the instrument of transfer may be executed under hand or by mechanical means. All instruments of transfer shall be deposited at the registered office of the Company or at such other place as the Board may from time to time determine.

Article 28 The Company does not accept objects pledged with shares of the Company.

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

Directors and senior management of the Company shall report their shareholdings in the Company and any changes therein to the Company. During their term of office, the number of shares transferred annually shall not exceed twenty-five percent of the total number of shares they hold in the Company; the shares they hold in the Company may not be transferred within one year from the date the Company's shares are listed and traded. The aforementioned persons may not transfer the shares they hold in the Company within six months after leaving their positions.

Where the regulatory rules of the places where the Company's shares are listed provide otherwise regarding restrictions on the transfer of the Company's shares, such provisions shall prevail.

Article 30 If a director, a member of the senior management or a shareholder holding more than five percent of the shares of the Company sells the shares of the Company held by him/her within six months after purchase, or repurchases the shares within six months after sale, the earnings so obtained shall belong to the Company, and the Board of Directors of the Company shall recover such earnings. However, this shall not apply where a securities company holds more than five percent of the shares as a result of purchasing the remaining shares after underwriting, or where there are other circumstances stipulated by the CSRC, other competent regulatory authorities, or the securities regulatory rules of the places where the Company's shares are listed.

The term "shares or other equity-type securities held by a director, a member of the senior management or a natural person shareholder" as mentioned in the preceding paragraph includes shares or other equity-type securities held by his/her spouse, parents, children and shares or other equity-type securities held under the accounts of others.

If the Board of Directors of the Company fails to implement the provisions of the first paragraph of this article, shareholders have the right to require the Board of Directors to implement them within thirty days. If the Board of Directors of the Company fails to implement within the aforementioned period, shareholders have the right to directly file a lawsuit in their own name in the people's court for the interests of the Company.

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

CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' MEETING

Section 1 Shareholders

Article 31 The Company shall maintain a register of shareholders based on the vouchers provided by the securities registration and clearing institution.

Article 32 The register of shareholders shall be conclusive evidence of a shareholder's shareholding in the Company. The original of the H Share register of shareholders shall be kept in Hong Kong for inspection by shareholders, but the Company may suspend the registration of shareholders in accordance with applicable laws, regulations and the securities regulatory rules of the places where the Company's shares are listed. If the Company maintains a duplicate of the H Share register of shareholders and there is any discrepancy between the original and the duplicate, the original shall prevail. Any shareholder registered in the H Share register of shareholders or any person requesting the registration of his/her name (or name of the entity) in the H Share register of shareholders may, if his/her share certificates are lost, apply to the Company for the issue of new share certificates in respect of such shares. If an H Share shareholder loses share certificates and applies for re-issue, the matter may be handled in accordance with the laws, rules of the stock exchange or other relevant provisions of the place where the original H Share register of shareholders is kept.

Article 33 Shareholders shall enjoy rights and assume obligations according to the class of shares they hold; shareholders holding the same class of shares shall enjoy equal rights and assume the same obligations based on the shares they hold in the Company.

Article 34 When the Company convenes a Shareholders' meeting, distributes dividends, liquidates or engages in other acts that require confirmation of shareholder identity, the Board of Directors or the convener of the Shareholders' meeting shall determine a record date. Shareholders registered at the close of business on the record date shall be the shareholders entitled to relevant rights and interests.

Article 35 Shareholders of the Company enjoy the following rights:

(I) to receive dividends and other forms of benefit distribution in proportion to their shareholding;

(II) to request, convene, preside over, attend or appoint a proxy to attend the Shareholders' meeting in accordance with the law, and exercise corresponding voting rights;

(III) to supervise the Company's business activities, and make suggestions or raise inquiries;

(IV) to transfer, gift or pledge the shares they hold in accordance with the provisions of laws, administrative regulations, the regulatory rules of the places where the Company's shares are listed and the Articles of Association;

(V) to consult and copy the Articles of Association, the register of shareholders, the stubs of corporate bonds, the minutes of Shareholders' meetings, the resolutions of board meetings, the resolutions of the Audit Committee meetings, and financial accounting reports. Shareholders meeting the prescribed requirements may consult the Company's accounting books and accounting vouchers;

(VI) to participate in the distribution of the Company's residual assets in proportion to their shareholding upon the termination or liquidation of the Company;

(VII) to require the Company to purchase their shares if they dissent from resolutions on the Company's merger or division adopted by the Shareholders' meeting;

(VIII) other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.

Article 36 A shareholder requesting to consult the relevant information or materials mentioned in the preceding article of the Articles of Association shall provide the Company with written documents proving the class and quantity of shares it holds in the Company. The Company shall provide such information after verifying the shareholder's identity. A shareholder(s) holding alone or jointly more than three percent of the Company's shares for more than one hundred and eighty consecutive days requesting to consult the Company's accounting books and accounting vouchers shall submit a written request to the Company, stating the purpose. If the Company has reasonable grounds to believe that the shareholder's consultation of the accounting books and accounting vouchers has an improper purpose and may harm the Company's legitimate interests, it may refuse to provide such consultation.

Article 37 If a resolution of the Shareholders' meeting or the Board of Directors of the Company violates laws or administrative regulations, shareholders have the right to request the people's court to confirm its invalidity.

If the convening procedures or voting methods of 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 have the right to request the people's court to revoke it within sixty days from the date the resolution is made. However, this shall not apply if the convening procedures or voting methods of the Shareholders' meeting or board meeting involve only minor defects and have no substantive impact on the resolution.

If the Board of Directors, shareholders or other relevant parties dispute the validity of a resolution of the Shareholders' meeting, they shall promptly file a lawsuit with the people's court. Before the people's court renders a judgment or ruling to revoke the resolution, the relevant parties shall implement the resolution of the Shareholders' meeting. The Company, its directors and senior management shall earnestly perform their duties to ensure the normal operation of the Company.

When the People's Court makes a judgment or ruling on the relevant matters, the Company shall fulfill its information disclosure obligations in accordance with the laws, administrative regulations, and the provisions of the CSRC and the stock exchange, fully explain the impact, and actively cooperate with the execution after the judgment or ruling takes effect. If it involves correction of previous matters, the Company shall handle it in a timely manner and fulfill the corresponding information disclosure obligations.

Article 38 A resolution of the shareholders' meeting or the Board meeting shall be deemed null and void under any of the following circumstances:

(I) no shareholders' meeting or Board meeting was convened to make the resolution;

(II) no vote was taken on the matter of the resolution at the shareholders' meeting or Board meeting;

(III) the number of attendees represented at the meeting or the voting rights held did not reach the number required by the Company Law, the regulatory rules of the places where the Company's shares are listed or the Articles of Association;

(IV) the number of persons or the voting rights held in favor of the resolution did not reach the number required by the Company Law, the regulatory rules of the places where the Company's shares are listed or the Articles of Association.

Article 39 If a director or a member of the senior management (other than a member of the Audit Committee) violates laws, administrative regulations or the Articles of Association in the performance of his/her duties, causing losses to the Company, a shareholder(s) holding alone or jointly more than one percent of the Company's shares for more than one hundred and eighty consecutive days has the right to request in writing the Audit Committee to file a lawsuit in the people's court; if a member of the Audit Committee violates laws, administrative regulations, the regulatory rules of the places where the Company's shares are listed or the Articles of Association in the performance of his/her duties, causing losses to the Company, the aforementioned shareholder(s) may request in writing the Board of Directors to file a lawsuit in the people's court.

If the Audit Committee or the Board of Directors refuses to file a lawsuit after receiving the written request from the shareholder(s) mentioned in the preceding paragraph, or fails to file a lawsuit within thirty days from the date of receiving the request, or in emergency circumstances where failure to file a lawsuit immediately will cause irreparable harm to the Company's interests, the shareholder(s) mentioned in the preceding paragraph has the right to file a lawsuit directly in the people's court in his/her own name for the interests of the Company.

If another person infringes upon the Company's lawful rights and interests, causing losses to the Company, the shareholder(s) prescribed in the first paragraph of the Articles of Association may file a lawsuit in the people's court in accordance with the provisions of the preceding two paragraphs.

If a director, supervisor or a member of the senior management of a wholly-owned subsidiary of the Company violates laws, administrative regulations, the regulatory rules of the places where the Company's shares are listed or the Articles of Association in the performance of his/her duties, causing losses to the Company, or if another person infringes upon the lawful rights and interests of a wholly-owned subsidiary of the Company causing losses, a shareholder(s) holding alone or jointly more than one percent of the Company's shares for more than one hundred and eighty consecutive days may, in accordance with the provisions of the first three paragraphs of Article 189 of the Company Law, request in writing the board of supervisors or the Board of Directors of the wholly-owned subsidiary to file a lawsuit in the people's court or file a lawsuit directly in the people's court in his/her own name.

Article 40 If a director or a member of the senior management violates laws, administrative regulations, the regulatory rules of the places where the Company's shares are listed or the Articles of Association, damaging the interests of shareholders, shareholders may file a lawsuit in the people's court.

Article 41 Shareholders of the Company shall assume the following obligations:

(I) to comply with laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed and the Articles of Association;

(II) to pay the capital contribution in accordance with the shares subscribed for and the method of capital contribution;

(III) not to withdraw their capital contribution except under circumstances stipulated by laws, administrative regulations, the Hong Kong Listing Rules or other securities regulatory rules of the places where the Company's shares are listed;

(IV) not to abuse shareholders' rights to damage the interests of the Company or other shareholders; not to abuse the Company's independent legal person status and shareholders' limited liability to damage the interests of the Company's creditors;

If a shareholder of the Company abuses shareholders' rights, causing losses to the Company or other shareholders, it shall bear compensation liability in accordance with the law;

If a shareholder of the Company abuses the Company's independent legal person status and shareholders' limited liability to evade debts, seriously damaging the interests of the Company's creditors, it shall bear joint and several liabilities for the Company's debts;

(V) other obligations stipulated by laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.

Article 42 A shareholder holding more than five percent of the Company's voting shares shall, upon pledging the shares it holds, make a written report to the Company on the same day such fact occurs.

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

(I) to exercise shareholders' rights in accordance with the law, and not abuse controlling power or use affiliated relationships to damage the lawful rights and interests of the Company or other shareholders;

(II) to strictly fulfil public statements and various commitments made, and not unilaterally change or exempt themselves from them;

(III) to strictly perform information disclosure obligations in accordance with relevant provisions, actively cooperate with the Company in information disclosure work, and promptly inform the Company of major events that have occurred or are intended to occur;

(IV) not to misappropriate the Company's funds in any way;

(V) not to compel, instruct or require the Company and relevant personnel to provide guarantees in violation of laws and regulations;

(VI) not to seek benefits by using the Company's undisclosed material information, not disclose the Company's undisclosed material information in any way, and not engage in illegal activities such as insider trading, short-swing trading or market manipulation;

(VII) not to damage the lawful rights and interests of the Company and other shareholders through any non-arm's length related transactions, profit distribution, asset restructuring, external investment, etc.;

(VIII) to ensure the Company's asset integrity, personnel independence, financial independence, organisational independence and business independence, and not affect the Company's independence in any way;

(IX) other provisions stipulated by laws, administrative regulations, CSRC regulations, stock exchange business rules, other securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.

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

If the Company's controlling shareholder or de facto controller instructs a director or a member of the senior management to engage in acts that damage the interests of the Company or shareholders, it shall bear joint and several liabilities with such director or member of the senior management.

Article 44 The Company shall strengthen communication and interaction with shareholders through various forms and establish and improve the investor relations management work system.

Section 2 General Provisions on Shareholders' Meeting

Article 45 The Shareholders' meeting is the authority of the Company and shall exercise the following functions and powers in accordance with the law:

(I) to elect and replace directors not represented by employee representatives, and decide on matters concerning the remuneration of directors;

(II) to consider and approve the report of the Board of Directors;

(III) to consider and approve the Company's annual financial budget plan and final accounts plan;

(IV) to consider and approve the Company's profit distribution plan and plan for making up losses;

(V) to adopt resolutions on the increase or decrease of the Company's registered capital;

(VI) to adopt resolutions on the issue of corporate bonds;

(VII) to adopt resolutions on the merger, division, dissolution, liquidation or change of corporate form of the Company;

(VIII) to amend the Articles of Association;

(IX) to adopt resolutions on the appointment and dismissal of the accounting firm undertaking the Company's audit business;

(X) to consider and approve the guarantee matters specified in Article 46;

(XI) to consider matters where the Company purchases or sells major assets within one year exceeding 30% of the Company's latest audited assets in total;

(XII) to consider and approve changes in the use of proceeds raised;

(XIII) to consider equity incentive plans and employee share ownership plans;

(XIV) to adopt resolutions on the Company's purchase of its own shares under the circumstances described in items (I) and (II) of Article 24 of the Articles of Association;

(XV) 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 places where the Company's shares are listed or the Articles of Association.

The Shareholders' meeting may authorise the Board of Directors to adopt resolutions on the issue of corporate bonds.

Article 46 The following external guarantee acts of the Company shall be considered and approved by the Shareholders' meeting:

(I) any guarantee provided after the total external guarantees of the Company and its controlled subsidiaries exceed fifty percent of the latest audited net assets;

(II) any guarantee provided after the Company's total external guarantees exceed thirty percent of the latest audited assets in total;

(III) guarantees where the amount guaranteed to others by the Company within one year exceeds thirty percent of the Company's latest audited total assets;

(IV) guarantees provided to guarantors whose asset-liability ratio exceeds seventy percent;

(V) guarantees where the single guarantee amount exceeds ten percent of the latest audited net assets;

(VI) guarantees provided to shareholders, de facto controllers and their related parties;

(VII) other guarantee circumstances stipulated by laws, regulations, the securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.

When the Shareholders' meeting considers a proposal to provide a guarantee to a shareholder, de facto controller or their connected parties, such shareholder or the shareholder controlled by such de facto controller shall not participate in the voting on such proposal, and such proposal shall be passed by more than half of the voting rights held by other shareholders present at the Shareholders' meeting. When the Shareholders' meeting considers the guarantee matters in item (III) above, it shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Article 47 Shareholders' meetings include annual shareholders' meetings and extraordinary shareholders' meetings. An annual shareholders' meeting shall be held once each year and shall be convened within six months after the end of the previous fiscal year.

Article 48 Under any of the following circumstances, the Company shall convene an extraordinary shareholders' meeting within two months from the date the fact occurs:

(I) when the number of directors falls below six;

(II) when the Company's uncovered losses reach one-third of the total share capital;

(III) when shareholder(s) holding alone or jointly ten percent or more of the Company's shares (excluding treasury shares) so request;

(IV) when the Board of Directors deems it necessary;

(V) when the Audit Committee proposes to the Board of Directors to convene one;

(VI) other circumstances stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.

The number of shares held referred to in item (III) above shall be calculated based on the number of the Company's shares held by the shareholder on the date it submits the written request.

Article 49 The venue for the Company to convene a Shareholders' meeting shall be the Company's registered address.

The Shareholders' meeting shall have a venue and be held in the form of an on-site meeting. The Company shall also provide online voting or other methods to offer convenience for shareholders to attend the Shareholders' meeting in accordance with the securities regulatory rules of the places where the Company's shares are listed. Shareholders who attend the Shareholders' meeting through the aforesaid methods shall be deemed to have attended the meeting.

When a Shareholders' meeting of the Company is conducted simultaneously in on-site and online methods, all shareholders registered on the record date of the Shareholders' meeting shall have the right to exercise their voting rights through the online voting system for the Shareholders' meeting; provided that only one voting method (either on-site voting or online voting) may be chosen for the same share.

Article 50 When the Company convenes a Shareholders' meeting, it shall engage a lawyer to issue a legal opinion on the following matters and announce such opinion:

(I) whether the convening and holding procedures of the meeting comply with laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed and these Articles of Association;

(II) whether the eligibility of the attendees and the convener of the meeting is legally valid;

(III) whether the voting procedures and voting results of the meeting are legally valid;

(IV) issue a legal opinion on other relevant matters as required by the Company.

Section 3 Convening of Shareholders' Meeting

Article 51 The Board of Directors shall convene the Shareholders' meeting within the prescribed time limit.

Upon the consent of more than half of all independent directors, the independent directors have the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting, and shall submit such proposal to the Board of Directors in writing. Regarding the proposal of independent directors to convene an extraordinary shareholders' meeting, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association, provide written feedback within ten days after receiving the proposal, stating whether it agrees or disagrees to convene an extraordinary shareholders' meeting.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice to convene the Shareholders' meeting within five days after the board resolution is made; if the Board of Directors disagrees to convene an extraordinary shareholders' meeting, it shall state the reasons and make an announcement.

Article 52 The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting, and shall submit such proposal to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association, provide written feedback within ten days after receiving the proposal, stating whether it agrees or disagrees to convene an extraordinary shareholders' meeting.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice to convene the Shareholders' meeting within five days after the board resolution is made. Any change to the original proposal in the notice shall be subject to the consent of the Audit Committee.

If the Board of Directors disagrees to convene an extraordinary shareholders' meeting or fails to provide feedback within ten days after receiving the proposal, it shall be deemed that the Board of Directors is unable or fails to perform its duty to convene Shareholders' meetings, and the Audit Committee may convene and preside over the meeting on its own.

Article 53 Shareholder(s) holding alone or jointly ten percent or more of the Company's shares (excluding treasury shares) have the right to request the Board of Directors to convene an extraordinary shareholders' meeting, and shall submit such request to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association, provide written feedback within ten days after receiving the request, stating whether it agrees or disagrees to convene an extraordinary shareholders' meeting.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice to convene the Shareholders' meeting within five days after the board resolution is made. Any change to the original request in the notice shall be subject to the consent of the shareholder(s) proposing to convene the extraordinary shareholders' meeting (hereinafter referred to as the "Proposing Shareholder(s)").

If the Board of Directors disagrees to convene an extraordinary shareholders' meeting or fails to provide feedback within ten days after receiving the request, the Proposing Shareholder(s) have the right to propose to the Audit Committee to convene an extraordinary shareholders' meeting, and shall submit such request to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice to convene the Shareholders' meeting within five days after receiving the request. Any change to the original proposal in the notice shall be subject to the consent of the Proposing Shareholder(s).

If the Audit Committee fails to issue the notice to convene the Shareholders' meeting within the specified time limit, it shall be deemed that the Audit Committee does not convene and preside over the Shareholders' meeting, and shareholder(s) holding alone or jointly ten percent or more of the Company's shares (excluding treasury shares) for more than ninety consecutive days may convene and preside over the meeting on their own.

Article 54 Where the Audit Committee or shareholders decide to convene a Shareholders' meeting on their own, they shall notify the Board of Directors in writing before issuing the notice of the Shareholders' meeting and simultaneously file for record with the Shanghai Stock Exchange.

Before the announcement of the resolution of the Shareholders' meeting, the shareholding ratio of the shareholders convening the meeting shall not be less than 10%. The convening shareholders shall disclose an announcement no later than the time of issuing the notice of the Shareholders' meeting, and undertake that their shareholding ratio shall not be less than 10% of the Company's total share capital during the period from the date of proposing to convene the Shareholders' meeting to the date of holding the Shareholders' meeting.

The Audit Committee or the shareholders convening the meeting shall submit the relevant supporting materials to the Shanghai Stock Exchange when issuing the notice of the Shareholders' meeting and announcing the resolution of the Shareholders' meeting.

Article 55 With respect to a Shareholders' meeting convened by the Audit Committee or shareholders on their own, the Board of Directors and the Board Secretary shall provide cooperation. The Board of Directors shall provide the register of shareholders as of the record date. The register of shareholders obtained by the convener shall not be used for any purpose other than convening the Shareholders' meeting.

Article 56 The necessary expenses for a Shareholders' meeting convened by the Audit Committee or shareholders on their own shall be borne by the Company.

Section 4 Proposals and Notice of Shareholders' Meeting

Article 57 Proposals for shareholders' meeting shall satisfy the following conditions:

(I) the content shall not be in conflict with the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the provisions of the Articles of Association, and shall fall within the terms of reference of the Shareholders' meeting;

(II) the proposal shall have a clear content and specific issues for resolution;

(III) the proposal shall be submitted or delivered to the convener in written form.

Article 58 When the Company convenes a Shareholders' meeting, the Board of Directors, the Audit Committee and shareholder(s) holding alone or jointly one percent or more of the Company's shares have the right to submit proposals to the Company.

Shareholder(s) holding alone or jointly one percent or more of the Company's shares may, ten days prior to the convening of the Shareholders' meeting, submit an interim proposal in writing to the convener. The convener shall, within two days after receiving the proposal, issue a supplementary notice for the Shareholders' meeting, announce the content of the interim proposal, and submit such interim proposal to the Shareholders' meeting for consideration. However, this shall not apply if the interim proposal violates laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed or the Articles of Association, or does not fall within the scope of functions and powers of the Shareholders' meeting.

Except under the circumstances specified in the preceding paragraph, after the convener issues the notice to convene the Shareholders' meeting, it shall not modify the proposals already listed in the notice of the Shareholders' meeting or add new proposals.

Proposals not listed in the notice of the Shareholders' meeting or that do not comply with the provisions of Article 57 of the Articles of Association shall not be put to vote and no resolution shall be passed thereon at the Shareholders' meeting.

If, according to the securities regulatory rules of the places where the Company's shares are listed, the Shareholders' meeting must be postponed due to the publication of a supplementary notice, the convening of the Shareholders' meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the places where the Company's shares are listed.

Article 59 The convener shall notify all shareholders in writing (including by announcement) twenty-one days before the convening of an annual Shareholders' meeting. The convener of an interim Shareholders' meeting shall notify all shareholders in writing (including by announcement) fifteen days before the convening of the meeting.

Article 60 The notice of a Shareholders' meeting includes the following content:

(I) the time, place and duration of the meeting;

(II) the matters and proposals submitted for consideration at the meeting;

(III) a clear statement that all shareholders registered on the record date are entitled to attend the Shareholders' meeting, and may appoint a proxy in writing to attend the meeting and vote, and such proxy need not be a shareholder of the Company;

(IV) the record date for shareholders entitled to attend the Shareholders' meeting;

(V) the name and telephone number of the contact person for the meeting;

(VI) the voting time and voting procedures via network or other methods.

The notice and the supplementary notice of the Shareholders' meeting shall adequately and completely disclose the specific contents of all proposals. If the matters to be discussed require opinions from independent directors, the opinions and reasons of independent directors will be disclosed at the time when the notice of the Shareholders' meeting or the supplementary notice is issued.

If the Shareholders' meeting is conducted online, the notice of the shareholders' meeting shall clearly state the voting time and voting procedures through online voting. The commencing time of voting online for the Shareholders' meeting shall not be earlier than 3:00 p.m. on the date preceding the convening of onsite Shareholders' meeting and shall not be later than 9:30 a.m. on the convening date of onsite Shareholders' meeting. Its conclusion time shall not be earlier than 3:00 p.m. on the conclusion date of onsite Shareholders' meeting.

The interval between the record date and the date of the Shareholders' meeting shall not be more than 7 business days. Once the record date is confirmed, no change may be made thereto.

Article 61 Where the Shareholders' meeting proposes to discuss the election of directors, the notice of the Shareholders' meeting shall fully disclose the detailed information of the candidates for directors, which shall at least include the following:

(I) personal particulars such as educational background, work experience and part-time job;

(II) whether there is any related relationship with the Company or its controlling shareholders and de facto controller;

(III) the number of shares held in the Company;

(IV) whether they have been penalized by the CSRC and other relevant authorities or reprimanded by the stock exchange;

(V) other contents required by the securities regulatory rules of the place where the Company's shares are listed.

Other than the directors elected through the cumulative voting system, each candidate for director shall be proposed in a separate proposal.

Article 62 After the notice of a Shareholders' meeting is issued, the Shareholders' meeting shall not be postponed or cancelled without proper reason, and the proposals listed in the notice of the Shareholders' meeting shall not be cancelled. Once a postponement or cancellation occurs, the convener shall make an announcement at least two working days before the originally scheduled convening date and state the reasons. If the securities regulatory rules of the places where the Company's shares are listed have special provisions regarding the procedures for postponing or cancelling a Shareholders' meeting, such provisions shall prevail, provided that they do not violate the regulatory requirements of the PRC.

Section 5 Conducting of Shareholders' Meeting

Article 63 The Board of Directors and other conveners of the Company shall take necessary measures to ensure the proper order of the Shareholders' meeting. They shall take measures to stop the conducts that interfere with the Shareholders' meeting, seeking trouble and infringing on the legal rights and interests of the shareholders and report such act to the relevant authorities for investigation.

Article 64 All shareholders registered on the record date or their proxies have the right to attend the Shareholders' meeting, speak at the Shareholders' meeting in accordance with relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association, and exercise voting rights, unless individual shareholders are required to abstain from voting on specific matters under the securities regulatory rules of the places where the Company's shares are listed.

A shareholder may attend the Shareholders' meeting in person or appoint a proxy (one or several persons, who need not be shareholders of the Company) to attend and vote on his/her behalf.

Article 65 Individual shareholders who attend the meeting in person shall show their own identification cards, or other valid documents or certificates to show their identity and stock account cards. The proxy appointed by a shareholder to attend the meeting shall produce his/her own valid proof of identity and the power of attorney from the shareholder.

Corporate shareholders shall attend the meeting by their legal representative/executive partner or a proxy appointed by the legal representative/executive partner. Where the legal representative/executive partner attends the meeting, he or she shall produce his or her own identification card and a valid proof of his or her legal representative/executive partner status; and where he or she appoints a proxy to attend the meeting, the proxy shall present his or her own identification card and the power of attorney issued by the legal representative/executive partner of the corporate shareholder (except for shareholder who is a Recognized Clearing House and its nominees as defined in the relevant ordinances in force from time to time under the laws of Hong Kong or the securities regulatory rules of the place where the Company's shares are listed).

Article 66 The written power of attorney issued by the shareholder appointing his or her proxy to attend the shareholders' meeting shall state:

(I) the name of the principal, as well as the class and number of shares of the Company held by him/her;

(II) the name of the proxy;

(III) specific instructions from shareholders, including instructions as to whether to vote "for" or "against" or "abstained" from voting on, each item on the agenda of the Shareholders' meeting as an item for consideration thereat;

(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, it shall be affixed with the seal of the corporate entity. If the overseas corporate shareholder does not have the official seal, the legal authorized person may sign.

Article 67 Where such a proxy form for voting is signed by a person authorized by the principal, the power of attorney for authorized signature or other authorization documents shall be notarized. The power of attorney or other authorization documents upon notarized shall, together with the proxy form for voting, be placed at the Company's domicile or such other location as specified in the notice of the meeting 24 hours prior to the meeting at which the authorization document authorizes to vote or 24 hours prior to the designated voting time.

If the shareholder is a Recognized Clearing House or its nominees, Recognized Clearing House may authorize one or more persons it deems fit to act as its proxy or representative at any Shareholders' meeting and any meeting of creditors; however, if more than one person is so authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized, and shall be signed by the authorized personnel of the Recognized Clearing House. A person so authorized may exercise rights on behalf of the Recognized Clearing House or its proxies (no shareholding voucher, notarized authorization and/or further evidence of the duly authorization is required), and must have the same legal rights as other shareholders, including the right to speak and vote, as if such person is an individual shareholder of the Company.

Article 68 The meeting register for the attendees shall be prepared by the Company. The meeting register shall specify the name of the attendees (or the entity name), the identification card number, the domicile address, the number of shares with voting rights he/she holds or represents, names of the principals (or the entity name) and other relevant matters.

Article 69 The convener and the lawyer engaged by the Company shall jointly verify the qualification of the shareholders according to the register of shareholders provided by the securities depository and clearing institution and shall register the names of each shareholder and the number of shares with voting rights he/she holds. The meeting registration shall be terminated by the time the chairman of the meeting announces the number of shareholders and proxies present at the meeting as well as the total number of shares with voting rights held by them.

Article 70 If the Shareholders' meeting requires directors or members of the senior management to attend the meeting, such directors or members of the senior management shall attend and accept the inquiries of shareholders.

Article 71 The Shareholders' meeting shall be presided over by the chairman of the Board. If the chairman is unable or fails to perform his/her duties, the vice chairman (if any) shall perform such duties (if the Company has two vice chairmen, the vice chairman elected by more than half of the directors shall perform the duties); if the vice chairman is unable or fails to perform his/her duties, a director elected by more than half of the directors shall preside.

A Shareholders' meeting convened by the Audit Committee on its own shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or fails to perform his/her duties, a member of the Audit Committee elected by more than half of the members of the Audit Committee shall preside.

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

When a Shareholders' meeting is convened, if the meeting chairman violates the rules of procedure making it impossible to continue the meeting, the Shareholders' meeting may, upon the consent of the shareholders present at the meeting holding more than half of the voting rights, elect a person to act as the meeting chairman to continue the meeting.

Article 72 The Company shall formulate rules of procedure for Shareholders' meetings, detailing the procedures for convening, holding and voting at Shareholders' meetings, including notice, registration, consideration of proposals, voting, vote counting, announcement of voting results, formation of meeting resolutions, minutes of the meeting and their signing, announcement, etc., as well as the authorisation principles of the Shareholders' meeting to the Board of Directors, and the authorisation content shall be clear and specific. The rules of procedure for Shareholders' meetings shall be an appendix to the Articles of Association, formulated by the Board of Directors and approved by the Shareholders' meeting.

Article 73 At the annual Shareholders' meetings, the Board of Directors shall report on their work over the previous year. Each independent director shall give a report on the performance of his or her duties.

Article 74 The director and a member of the senior management shall provide explanations and statements relating to the queries and suggestions put forward by the shareholders at the Shareholders' meeting.

The chairman of the meeting shall declare the number of attending shareholders and proxies and the total number of shares with voting rights they hold prior to voting. To determine the number of shareholders and proxies present and the total number of shares with voting rights they hold, the meeting register shall prevail.

Article 75 The Shareholders' meeting shall have meeting minutes, and the secretary to the Board of Directors shall be responsible for the meeting minutes. The meeting minutes shall contain the following contents:

(I) the time, venue of, and the agenda for the meeting, and the name or title of the convener;

(II) names of the chairman of the meeting and the directors, Shareholders' managers and other members of senior management attending the meeting or attending the meeting as non-voting attendee;

(III) the number of shareholders and proxies present at the meeting, the total number of voting shares held and their respective proportions in the total number of shares of the Company;

(IV) the consideration process, summaries of speeches and voting result for each proposal;

(V) the inquiries or suggestions of the shareholders and the corresponding answers or explanations;

(VI) names of lawyer, counting officer and scrutineer;

(VII) other contents that should be included in the meeting minutes as required by the Articles of Association and the securities regulatory rules of the place where the Company's shares are listed.

Article 76 The convener shall guarantee the authenticity, accuracy and integrity of the contents of the meeting minutes. The directors, secretary to the Board of Directors, convener or their representatives who attended the meeting, and the chairman of the meeting shall sign the meeting minutes.

Article 77 The meeting minutes shall be maintained together with the meeting register, the power of attorney for proxy attendance, and the valid documents relating to the online voting and other forms of voting at the domicile for a period of 10 years.

Article 78 The convener shall ensure that the Shareholders' meeting is held continuously until the final resolution is made. If the Shareholders' meeting is suspended or the resolution cannot be made due to force majeure or other special causes, necessary measures shall be taken to resume the Shareholders' meeting as soon as possible or directly terminate the Shareholders' meeting, and an announcement shall be made promptly. Meanwhile, the convener shall report to the CSRC Shandong Regulatory Bureau in the locality of the Company as well as the Shanghai Stock Exchange.

Section 6 Voting and Resolutions of the Shareholders' Meeting

Article 79 Resolutions of a Shareholders' meeting are divided into ordinary resolutions and special resolutions.

An ordinary resolution of the Shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders (including shareholders' proxies) present at the Shareholders' meeting.

A special resolution of the Shareholders' meeting shall be passed by more than two-thirds of the voting rights held by the shareholders (including shareholders' proxies) present at the Shareholders' meeting.

Article 80 The following matters shall be passed by the Shareholders' meeting by an ordinary resolution:

(I) the work report of the Board of Directors;

(II) the profit distribution plan and plan for making up losses proposed by the Board of Directors;

(III) the appointment and dismissal of members of the Board of Directors and their remuneration and method of payment;

(IV) the appointment or dismissal of an accounting firm or the determination of the remuneration arrangement for an accounting firm;

(V) other matters besides those that shall be passed by a special resolution as stipulated by laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.

Article 81 The following matters shall be passed by the Shareholders' meeting by a special resolution:

(I) the increase or decrease of the Company's registered capital;

(II) the division, merger, spin-off, change of corporate form, dissolution and liquidation of the Company;

(III) the amendment of the Articles of Association;

(IV) the Company's purchase or sale of major assets within one year or the amount of guarantees provided to others exceeding thirty percent of the Company's latest audited assets in total;

(V) the equity incentive plans;

(VI) the proposals on related transactions, external investments (including entrusted wealth management, etc.), provision of financial assistance, creditor's right or debt restructuring, execution of management contracts (including entrustment of operations, entrusted operations, etc.), transfer of research and development projects, intellectual property licensing, etc., submitted to the Shareholders' meeting by the acquirer and/or its concert parties for the purpose of implementing a hostile takeover;

(VII) other matters stipulated by laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed or the Articles of Association, as well as other matters determined by the Shareholders' meeting by an ordinary resolution to have a major impact on the Company and require adoption by way of a special resolution.

Article 82 A shareholder (including a proxy) shall exercise his/her voting rights according to the number of voting shares he/she represents, with each share carrying one vote, except for shares of a specific class. When voting, a shareholder (including a shareholder's proxy) with two or more votes need not cast all his/her votes for or against a resolution. If the securities regulatory rules of the places where the Company's shares are listed provide otherwise, such provisions shall prevail.

When the Shareholders' meeting considers major matters affecting the interests of small and medium investors, the votes of small and medium investors shall be counted separately. The separate voting results shall be disclosed to the public in a timely manner.

Shares held by the Company in itself carry no voting rights, and such shares shall not be included in the total number of voting shares present at the Shareholders' meeting. In accordance with applicable laws and regulations and the Hong Kong Listing Rules, if any shareholder is required to abstain from voting on a resolution, or is restricted to only vote for (or against) a resolution, the votes cast by such shareholder or its proxy in breach of the relevant provisions or restrictions shall not be counted in the total number of voting shares.

If a shareholder's purchase of the Company's voting shares violates the provisions of the first and second paragraphs of Article 63 of the Securities Law, the portion of shares exceeding the prescribed ratio shall not carry voting rights within thirty-six months after purchase and shall not be included in the total number of voting shares present at the Shareholders' meeting.

The Board of Directors of the Company, independent directors, shareholder(s) holding more than one percent of the voting shares, or investor protection institutions established in accordance with the provisions of laws, administrative regulations or the CSRC, the securities regulatory authority of the place where the Company's shares are listed, may publicly solicit voting rights from shareholders. It is prohibited to solicit voting rights from shareholders in a paid or disguised paid manner. The Company shall not impose a minimum shareholding ratio restriction on the solicitation of voting rights.

Article 83 When the Shareholders' meeting considers matters concerning related transactions, the related shareholder shall not participate in the voting, and the number of voting shares represented by him/her shall not be counted in the total number of valid votes; the announcement of the resolution of the Shareholders' meeting shall fully disclose the voting status of non-related shareholders.

Article 84 The recusal and voting procedures of the related shareholders are as follows:

(I) If a matter considered at the Shareholders' meeting is related to a shareholder, the shareholder shall disclose his/her related relationship to the Board of Directors of the Company before the shareholders' meeting is convened;

(II) When the Shareholders' meeting considers relevant related transactions, the meeting chairman announces the relevant related shareholders and explains and states the related relationship between the related shareholders and the related transactions;

(III) When voting on related transactions, the meeting chairman announces the recusal of the related shareholders, and non-related shareholders will consider and vote on related transactions;

(IV) Related shareholders do not participate in vote counting and supervision;

(V) After the recusal of the related shareholders, other shareholders shall vote according to their voting rights.

The recusal and voting procedures of the related shareholders shall be recorded in the minutes of the meeting.

Article 85 Unless the Company is in a crisis or under other special circumstances, the Company shall not, without the approval by special resolutions at the Shareholders' meeting, enter into contracts with persons other than directors and members of senior management granting those persons responsibility for the management of all or part of the Company's material business.

Article 86 The list of candidates for directors shall be submitted by way of proposal for voting at the Shareholders' meeting.

The nomination methods and procedures of directors are set out below:

(I) Non-independent director candidates: The Board of Directors and shareholders who individually or jointly hold more than one percent of the Company's issued shares may nominate non-independent director candidates. Non-independent director candidates shall be uniformly reviewed by the Nomination Committee of the Company's Board of Directors in accordance with relevant laws, administrative regulations, departmental rules and regulatory documents, the securities regulatory rules of the places where the Company's shares are listed and the provisions of the Articles of Association to form clear review opinions. Only director candidates who are deemed qualified upon review may be proposed by the nominator to the Shareholders' meeting for deliberation in the form of a proposal in accordance with the procedures stipulated in the Articles of Association. The Nomination Committee of the Board shall complete the qualification review within three working days from the day after receipt of the list of non-independent director candidates and the detailed information of the candidates, and notify the Board and the nominators in writing of the review results.

(II) Independent director candidates: The Company's Board of Directors and shareholders who individually or jointly hold more than one percent of the Company's issued shares may nominate independent director candidates, and the nominee shall express opinions on their nominated candidates meeting independence and other conditions for serving as independent directors. independent director candidates shall be uniformly reviewed by the Nomination Committee of the Company's Board of Directors in accordance with relevant laws, administrative regulations, departmental rules and regulatory documents, the securities regulatory rules of the places where the Company's shares are listed and the provisions of the Articles of Association to form clear review opinions. Only independent director candidates who are deemed qualified upon review may be proposed by the nominator to the Shareholders' meeting for deliberation in the form of a proposal in accordance with the procedures stipulated in the Articles of Association. The Nomination Committee of the Board shall complete the qualification review within three working days from the day after receipt of the list of independent director candidates and the detailed information of the candidates, and notify the Board and the nominators in writing of the review results.

Directors of the Shareholders' meeting and nominators shall obtain the consent of the nominees before nomination, and provide detailed information of the candidate in accordance with Article 59 of the Articles of Association.

At the Shareholders' meeting, the Board shall submit separate proposals for election of directors proposed by the above shareholders to the Shareholders' meeting for consideration.

When the Shareholders' meeting votes on the election of directors, if it is necessary to implement the cumulative voting system in accordance with laws, regulations, regulatory documents and the securities regulatory rules of the places where the Company's shares are listed, the Company shall implement the cumulative voting system. If the Shareholders' meeting elects directors by cumulative voting, the voting of independent directors and non-independent directors shall be conducted separately. Except for the above circumstances, the cumulative voting system is not applied when electing directors.

The cumulative voting system means that in the election of directors at the Shareholders' meeting, each share shall have the same number of votes as the number of directors to be elected, and the voting rights owned by shareholders may be used in a centralized manner.

The Board of Directors shall announce to the shareholders the resumes and basic information of the candidates for directors.

The implementation rules of the cumulative voting system shall be as follows:

(I) For the purposes of the election of directors, each share held by a shareholder of the Company has the same number of votes as the number of directors to be elected. That means the total number of votes that a shareholder is entitled to in the election of directors equal to the number of shares that he/she held times the number of directors to be elected.

(II) The Shareholders' meeting shall vote on each candidate individually during the election. Shareholders may concentrate their voting rights on one person or distribute them among several people, provided that the total number of votes exercised by a shareholder shall not exceed the total number of votes entitled to it, otherwise the vote shall be deemed invalid. Shareholders with multiple shareholder accounts can participate in online voting through any of their shareholder accounts. The number of votes they have is calculated based on the total number of shares of the same class across all their shareholder accounts.

(III) After the end of the voting, the vote counting should be undertaken by the scrutineer of the Shareholders' meeting. The number of votes obtained by the candidates for directors shall be announced. If the number of candidates exceeds the number of positions to be elected, i.e. when differential election is held, any candidate will be elected in order from the most votes to the least. In the event of a tie, the candidates whose names are listed at the end of the list of candidates with the same number of votes shall be elected by all shareholders present at the Shareholders' meeting by way of differential election as a director; if the number of candidates is equal to the number of directors to be elected, all candidates shall be elected in the order of the number of votes received.

If the proposal for election of a director is approved, he/she shall take office immediately after the meeting.

Article 87 Save under the cumulative voting system, the Shareholders' meeting shall resolve on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the Shareholders' meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the Shareholders' meeting.

Article 88 No amendment shall be made to a proposal when it is considered at a Shareholders' meeting, otherwise, the relevant amendment shall be deemed as a new proposal which shall not be voted on at this Shareholders' meeting.

Article 89 The same voting right can only be exercised in only one form: onsite, over the network, or otherwise. Where the same voting right is exercised more than once, the voting result of the first time shall prevail.

Unless otherwise required by relevant laws and regulations and the listing rules of the stock exchange where the Company's shares are listed, voting at the Shareholders' meeting shall be conducted by way of a poll.

Article 90 Before voting takes place on a proposal at the Shareholders' meeting, two Shareholder representatives shall be elected to participate in vote counting and scrutinizing. Any Shareholder who is connected with the matter under consideration and such Shareholder and his/her proxy shall not take part in vote counting and scrutinizing.

When votes are cast on proposals at the Shareholders' meeting, the lawyers, Shareholder representatives shall be jointly responsible for vote counting and scrutinizing 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, shall have the right to check the voting results in the way in which they have cast their votes.

Article 91 An on-site Shareholders' meeting shall not conclude earlier than that held online means, and the chairperson of the meeting shall be responsible for announcing whether a proposal is passed or not at the Shareholders' meeting according to the voting results of each proposal.

Before the formal announcement of voting results, the Company, vote counters, vote scrutineers, major shareholders, network services providers and other related parties involved at the on-site Shareholders' meetings, over the network and by other voting method shall have an obligation to keep confidential details of the voting.

Article 92 A Shareholder attending a Shareholders' meeting shall express one of the following opinions on any proposal to be voted on: for, against or abstention.

Uncompleted paper ballots, wrongly completed paper ballots, paper ballots with illegible characters and uncast paper ballots shall be deemed as those voters abstaining from their voting rights. The voting results of the shares they hold shall be counted as "abstentions".

Save for the circumstance under which the securities registration and clearing institution, acting as the nominal holder of shares under the Mainland-Hong Kong Stock Connect, makes a declaration according to the intentions of the de facto holders.

Article 93 If the meeting chairman has any doubt as to the result of a resolution which has been put to vote at the Shareholders' meeting, he may have the votes counted. If the meeting chairman has not counted the votes, any Shareholder who is present in person or by shareholders' proxy and who objects to the result announced by the meeting chairman may, immediately after the declaration of the result, demand that the votes be counted and the meeting chairman shall have the votes counted immediately.

Article 94 Resolutions of the Shareholders' meeting shall be announced in due time. The announcement shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the voting method, the voting result for every proposal and the details of each of the resolutions passed.

Article 95 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 96 Where a proposal on election of directors is passed at the Shareholders' meeting, the directors elected shall take office on the date when the resolution is passed at the Shareholders' meeting.

Article 97 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 5 BOARD OF DIRECTORS

Section 1 Directors

Article 98 A director of the Company shall be a natural person. A person under any of the following circumstances shall not serve as a director of the Company:

(I) a person who has no capacity or limited capacity for civil conduct;

(II) a person who has been sentenced to criminal punishment for the crime of embezzlement, bribery, seizure of property, misappropriation of property or disruption of the order of the socialist market economy, or has been deprived of political rights for committing a crime, and five years have not elapsed since the execution was completed, or if a suspended sentence was pronounced, two years have not elapsed since the end of the probation period;

(III) a person who has served as a director, factory director or general manager of a company or enterprise that underwent bankruptcy liquidation and is personally liable for the bankruptcy of such company or enterprise, and three years have not elapsed since the date of completion of the bankruptcy liquidation of such company or enterprise;

(IV) a person who has served as the legal representative of a company or enterprise that had its business licence revoked or was ordered to close down due to violation of law and is personally liable, and three years have not elapsed since the date of revocation of the business licence or the closure order of such company or enterprise;

(V) a person who has relatively large personal debts that are due but unpaid and has been listed by the people's court as a dishonest person subject to enforcement;

(VI) a person who has been subject to measures imposed by the CSRC prohibiting entry into the securities market, and the period has not expired;

(VII) a person who has been subject to administrative punishment by the CSRC within the last 36 months;

(VIII) a person who has been publicly condemned by a stock exchange or subject to circulated criticism twice or more within the last 36 months;

(IX) a person who has been publicly determined by a stock exchange to be unfit to serve as a director, a member of the senior management of the Company, where the term has not yet expired;

(X) other circumstances stipulated by laws, administrative regulations, departmental rules or the listing rules of the places where the Company's shares are listed.

During the aforementioned period, the last day shall be the date on which the proposal for the appointment of candidates for directors and senior management candidates is deliberated and approved by the company's authorized authority.

If the election or appointment of a director has violated this Article, such election, appointment or employment shall be invalid.

If a director or a member of the senior management falls under items (I) to (VI) of the first paragraph of this Article during his/her term of office, or an independent director no longer meets the conditions for independence, the relevant director and/or member of the senior management shall immediately cease performing his/her duties and be removed from his/her position by the Company in accordance with the relevant provisions; if a director or a member of the senior management falls under other circumstances stipulated by laws, regulations or the securities regulatory rules of the places where the Company's shares are listed that disqualify him/her from serving as a director or a member of the senior management during his/her term of office, the Company shall remove him/her from his/her position within one month from the date such fact occurs.

If a relevant director, who should have been removed from office but has not yet been removed, attends a Shareholders' meeting and casts a vote, such vote shall be invalid and shall not be counted in the number of attendees.

Article 99 Directors are elected or replaced by the Shareholders' meeting and may be removed by the Shareholders' meeting before the expiry of their term of office. The term of office for directors is three years. Upon expiry of the term, they may be re-elected for consecutive terms in accordance with the provisions of the securities regulatory rules of the places where the Company's shares are listed.

The Shareholders' meeting may pass a resolution to remove a director, and the removal shall take effect on the date the resolution is passed. If a director is removed without just cause before the expiry of his/her term, the director may claim damages from the Company in accordance with any contract.

The term of office of a director shall be calculated from the date the resolution of the Shareholders' meeting is passed until the expiry of the term of office of the current Board of Directors. If a director is not re-elected in time upon the expiry of his/her term, the original director shall, before the newly elected director assumes office, perform the duties of a director in accordance with the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.

A director appointed by the Board of Directors to fill a casual vacancy on the Board or as an addition to the Board shall hold office from the date of his/her appointment until the first annual shareholders' meeting following his/her appointment, at which he/she shall be eligible for re-election.

A director may concurrently serve as the general manager or another member of the senior management, provided that the total number of directors concurrently serving as the general manager or other members of the senior management and directors representing employees shall not exceed half of the total number of directors of the Company.

The Board of Directors of the Company shall include one employee representative. The employee representative on the Board of Directors shall be democratically elected by the employees of the Company through the employee representative congress, employee meeting or other forms.

The total number of directors to be re-elected at the Shareholders' meeting during each year within the term of the Board of Directors that has not expired shall not exceed one-third of the composition of the Board of Directors as stipulated in the Articles of Association.

In addition to meeting the qualifications for office as stipulated by laws and regulations, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, candidates for non-independent directors shall also satisfy the following conditions:

(I) possess at least five years of business management experience in the same core business as the company's current main business;

(II) have professional capabilities and knowledge commensurate with the performance of director duties;

(III) have served as a director, manager, or other senior management position in a listed company in the past five years, and comply with the provisions on the qualifications of company directors as set forth in relevant national laws, administrative regulations, departmental rules, normative documents, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

In the event of a hostile takeover of the company, to safeguard the overall interests of the company and its shareholders as well as the stability of the company's operations, director candidates nominated by the acquirer and its concert parties shall possess at least five years of business management experience in the same (operating/main) business as the company's current business, and have professional capabilities and knowledge commensurate with the performance of director duties.

Article 100 Directors shall comply with the provisions of laws, administrative regulations, the listing rules of the places where the Company's shares are listed and the Articles of Association, and owe the following duties of loyalty to the Company:

(I) not to misappropriate Company's property or Company's funds;

(II) not to deposit Company's assets or funds in an account opened in his/her own name or in the name of another individual;

(III) not to solicit or accept other illegal income by taking advantage of his/her position;

(IV) not to, in violation of the provisions of the Articles of Association, lend Company's funds to others or use Company's property to provide guarantees for others without the consent of the Shareholders' meeting or the Board of Directors;

(V) not to, without reporting to the Board of Directors or the Shareholders' meeting and obtaining a resolution passed by the Board of Directors or the Shareholders' meeting in accordance with the provisions of the Articles of Association, enter into a contract or conduct a transaction with the Company, either directly or indirectly;

(VI) not to, by taking advantage of his/her position, seek for himself/herself or others any business opportunity that belongs to the Company, unless he/she has reported to the Board of Directors or the Shareholders' meeting in accordance with the Articles of Association and obtained a resolution passed by the Board of Directors or the Shareholders' meeting, or the Company is unable to utilise such business opportunity in accordance with the provisions of laws, administrative regulations, the listing rules of the places where the Company's shares are listed or the Articles of Association;

(VII) not to, without reporting to the Board of Directors or the Shareholders' meeting and obtaining a resolution passed by the Board of Directors or the Shareholders' meeting, operate for himself/herself or others the same type of business as the Company;

(VIII) not to accept commissions in transactions between others and the Company for his/her own account;

(IX) not to disclose Company secrets without authorisation, and not to disclose confidential information concerning the Company obtained during his/her term of office;

(X) not to use his/her affiliated relationship to damage the interests of the Company;

(XI) not to provide any form of convenience or assistance that damages the lawful rights and interests of the Company or its shareholders to any organisation or individual that intends to implement or is implementing a hostile takeover of the Company or for their takeover activities;

(XII) other duties of loyalty stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.

Any income derived by a director in violation of this Article shall belong to the Company; if losses are caused to the Company, he/she shall bear compensation liability.

The provisions of item (V) above shall apply where a close relative of a director or a member of the senior management, an enterprise directly or indirectly controlled by a director, a member of the senior management or their close relatives, or a related person having other affiliated relationships with a director or a member of the senior management enters into a contract or conducts a transaction with the Company.

Where a director and an associate to a director (as defined in the Hong Kong Listing Rules) enters into a contract or conducts a transaction with the Company, it shall be conducted in accordance with the provisions on related transactions under the Hong Kong Listing Rules.

Article 101 Directors shall comply with the provisions of laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association, and owe the following duties of diligence to the Company:

(I) to exercise the powers granted by the Company with caution, diligence and diligence, so as to ensure that the Company's business activities comply with the requirements of national laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed and various national economic policies, and that business activities do not exceed the business scope specified in the business licence;

(II) to treat all shareholders fairly;

(III) to keep timely abreast of the Company's business operation and management status;

(IV) to sign written confirmation opinions on the Company's periodic reports and ensure the truthfulness, accuracy and completeness of the information disclosed by the Company;

(V) to provide relevant information and materials truthfully to the Audit Committee and not to obstruct the Audit Committee or the Audit Committee from exercising its powers;

(VI) other duties of diligence stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.

Article 102 If a director fails to personally attend two consecutive Board meetings and also does not authorize another director to attend on their behalf, it shall be deemed that they are unable to perform their duties, and the Board shall recommend to the Shareholders' meeting that such director be removed and replaced.

Article 103 A director may resign before the expiry of his/her term of office. A director who resigns shall submit a written resignation report to the Board of Directors, and the resignation shall take effect on the date the Company receives the resignation report. The Board of Directors shall disclose the relevant circumstances within two working days after receiving the written resignation report or within the time limit required by the securities regulatory rules of the places where the Company's shares are listed.

In the event that the Board of Directors of the Company falls below the quorum minimum due to a director's resignation, or in the event that the proportion of independent directors on the Board of Directors or its specialized committees does not comply with laws, regulations, securities regulatory rules of the place where the Company's shares are listed or the provisions of the Articles of Association due to the resignation of an independent director, or in the event that there is no accounting professional among the independent directors; the original director shall, before the newly elected director assumes office, perform the duties of a director in accordance with the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association, and the resignation report shall only take effect after a successor director fills the vacancy caused by the resignation.

If a director resigns, the Company shall complete the by-election within 60 days to ensure that the composition of the Board of Directors and special committees complies with the provisions of laws, regulations, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.

Article 104 Upon the resignation taking effect or the expiry of the term of office of a director, he/she shall complete all handover procedures with the Board of Directors. The duty of loyalty owed to the Company and shareholders shall not be discharged automatically upon the expiry of the term of office, but shall remain valid within a reasonable period specified in the Articles of Association. The duty to keep the Company's commercial secrets confidential shall remain valid after his/her term of office ends, until such secrets become public information. The duration of other obligations shall be determined based on the principle of fairness, having regard to the length of time between the occurrence of the event and the departure, and the circumstances and conditions under which the relationship with the Company ended. The liability of a director arising from the performance of his/her duties during his/her term of office shall not be exempted or terminated upon his/her departure.

Article 105 Without the authorisation prescribed in the Articles of Association or the lawful authorisation of the Board of Directors, no director may represent the Company or the Board of Directors in his/her personal capacity. When a director acts in his/her personal capacity, and a third party could reasonably believe that the director is acting on behalf of the Company or the Board of Directors, the director shall declare his/her position and identity in advance.

Article 106 Where the director causes damage to others when performing its duties in the Company, the Company shall be liable for compensation; where the director acts with willful or material default, they shall be liable for compensation.

If the director violates laws, administrative regulations, department rules, the securities regulatory rules of the places where the Company's shares are listed or these Articles of Association when performing its duties in the Company, it shall indemnify the Company against losses incurred due to such violation.

Independent directors shall, in accordance with the provisions of laws, administrative regulations, the CSRC, the stock exchange and the Articles of Association, diligently perform their duties, play their role in participating in decision-making, exercising checks and balances and providing professional advice in the Board of Directors, safeguard the overall interests of the Company and protect the lawful rights and interests of minority shareholders.

Section 2 Board of Directors

Article 107 The Company shall have a Board of Directors, which shall be accountable to the Shareholders' meeting.

Article 108 The Board of Directors shall be composed of nine directors, with one chairman and one employee director. The Board of Directors of the Company may, depending on the actual circumstances, have no more than two vice chairmen.

Article 109 The Board of Directors shall exercise the following functions and powers:

(I) to convene Shareholders' meetings and report its work to the Shareholders' meetings;

(II) to implement the resolutions of the Shareholders' meetings;

(III) to decide on the Company's business plans and investment schemes;

(IV) to formulate the Company's profit distribution plan and plan for making up losses;

(V) to formulate plans for the increase or decrease of the Company's registered capital, the issue of bonds or other securities and their listing;

(VI) to formulate plans for the Company's major acquisition, purchase of its own shares, or merger, division, dissolution and change of corporate form;

(VII) to decide on matters such as the Company's external investment, acquisition and sale of assets, asset mortgage, external guarantees, entrusted wealth management, related transactions, external donations, etc., within the scope of authorisation of the Shareholders' meeting;

(VIII) to decide on the establishment of the Company's internal management organs;

(IX) to appoint or dismiss the general manager, the Board secretary and other senior management personnel of the Company, and decide on their remuneration matters and rewards and punishments; upon the nomination of the general manager, to appoint or dismiss the deputy general manager, the person in charge of financial affairs and other senior management personnel of the Company, and decide on their remuneration matters and rewards and punishments;

(X) to formulate the Company's basic management systems;

(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 appointment or replacement of the accounting firm auditing the Company;

(XIV) to listen to the work reports of the general manager of the Company and inspect the work of the general manager;

(XV) to decide on the Company's purchase of its own shares under the circumstances described in items (III), (V) and (VI) of Article 25 of the Articles of Association, subject to compliance with the provisions of the securities regulatory rules of the places where the Company's shares are listed;

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

Matters beyond the scope of authorization by the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

Article 110 The Board of Directors of the Company has established special committees such as the Audit Committee, the development strategy committee, the nomination committee and the remuneration and performance appraisal committee. The special committees shall be accountable to the Board of Directors and shall perform their duties as stipulated in these Articles of Association and as authorized by the Board of Directors. Proposals shall be submitted to the Board of Directors for consideration. All members of the special committees shall be directors. Independent directors shall account for the majority of members of the Audit Committee, the nomination committee and the remuneration and performance appraisal committee, and shall serve as the conveners. The members of the Audit Committee shall be directors who do not hold senior management positions in the listed company, and the convener shall be an accounting professional. The Board of Directors shall be responsible for formulating working procedures for the special committees to regulate their operation.

Article 111 The scope of responsibilities of each special committee is as follows:

(I) The Audit Committee shall be responsible for reviewing the financial information of the Company and its disclosure, supervising and evaluating the internal and external audit work and internal control.

(II) The Nomination Committee shall be responsible for formulating the selection criteria and procedures for directors and senior management, selecting and reviewing candidates for directors and senior management as well as their qualifications for office, and making recommendations to the Board on matters stipulated by laws and regulations and the securities regulatory rules of the places where the Company's shares are listed.

(III) The Remuneration and Performance Appraisal Committee shall be responsible for formulating assessment criteria for directors and senior management and conducting assessments thereof, formulating and reviewing remuneration policies and plans for directors and senior management, and making recommendations to the Board on matters stipulated by laws and regulations and the securities regulatory rules of the places where the Company's shares are listed.

(IV) The Development Strategy Committee shall be responsible for researching and making recommendations on the Company's long-term development strategies and major investment decisions, as well as other matters authorized by the Board.

Article 112 The Board of Directors of the Company shall give explanation in connection with the non-standard audit opinion issued by the Certified Public Accountants on the financial report of the Company at the Shareholders' meeting.

Article 113 The Board of Directors shall formulate the procedural rules to be followed at meetings of the Board of Directors, so as to ensure the Board of Directors fulfill resolutions adopted at the Shareholders' meeting, improve working efficiency and ensure scientific decision making.

Article 114 The Board of Directors shall determine the extent of authority for external investments, acquisition and sale of assets, asset mortgage, external guarantees matters, entrusted wealth management, related transactions and external donations of the Company, establish strict examination and decision-making procedures, organize related experts and professionals to make assessment in case of significant investment project and report the result thereof to the Shareholders' meeting for approval.

Transactions requiring approval by the Board shall be as follows:

(I) The total assets involved in the transaction (if both book value and appraised value exist, the higher value shall prevail) account for 10% or more of the Company's most recently audited total assets, but do not meet the standards for Shareholders' meeting review;

(II) The net assets attributable to the subject matter of the transaction (e.g., equity) (if both book value and appraised value exist, the higher value shall prevail) account for 10% or more of the listed Company's most recently audited net assets, with an absolute amount exceeding RMB10 million, but do not meet the standards for Shareholders' meeting review;

(III) The transaction value (including assumed liabilities and expenses) accounts for 10% or more of the Company's most recently audited net assets, with an absolute amount exceeding RMB10 million, but do not meet the standards for Shareholders' meeting review;

(IV) The profit generated from the transaction accounts for 10% or more of the Company's most recent fiscal year audited net profit, with an absolute amount exceeding RMB1 million, but do not meet the standards for Shareholders' meeting review;

(V) The revenue related to the subject matter of the transaction (e.g., equity) in the most recent fiscal year accounts for 10% or more of the listed Company's most recently audited annual revenue, with an absolute amount exceeding RMB10 million, but do not meet the standards for Shareholders' meeting review;

(VI) the net profit derived from the subject matter of the transaction (such as equity interest) in the most recent fiscal year accounts for 10% or more of the audited net profit of the Company in the most recent fiscal year, with the absolute amount being more than RMB1,000 thousand, but does not meet the review standards of the Shareholders' meeting;

(VII) connected transactions between the Company and its affiliated natural persons with a transaction amount of over RMB300 thousand; and connected transactions with affiliated legal persons (or other organizations) with a transaction amount of over RMB3,000 thousand, and accounting for more than 0.5% of the value of the Company's latest audited net assets within a complete accounting year, but does not meet the review standards of the Shareholders' meeting;

(VIII) for matters regarding external guarantees provided by the Company and its holding subsidiaries, those that do not meet the standards specified in Article 46 of the Articles of Association shall be approved by the Board of Directors, and a resolution shall be adopted with the consent of more than two-thirds of the directors present at the Board meeting;

(IX) When the Company conducts transactions involving financial assistance (including interest-bearing or interest-free borrowings, entrusted loans, etc.), such transactions shall not only be reviewed and approved by more than half of all directors, but also be reviewed and approved by more than two-thirds of the directors present at the Board meeting;

The data involved in the calculation of the above indicators is negative, its absolute value shall be used for calculation.

The transaction matters involved in items (I) to (VI) above refer to: purchase or sale of assets; external investments (including entrusted wealth management, investments in subsidiaries, etc.); lease-in or lease-out of assets; entrusted management or entrusted operation of assets and business; donation or acceptance of donated assets; debt or debt restructuring; execution of license agreements; transfer or assignment of research and development projects; waiver of rights (including waiver of pre-emptive right to purchase, pre-emptive right to subscribe for capital contributions, etc.) and other transactions recognized by the stock exchange.

For relevant transactions that do not meet the review standards of the Board of Directors, the approval procedures shall be performed in accordance with the provisions of laws and regulations, the securities regulatory rules of the Company's stock listing place, the Articles of Association and other internal systems of the Company.

Article 115 Except as otherwise provided by laws and regulations, the securities regulatory rules of the Company's stock listing place, and the Articles of Association, if a transaction conducted by the Company meets one of the following standards, it shall be reviewed by the Board of Directors and then submitted to the Shareholders' meeting for review:

(I) the total amount of assets involved in the transaction (If the total assets related to the transaction have book value and assessed value, the higher will prevail) accounts for more than 50% of the listed Company's total audited assets in the most recent period;

(II) the net amount of assets involved in the transaction (If the net assets related to the transaction have book value and assessed value, the higher will prevail) accounts for more than 50% of the listed Company's total audited assets in the most recent period, with the absolute amount over RMB50,000 thousand;

(III) the amount of transaction (including debts and expenses payable) in the net assets upon auditing in the latest fiscal year of the Company shall be over 50% with the absolute amount over RMB50,000 thousand;

(IV) the profit arising from transaction in the net profit upon auditing in the latest fiscal year of the listed Company shall be over 50% with the absolute amount over RMB5,000 thousand;

(V) the business revenue of object of transaction (such as stock right) in the latest fiscal year in the business revenue upon auditing in the latest fiscal year of the listed Company shall be over 50% with the absolute amount over RMB50,000 thousand;

(VI) the net profit of object of transaction (such as stock right) in the latest fiscal year in the net profit upon auditing in the latest fiscal year of the listed Company shall be over 50% with the absolute amount over RMB5,000 thousand;

(VII) matters that shall be reviewed by the Shareholders' meeting as stipulated by laws and regulations, the securities regulatory rules of the Company's stock listing place, and the Articles of Association.

Article 116 The chairman and vice chairman (if any) shall be served by the Company's directors, and shall be elected and removed by the Board of Directors with more than half of the directors. The qualifications for being elected as the Company's chairman or vice chairman are as follows: the director shall be at least 25 years old and under 60 years old; and in good health condition. A director who is under 60 years old but has reached 58 years old at the time of election shall, in principle, not be elected as the Company's chairman or vice chairman; under special circumstances, such director may be elected if approved by a vote of more than three-fourths of all directors.

Article 117 The chairman shall exercise the following powers:

(I) preside over the meetings of the Shareholders' meeting, and convene and preside over the meetings of the Board of Directors;

(II) supervise and inspect the implementation of the resolutions of the Board of Directors;

(III) sign important documents of the Board of Directors and other documents that shall be signed by the chairman;

(IV) in case of emergencies caused by force majeure such as major natural disasters, exercise the special disposal power over the Company's affairs in compliance with legal provisions and in the interests of the Company, and report to the Company's Board of Directors and Shareholders' meeting afterwards;

(V) other powers conferred by the Board of Directors.

Article 118 The Company's vice chairman (if any) shall assist the chairman in the work. If the chairman is unable to perform the duties or fails to perform the duties, the vice chairman shall perform such duties (if the Company has two vice chairmen, the vice chairman jointly elected by more than half of the directors shall perform such duties); if the vice chairman is unable to perform the duties or fails to perform the duties, more than half of the directors shall jointly elect one director to perform such duties.

Article 119 The Board of Directors shall hold at least four meetings each year, which shall be convened by the chairman and with a written notice sent to all directors 14 days prior to the meeting.

Article 120 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 such proposal.

Article 121 For the convening of an extraordinary Board meeting by the Board of Directors, a written notice shall be given 5 days in advance. In case of emergency, the meeting may be notified at any time by means of oral communication, telephone, etc., but the convener shall make an explanation at the meeting.

Article 122 A notice of a Board meeting shall include the following contents:

(I) the date and venue of the meeting;

(II) the duration of the meeting;

(III) the cause and proposals of the meeting;

(IV) the date on which the notice is issued.

Article 123 A Board meeting may be convened only if more than half of the directors are present; a resolution made by the Board of Directors shall be adopted only with the approval of more than half of all directors, unless otherwise provided by laws and regulations, the securities regulatory rules of the Company's stock listing place, and the Articles of Association.

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

Article 124 If a director has a connected relationship with the enterprise or individual involved in the matter to be resolved at a Board meeting, shall promptly submit a written report to the Board of Directors. The director with a connected relationship shall not exercise voting rights on such resolution, nor shall he/she act as a proxy to exercise voting rights on behalf of other directors. Such Board meeting may be convened only if more than half of the directors without connected relationships are present, and the resolution made at the Board meeting shall be adopted only with the approval of more than half of the directors without connected relationships. If the number of directors without connected relationships present at the Board meeting is less than three, such matter shall be submitted to the Shareholders' meeting for deliberation. If laws, regulations, and the securities regulatory rules of the Company's stock listing place impose any additional restrictions on directors' participation in Board meetings and voting, such restrictions shall prevail.

Article 125 The voting at Board meetings shall be conducted by means of registered voting.

On the premise of ensuring that directors can fully express their opinions, extraordinary Board meetings may be held and resolutions may be made by means of communication, with signatures of the participating directors.

Article 126 Each director shall attend Board meetings in person. If a director is unable to attend a meeting due to special reasons, he/she may entrust another director of the Company's Board of Directors in writing to attend on his/her behalf. The power of attorney shall specify the name of the proxy, the subject of agency, the scope of authority and the valid of the time limit of the proxy, which shall be signed or officially sealed by the authorizing party. A director appointed as the representative of another director to attend the meeting shall exercise the rights of a director within the scope of authority conferred by the appointing director. Where a director is unable to attend a Board meeting and has not appointed a proxy to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting.

Article 127 The Board of Directors shall keep minutes at the meeting. The attending directors and the person taking the minutes shall sign the minutes of the meeting. The attending directors are entitled to request that an explanatory record of their comments made at the meetings be noted in the minutes.

The Board meeting minutes shall be kept as part of the Company's archives for a period of ten years.

Article 128 The minutes of the Board meeting shall include:

(I) the date and venue of the meeting, and the name of the convener;

(II) the name of the director present and name of director being appointed to attend on the other's behalf (attorney);

(III) agenda of the meeting;

(IV) key issues in directors' speech;

(V) the method and results of voting on each resolution (the result shall specify the number of votes for, against or abstaining).

Section 3 Independent Directors

Article 129 The Company shall establish an independent director system. At least one third of the membership of the Board of Directors shall be independent directors, which shall include at least one accounting expertise. Where the shareholders' meeting of the Company elected two or more independent directors, a cumulative voting system should be implemented, and a competitive election may be implemented.

Article 130 Independent directors shall maintain their independence. The following persons shall not serve as independent directors:

(I) persons working in the Company or its affiliated enterprises, as well as their spouses, parents, children and major social relatives;

(II) natural person shareholders who directly or indirectly hold more than 1% of the issued shares of the Company or who rank among the top ten shareholders of the Company, as well as their spouses, parents and children;

(III) shareholders who directly or indirectly hold more than 5% of the issued shares of the Company or persons among the top five shareholders of the Company, as well as their spouses, parents and children;

(IV) persons working in the affiliated enterprises of the controlling shareholders or the de facto controllers of the Company, as well as their spouses, parents and children;

(V) persons who have significant business dealings with the Company, its controlling shareholders, de facto controllers or their respective affiliated enterprises, or who work in units with major business dealings and their controlling shareholders or de facto controllers;

(VI) persons providing financial, legal, consulting and sponsorship and other services to the Company, its controlling shareholders, de facto controllers or their respective affiliated enterprises, including but not limited to, all project team members, review persons at all levels, report signing persons, partners, directors, members of the senior management and principal persons in charge of the intermediary agency providing services;

(VII) persons who fell within the categories stated in (I) to (VI) during the past twelve months;

(VIII) Other persons who do not possess independence as stipulated under the laws, administrative regulations, the provisions of CSRC, stock exchange business rules, the securities regulatory rules of the places where the Company's shares are listed, and the Articles of Association.

The affiliated enterprises of the controlling shareholders and de facto controllers of the Company mentioned in item IV to item VI of the preceding paragraph exclude enterprises controlled by the same state-owned asset management organization as the Company and not forming a connected relationship with the Company in accordance with relevant regulations.

The independent directors shall conduct an annual self-examination for their independence and submit the self-examination information to the Board of Directors. The Board of Directors shall annually assess the independence of the incumbent independent directors and issue special opinions, which shall be disclosed at the same time in the annual report.

Article 131 Independent directors shall fulfil the obligations of honesty and diligence to the Company and all the Shareholders thereof. Independent directors shall perform their duties independently in accordance with the requirements of the relevant laws and the Articles of Association, shall not be affected by the Company's substantial shareholders, de facto controllers, or any entities or individuals having an interest with the Company, its substantial shareholders, de facto controllers, and shall safeguard the overall interests of the Company.

Article 132 A person to serve as an independent director shall meet the following basic conditions:

(I) having the qualifications to serve as a director of a Company in accordance with laws and other relevant provisions;

(II) having basic knowledge about the operation of a listed Company and being familiar with relevant laws, regulations and rules;

(III) having more than five years' experience in legal and economic, accounting, finance and management work or other work required for fulfilling the duties of independent directors;

(IV) having good personal integrity and no major dishonest conduct or other adverse records;

(V) having been removed from his/her position at a shareholders' meeting proposed by the Board of Directors because he/she, during his/her office as an independent director in the past, had failed to attend two consecutive Board meetings in person and entrust another independent director to attend the Board meetings on his/her behalf, and less than twelve (12) months have passed upon such removal;

(VI) possessing the independence requirements stipulated by laws and regulations, the CSRC, the stock exchange, and the securities regulatory rules of the place where the Company's shares are listed, as well as other conditions specified in the Articles of Association.

In principle, an independent director can concurrently serve as an independent director in at most three domestic listed companies, and shall ensure that he/she has enough time and energy to effectively perform the duties as an independent director.

The independent directors shall conduct an annual self-examination for their independence and submit the self-examination information to the Board of Directors. The Board of Directors shall annually assess the independence of the incumbent independent directors and issue special opinions, which shall be disclosed at the same time in the annual report.

Article 133 The term of office of an independent director is the same as that of other directors of the Company. Upon the expiration of the term of office, the independent director may be re-elected, provided that the consecutive term of office shall not exceed six years.

Article 134 The independent director can put forward the resignation before the expiration of his/her term. The independent director shall submit a written resignation report to the Board of Directors for resignation and state all status that are related to the resignation and are necessary to draw attentions of the Company's shareholders and creditors.

Article 135 Where the resignation of an independent director results in the number of independent directors or Board of Directors members falling below the minimum required by law or the Articles of Association, or leads to the proportion of independent directors in any specialized committees failing to comply with laws and regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Company's Articles of Association, or results in the absence of an accounting professional among the independent directors, the Company shall complete the election of the corresponding director(s) within sixty days from the occurrence of such event. Prior to the assumption of office by the elected independent director(s), the existing independent director(s) shall continue to perform their duties 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.

Article 136 The Company shall formulate the "Independent Director System" to define the authority and working procedures of independent directors. This system shall be deliberated and approved by the shareholders' meeting.

Article 137 The independent directors, as members of the Board of Directors, shall have fiduciary obligations and diligent obligations towards the Company and all shareholders, and shall prudently perform the following duties:

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

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

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

(IV) to perform any other duties as required by the laws, administrative regulations, the provisions of CSRC, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.

Article 138 Independent directors can exercise the following special powers and functions:

(I) independently hiring an intermediary to audit, consult or verify specific matters of the Company;

(II) proposing to convene the extraordinary general meeting to the Board of Directors;

(III) proposing to hold the Board meeting;

(IV) publicly soliciting the rights of shareholders from shareholders in accordance with relevant laws;

(V) giving independent opinions on matters that may harm the rights and interests of the Company or the minority shareholders;

(VI) other powers and functions as stipulated by laws, administrative regulations, the provisions of CSRC, securities regulatory rules of the places where the Company's shares are listed, and the Articles of Association.

An independent director shall obtain the consent of more than half of all the independent directors if he/she exercises the powers and functions listed in item I to item III of the preceding paragraph.

If an independent director exercises the powers and functions listed in item I, the Company shall timely disclose it. If the aforementioned powers and functions cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

Article 139 The following matters shall be submitted to the Board of Directors for review after being approved by more than half of all independent directors of the Company:

(I) related transactions that should be disclosed;

(II) plans of the Company and related parties to change or waive commitments;

(III) decisions and measures taken by the Board of Directors regarding the acquisition of the listed Company upon being acquired;

(IV) other matters as stipulated by laws, administrative regulations, the provisions of CSRC, securities regulatory rules of the places where the Company's shares are listed, and the Articles of Association.

Article 140 The Company shall establish a mechanism for special meeting attended solely by independent directors. Matters such as connected transactions to be deliberated by the Board of Directors shall be subject to prior approval by the special meeting of independent directors.

The Company shall hold special meeting of independent directors regularly or irregularly. Matters listed in items (I) to (III) of the first paragraph of Article 138 and Article 139 shall be deliberated by the special meeting of independent directors.

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 chaired by one independent director jointly recommended by more than half of the independent directors; if the convener fails to perform or is unable to perform his/her duties, two or more independent directors may convene the meeting on their own and recommend one representative to chair it.

The special meeting of independent directors shall prepare meeting minutes in accordance with regulations. The opinions of the independent directors shall be recorded in the meeting minutes. The independent directors shall sign to confirm the meeting minutes.

The Company shall provide convenience and support for the convening of special meeting of independent directors.

Section 4 Specialized Committees

Article 141 The Board of Directors of the Company shall establish an Audit Committee to exercise the powers and functions as stipulated in the Company Law.

Article 142 The Audit Committee shall consist of 3 to 5 members, who shall be directors not serving as members of the senior management of the Company. All members shall be non-executive directors, with more than half being independent directors, and the convener shall be an accounting professional among the independent directors.

Article 143 The Audit Committee shall be responsible for reviewing the financial information of the Company and its disclosure, supervising and evaluating the internal and external audit work and internal control. The following matters shall be put forward to the Board of Directors for consideration upon consent from more than half of all members of the Audit Committee:

(I) disclosure of financial information in financial and accounting reports and regular reports and evaluation report on internal control;

(II) appointment or dismissal of accounting firms which are responsible for auditing matters of the listed Company;

(III) appointment or dismissal of the financial controller of the listed Company;

(IV) changes in accounting policies and accounting estimates or correction of significant accounting errors due to reasons other than changes in accounting standards;

(V) other matters stipulated by laws, administrative regulations, the provisions of CSRC, the securities regulatory rules of the places where the Company's shares are listed and these Articles of Association.

Article 144 The Audit Committee shall convene at least one meeting every quarter. Interim meetings may be convened upon the proposal of two or more members or when the convener deems it necessary. A meeting of the Audit Committee may be held only if at least two-thirds of its members are present.

Resolutions of the Audit Committee shall be adopted by the affirmative vote of more than half of the members of the Audit Committee.

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

Resolutions of the Audit Committee shall be recorded in meeting minutes in accordance with regulations. Members of the Audit Committee present at the meeting shall sign the meeting minutes.

The working procedures of the Audit Committee shall be formulated by the Board of Directors.

Article 145 The Company's Board of Directors shall establish other specialized committees such as development strategy, nomination, remuneration and performance assessment, which shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Proposals of the specialized committees shall be submitted to the Board of Directors for deliberation and decision. The working procedures of the specialized committees shall be formulated by the Board of Directors.

The nomination committee shall be responsible for formulating the selection criteria and procedures for director and members of the senior management, screening and reviewing candidates for director and members of the senior management and their qualifications, and making recommendations to the Board of Directors on the following matters:

(I) nominating or appointing/removing director;

(II) appointing or dismissing members of the senior management;

(III) other matters stipulated by laws, administrative regulations, CSRC, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

If the Board of Directors do not adopt or fully adopt the recommendations of the Nomination Committee, the Board resolution shall record the opinions of the Nomination Committee and the specific reasons for non-adoption, and such information shall be disclosed.

Article 146 The Remuneration and Performance Assessment Committee shall be responsible for formulating the assessment standards for director and members of the senior management and conducting assessments, formulating and reviewing the remuneration policies and schemes for director and members of the senior management, including the remuneration determination mechanism, decision-making process, payment and claw back arrangements, etc., and making recommendations to the Board of Directors on the following matters:

(I) the remuneration of director and members of the senior management;

(II) formulating or changing equity incentive plans, employee share ownership plans, and the fulfillment of conditions for grantees to obtain and exercise rights under such plans;

(III) arrangements for director and members of the senior management to hold shares in subsidiaries intended to be spun off;

(IV) other matters stipulated by laws, administrative regulations, CSRC, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

If the Board of Directors do not adopt or fully adopt the recommendations of the Remuneration and Performance Assessment Committee, the Board resolution shall record the opinions of the Remuneration and Performance Assessment Committee and the specific reasons for non-adoption, and such information shall be disclosed.

CHAPTER 6 MEMBERS OF THE SENIOR MANAGEMENT

Article 147 The Company shall have one general manager, who shall be nominated by the chairman and appointed or dismissed by the Board of Directors.

The Company shall have several deputy general managers and one chief financial officer, who shall be nominated by the general manager and appointed or dismissed by the Board of Directors.

The general manager, deputy general managers, chief financial officer and secretary to the Board of Directors of the Company are the members of the senior management of the Company.

Article 148 The circumstances under which a person may not serve as a director of the Company as stipulated in Article 98 of the Articles of Association shall also apply to the members of the senior management.

The qualification requirements for members of the senior management positions in the Company are being under the age of 60 and in good health. In principle, individuals who are under the age of 60 but have reached the age of 58 at the time of appointment shall not be appointed as the members of the senior management; under special circumstances, they may be appointed upon the affirmative vote of more than three-fourths of all directors.

The provisions of the Articles of Association regarding the duties of loyalty under Article 100 and diligence under (IV) to (VI) of Article 101 of directors shall also apply to the members of the senior management.

Article 149 Persons who hold positions other than director or supervisor in any entity of the controlling shareholder or de facto controller shall not be appointed as members of the senior management of the Company.

The members of the senior management of the Company shall receive remuneration only from the Company and not have their remuneration paid on behalf of the Company by the controlling shareholder.

Article 150 The general manager shall hold office for a term of three years for each term and may serve consecutive terms if re-appointed.

Article 151 The general manager shall be accountable to the Board of Directors and shall exercise the following functions and powers:

(I) preside over the Company's production and operation management, organize and implement the resolutions of the Board of Directors, and report to the Board of Directors;

(II) organize and implement the Company's annual operating plan and investment plan;

(III) draft proposals for structuring the Company's internal management institutions;

(IV) draft the Company's basic management system;

(V) formulate the Company's specific regulations;

(VI) propose to the Board of Directors the appointment or dismissal of deputy general managers and the person in charge of finance;

(VII) decide on the appointment or dismissal of management, except for those whose appointment or dismissal is decided by the Board of Directors;

(VIII) other functions and powers granted by these Articles of Association or the Board of Directors.

The general manager attends the Board meetings.

Article 152 The general manager shall formulate the working rules of the general manager, which shall be implemented after submission to and approval by the Board of Directors.

Article 153 The working rules of the general manager include the following contents:

(I) the conditions, procedures and participants for convening meetings of the general manager;

(II) the respective duties and division of labor of the general manager and other Senior Management;

(III) the limits of authority for the use of the Company's funds and assets and the signing of significant contracts, as well as the system of reporting to the Board of Directors;

(IV) other matters deemed necessary by the Board of Directors.

Article 154 The general manager may resign before the expiry of his/her term of office. The specific procedures and measures for the resignation of the general manager shall be stipulated in the labor contract between the general manager and the Company.

Deputy general managers shall be nominated by the general manager and appointed by the Board of Directors; the deputy general managers of the Company shall be accountable to the general manager, perform their duties with the powers granted by the general manager, and assist the general manager in his/her work.

Article 155 The Company shall have a secretary to the board of directors, who shall be responsible for the preparation of the Company's shareholders' meetings and meetings of board of directors, the custody of documents, the management of the Company's shareholder data, handling information disclosure matters and other duties. The secretary to the board of directors shall comply with the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the relevant provisions of these Articles of Association.

Article 156 Where the senior management causes damage to others when performing its duties in the Company, the Company shall be liable for compensation; where the senior management acts with willful or material default, they shall be liable for compensation.

If the senior management violates laws, administrative regulations, department rules, the securities regulatory rules of the places where the Company's shares are listed or these Articles of Association when performing its duties in the Company, it shall indemnify the Company against losses incurred due to such violation.

Senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all the shareholders. If the Company's senior management fail to faithfully perform their duties or violate their fiduciary duties, causing damage to the interests of the Company and public shareholders, they shall be liable for compensation in accordance with the law.

CHAPTER 7 FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Section 1 Financial Accounting System

Article 157 The Company shall formulate its own financial and accounting systems in accordance with laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed and the rules of the relevant authorities of the State.

Article 158 The Company shall file and disclose its A-share annual report to the CSRC and the Shanghai Stock Exchange within four months from the end of each financial year; and shall file and disclose its A-share interim report to the Shandong Bureau of the CSRC and the Shanghai Stock Exchange within two months from the end of the first half of each financial year.

The aforesaid A-share annual reports and interim reports shall be prepared in accordance with relevant laws, administrative regulations, requirements of the CSRC and the securities regulatory rules of the places where the Company's shares are listed.

Article 159 The Company shall not establish an accounting book other than those required by laws. No funds of the Company shall be deposited under any account opened in the name of any individual.

Article 160 When the Company distributes the profits after tax of the current year, it shall allocate 10% of the profits into the statutory reserve fund of the Company. If the accumulated amount of the statutory reserve fund reaches 50% or more of the registered capital of the Company, the Company is released from the obligation of withholding such statutory reserve fund.

Where the Company's statutory reserve fund is insufficient to cover the previous year's losses, the Company shall first use the profits of the current year to cover the losses before withholding the statutory reserve fund according to the provisions of the previous paragraph.

After the Company withholds the statutory reserve fund from the profits after tax, it may also withhold optional reserve fund from the profits after tax upon the resolution of the shareholders' meeting.

The remaining profits after tax of the Company after making up the losses and withdrawing the reserve funds may be distributed according to the proportion of shares held by the shareholders.

Where the shareholders' meeting, in violation of the Company Law, distributes the profits to the shareholders, the shareholders shall return the profits distributed in violation of the provisions to the Company; in case of losses caused to the Company, shareholders and responsible directors and senior management officers shall be liable for compensation.

The Company's shares held by the Company shall not participate in the distribution of profits.

The Company is required to appoint one or more receiving agent(s) in Hong Kong for shareholders of H shares. The receiving agent(s) shall receive and hold on behalf of such shareholders of H shares any dividends allocated to H shares and other amounts payable by the Company, and transmit such payments to such shareholders of H shares. The receiving agent(s) appointed by the Company shall satisfy the requirements under the laws and regulations and the securities regulatory rules of the places where the Company's shares are listed.

Article 161 The reserve fund of the Company shall be used for making up for the loss, expansion of the production and operation or increase of registered capital of the Company.

When using the reserve fund to make up for the loss, the discretionary reserve fund and statutory reserve fund shall be used first; if the loss still cannot be made up, the capital reserve fund may be used in accordance with regulations.

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

Article 162 After the shareholders' meeting of the Company has passed a resolution on the profit distribution plan, the Board of Directors of the Company must complete the distribution of dividends (or shares) within 2 months after the shareholders' meeting is held.

Article 163 The Company's profit distribution policy is as follows:

(I) Principle of profit distribution

The Company's profit distribution shall value reasonable investment returns for investors while balancing the sustainable development of the Company, and maintain the continuity and stability of profit distribution. Profits to be distributed by the Company shall not exceed the scope of accumulated distributable profits and shall not impair the Company's ability to sustain its operations.

(II) Methods of profit distribution

The Company may distribute profits by way of cash, shares or a combination of cash and shares. The Company gives priority to cash dividends as the method of profit distribution.

(III) Conditions for cash dividends

The Company shall distribute cash dividends only when the following three conditions are satisfied simultaneously:

1、 The realized distributable profits of the Company for such year or half-year (the profits after tax of the Company after recovery of losses and allocation to the reserve fund) are positive;

2、 The Company's accumulated distributable profits are positive;

3、 The Company's auditing institution has issued an unqualified audit report on the Company's financial report for such year or half-year.

(IV) Cash dividend policy

1、 The Company shall maintain the continuity and stability of its profit distribution policy. The Company's accumulated profits distributed in cash over the past three years shall be no less than 30% of the average annual distributable profits achieved in the past three years. If there are no major investment plans or significant cash expenditures, the profits distributed in cash by the Company each year shall be no less than 10% of the distributable profits achieved in the year.

2、 The undistributed distributable profits of the current year can be reserved for distribution in future years;

3、 Profits to be distributed by the Company shall not exceed the scope of accumulated distributable profits and shall not impair the Company's ability to sustain its operations.

(V) Intervals for cash dividends

If the conditions for cash dividends are met, the Company may distribute profits at the end of each year or in the middle of each year.

(VI) Specific conditions for the distribution of share dividends by the Company

When the Company's operating conditions are sound, and the Board considers that the Company's share price does not match the scale of the Company's share capital, and that adopting share dividend distribution is beneficial to the overall interests of all shareholders of the Company, the Company may, subject to the conditions for cash dividends mentioned above, propose a share dividend distribution plan.

(VII) Decision-making procedures and mechanisms for profit distribution matters

1、 The Board shall annually propose a profit distribution plan based on the industry characteristics, development stage, own business model, profitability level, capital expenditure arrangements, shareholder return planning, and the provisions of the Articles of Association, and submit it to the shareholders' meeting for review and approval after deliberation and approval by the Board. When the Board deliberates on specific cash dividend schemes, it shall carefully study and demonstrate the timing, conditions, and minimum proportion of the Company's cash dividends. If the Company achieves profit in the fiscal year but the Board does not propose a cash profit distribution plan, the Board shall provide a detailed explanation in the annual report for that year of the reasons for not distributing dividends, the use of funds retained by the Company that were not used for dividends, and the usage plan; independent directors shall issue independent opinions on this and make public disclosures.

2、 The Audit Committee shall 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 shall review the annual profit distribution plan and issue opinions.

3、 When the shareholders' meeting deliberates on the profit distribution plan, especially the specific cash dividend scheme, it shall actively communicate and interact with shareholders, particularly minority shareholders, through channels such as the Company's website, public mailbox, and visitor reception, fully listen to the opinions and demands of minority shareholders, and promptly respond to their concerns.

(VIII) Adjustment or amendment of the profit distribution policy

1、 In the event of force majeure such as war or natural disasters, or changes in the Company's external operating environment that have a significant impact on the Company's production and operations, or material changes in the Company's own operating conditions, the Company may adjust the profit distribution policy.

2、 The Company's adjustment or amendment of the profit distribution policy shall comply with the relevant regulations of the China Securities Regulatory Commission and the stock exchange where the Company's shares are listed, be based on the interests of shareholders, focus on protecting the interests of investors and providing them with stable returns, and be fully demonstrated by the Board.

3、 The adjustment or amendment of the profit distribution policy by the Company shall be reviewed and approved by a special resolution of the shareholders' meeting. When the shareholders' meeting deliberates on the proposal for adjusting or amending the profit distribution policy submitted by the Board, it shall effectively safeguard the rights of public shareholders to participate in the shareholders' meeting and may adopt methods such as online voting to extensively solicit shareholders' opinions and suggestions on the Company's profit distribution matters.

The term current year's distributable profit available to shareholders as used in the Articles of Association refers to the after-tax profit remaining after the Company's net profit for the current year is used to cover losses and make appropriations to reserve funds.

Section 2 Internal Audit

Article 164 The Company implements an internal audit system, specifying the leadership structure, responsibilities and authorities, staffing, funding guarantee, application of audit results, and accountability for internal audit work.

The Company's internal audit system is implemented after approval by the Board of Directors and shall be publicly disclosed.

Article 165 The internal audit institution of the Company shall carry out supervision and inspection of the Company's business activities, risk management, internal control, financial information and other matters.

Article 166 The internal audit institution is responsible to the Board of Directors.

During its supervision and inspection of 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 related major issues or clues, it shall immediately report directly to the Audit Committee.

Article 167 The internal audit institution is responsible for the specific organization and implementation of the Company's internal control evaluation. Based on the evaluation report and relevant materials issued by the internal audit institution and reviewed by the Audit Committee, the Company shall issue an annual internal control evaluation report.

Article 168 When the Audit Committee communicates with external audit entities such as accounting firms and state audit institutions, the internal audit institution shall actively cooperate and provide necessary support and assistance.

Article 169 The Audit Committee shall participate in the performance appraisal of the person in charge of the internal audit.

Section 3 Engagement of Accounting Firm

Article 170 The Company engages an accounting firm that complies with the provisions of the Securities Law and the securities regulatory rules of the exchange where the Company's shares are listed to conduct business such as auditing financial statements, verifying net assets, and providing other related advisory services. The appointment term is one year and can be renewed.

Article 171 The engagement or dismissal of an accounting firm by the Company shall be submitted to the Board for deliberation after obtaining the approval of more than half of all members of the Audit Committee, and must be decided by the shareholders' meeting. The Board shall not appoint an accounting firm before the decision of the shareholders' meeting.

Article 172 The Company guarantees to provide the engaged accounting firm with true and complete accounting vouchers, accounting ledgers, financial accounting reports, and other accounting information, and shall not refuse, conceal, or make false statements.

Article 173 The annual audit fees for the accounting firm shall be decided by the shareholders' meeting.

Article 174 When the Company dismisses or decides not to renew the appointment of an accounting firm, it shall notify the accounting firm thirty days in advance. When the Company's shareholders' meeting votes on the dismissal of an accounting firm, the accounting firm shall be allowed to state its opinion.

If the accounting firm proposes to resign, it shall explain to the shareholders' meeting whether there is any misconduct in the Company.

CHAPTER 8 NOTICES AND ANNOUNCEMENTS

Section 1 Notices

Article 175 A notice of the Company shall be sent by:

(I) hand delivery;

(II) mail (letter or email) or fax;

(III) public announcement;

(IV) other means recognized by the relevant regulatory authorities of the place where the Company's shares are listed or specified in these Articles of Association.

Article 176 Notice given by the Company by way of public announcement shall be deemed to have been received by all relevant persons upon announcement.

Article 177 Any notice of convening a shareholders' meeting shall be given by public announcement.

Article 178 Any notice of convening a board of directors' meeting shall be given by hand delivery, mail or fax.

Article 179 If a notice of the Company is delivered by hand, the date of service shall be the date when the recipient signed (or stamped) the acknowledgment of receipt; for notice of the Company sent by letter, the date of service shall be the fifth working day from the date of delivery to the post office; for notice of the Company sent by email or fax, the date of service shall be the date of dispatch; if a notice of the Company is sent by public announcement, the date of service shall be the date of the first announcement.

Article 180 The accidental omission to send a meeting notice to, or the non-receipt of a meeting notice by, any person entitled to receive notice shall not invalidate the proceedings at or any resolution passed at that meeting.

Section 2 Announcements

Article 181 The media through which the Company publishes announcements and other information that need to be disclosed are the media designated by the securities regulatory authorities and stock exchanges where the shares are listed.

Unless the context otherwise requires, the term "announcement" as mentioned herein, in respect of an announcement issued to the holders of A Shares or issued within the PRC as required under relevant regulations and the Articles of Association, it refers to the information published on the website of the SSE and media that meets the conditions stipulated by the CSRC; in respect of an announcement issued to the holders of H shares or issued in Hong Kong as required under the relevant regulations and the Articles of Association, the announcement shall be published on the Company's website, the website of the Hong Kong Stock Exchange (among others, the website of the Hong Kong Stock Exchange's HKExnews website (www.hkexnews.hk)), and other websites as stipulated by the Hong Kong Listing Rules from time to time in accordance with the relevant requirements of the Hong Kong Listing Rules.

Under the premise of the Company's compliance with the relevant listing rules of the place where the Company's shares are listed, regarding the provision and/or distribution of corporate communications by the Company to holders of H Shares in accordance with requirements of such listing rules, the Company may also provide or distribute corporate communications to H Shares holders by electronic means or by publishing on the Company's website or the website of the stock exchanges of the place where the Company's shares are listed, in lieu of delivery by personal delivery or prepaid mail.

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

Section 1 Merger, Division, Increase and Reduction of Capital

Article 182 A company merger may take the form of a merger by absorption or a merger by new establishment.

The absorption of other companies by one company is a merger by absorption, and the absorbed company is dissolved. The merger of two or more companies to establish a new company is a merger by new establishment, and all parties involved in the merger are dissolved.

Article 183 In the event of a company merger, the parties involved in the merger shall sign a merger agreement and prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days from the date the merger resolution is made, and make a public announcement within thirty days in the Company's designated information disclosure media or the National Enterprise Credit Information Publicity System. Creditors may, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if no notice was received, demand that the Company repay its debts or provide corresponding guarantee. If the securities regulatory rules of the exchange where the Company's shares are listed provide additional requirements, the relevant parties must also comply with such requirements. When companies merge, the claims and debts of the parties to the merger shall be succeeded to by the surviving company or the newly established company after the merger.

Article 184 When the Company divides, its property shall be divided accordingly.

The Company shall prepare a balance sheet and a property list when it divides. The Company shall notify its creditors within 10 days from the date the division resolution is made, and make a public announcement within 30 days in the media specified in Article 181 of the Articles of Association or the National Enterprise Credit Information Publicity System. If the securities regulatory rules of the place where the Company's shares are listed provide additional requirements, the relevant parties must also comply with such requirements.

Article 185 The companies resulting from a division shall assume joint and several liability for the debts of the Company prior to its division, unless otherwise agreed in a written agreement reached with the creditors prior to the division regarding the repayment of debts.

Article 186 When the Company needs to reduce its registered capital, it must prepare a balance sheet and a property list.

The Company shall notify creditors within 10 days from the date the resolution to reduce the registered capital is made, and make a public announcement within 30 days in the media specified in Article 181 of the Articles of Association or the National Enterprise Credit Information Publicity System. Creditors shall have the right to demand that the Company repay its debts or provide corresponding guarantee within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if no notice was received.

When the Company reduces its registered capital, it shall reduce the capital contributions or shares in proportion to the shares held by the shareholders, unless otherwise provided by law, other securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Article 187 After a merger or division, if the Company's registration particulars change, the Company shall conduct the change of registration with the Company registration authority in accordance with the law; if the Company is dissolved, it shall conduct the deregistration of the Company in accordance with the law; if a new company is established, it shall conduct the establishment registration in accordance with the law.

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

Section 2 Dissolution and Liquidation

Article 188 The Company shall be dissolved for the following reasons:

(I) The business term stipulated in the Articles of Association expires, or other dissolution causes stipulated in the Articles of Association occur;

(II) A resolution is passed by the Shareholders' meeting to dissolve the Company;

(III) Dissolution is required due to the merger or division of the Company;

(IV) The business license is revoked, ordered to close down, or is dissolved in accordance with the law;

(V) Where the operation and management of the Company is in serious difficulty, and its continued existence would cause major losses to the interests of the shareholders, and such difficulty cannot be resolved through other means, shareholders holding 10% or more of the total voting rights of the Company's shareholders may request the People's Court to dissolve the Company.

Article 189 If the Company falls under the circumstance described in item (I) of Article 188 of the Articles of Association and has not yet distributed its property to the shareholders, it may continue to exist by amending the Articles of Association or by a resolution of the Shareholders' meeting.

Any amendment to the Articles of Association or resolution made by the Shareholders' meeting in accordance with the preceding paragraph shall require approval by more than two-thirds of the voting rights held by the shareholders present at the Shareholders' meeting.

If the Company is dissolved under items (I), (II), (IV), or (V) of Article 188 of the Articles of Association, a liquidation committee shall be established within 15 days from the date the cause for dissolution occurs, and liquidation shall commence.

The liquidation committee shall be composed of the directors, unless otherwise provided by the Articles of Association or the Shareholders' meeting resolves to select other persons.

If the person(s) obligated to liquidate fails to perform the liquidation obligations in a timely manner, causing losses to the Company or its creditors, it shall be liable for compensation.

Article 190 The liquidation committee shall exercise the following functions and powers during the liquidation period:

(I) to notify creditors by notice or public announcement;

(II) to take stock of the Company's property and prepare a balance sheet and a property list;

(III) to handle and conclude the Company's unfinished business;

(IV) to pay off all outstanding taxes and any taxes incurred during the liquidation process;

(V) to settle the Company's claims and debts;

(VI) to handle the Company's residual property after paying off debts;

(VII) to represent the Company in civil litigation.

Article 191 The liquidation committee shall notify the creditors within 10 days from the date of its establishment, and make an announcement within 60 days in the media specified in Article 181 of the Articles of Association or the National Enterprise Credit Information Publicity System. Creditors shall declare their claims to the liquidation committee within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if no notice was received. If the securities regulatory rules of the place where the Company's shares are listed provide additional requirements, the relevant parties must also comply with such requirements.

When declaring their claims, creditors shall specify the relevant details of the claims and provide supporting documentation. The liquidation committee shall register the claims.

During the period for declaration of claims, the liquidation committee shall not make any repayments to the creditors.

Article 192 After the liquidation committee has verified the Company's assets, prepared a balance sheet and a property list, it shall formulate a liquidation plan and submit it to the Shareholders' meeting or the People's Court for confirmation.

After the Company's assets are used to pay off liquidation expenses, employees' wages, social insurance premiums and statutory compensation, pay all outstanding taxes, and settle the Company's debts, the remaining assets shall be distributed by the Company in proportion to the shares held by the shareholders.

During the liquidation period, the Company continues to exist, but shall not carry out business activities unrelated to the liquidation. The Company's assets shall not be distributed to the shareholders before they are used for repayment in accordance with the preceding provisions.

Article 193 If, after clearing the Company's assets, preparing a balance sheet and a property list, the liquidation committee discovers that the Company's assets are insufficient to repay its debts, it shall apply to the People's Court for a declaration of bankruptcy and liquidation.

After the People's Court accepts the bankruptcy application, the liquidation committee shall transfer the liquidation matters to the bankruptcy administrator designated by the People's Court.

Article 194 After the Company's liquidation is completed, the liquidation committee shall prepare a liquidation report, submit it to the Shareholders' meeting or the People's Court for confirmation, send it to the Company registration authority, apply for deregistration of the Company, and announce the termination of the Company.

Article 195 In performing their liquidation duties, members of the liquidation committee owe a duty of loyalty and a duty of diligence.

If a member of the liquidation committee shall be liable for compensation for any losses caused to the Company due to negligence in performing his/her liquidation duties; he/she shall also be liable for compensation for any losses caused to creditors due to intentional misconduct or gross negligence.

Article 196 If the Company is declared bankrupt according to law, it shall implement bankruptcy liquidation in accordance with the laws concerning enterprise bankruptcy.

CHAPTER 10 AMENDMENT TO THE ARTICLES OF ASSOCIATION

Article 197 The Company shall amend the Articles of Association under any of the following circumstances:

(I) After the revision of the Company Law or other relevant laws, administrative regulations, or the securities regulatory rules of the place where the Company's shares are listed, matters stipulated in the Articles of Association contravene the provisions of the revised laws, administrative regulations, or securities regulatory rules of the place where the Company's shares are listed;

(II) Changes occur in the Company's circumstances that are inconsistent with the matters recorded in the Articles of Association;

(III) The Shareholders' meeting decides to amend the Articles of Association.

Article 198 If any amendment to the Articles of Association passed by a resolution of the Shareholders' meeting requires approval from the competent authority, it shall be submitted to the competent authority for approval; if it involves matters registered for the Company, the change of registration shall be handled according to law.

Article 199 The Board shall amend the Articles of Association in accordance with the Shareholders' meeting resolution on amending the Articles of Association and the opinions of the relevant competent authority's approval.

Article 200 Matters related to amendments of the Articles of Association that constitute information required to be disclosed by laws, administrative regulations, departmental rules, or the securities regulatory rules of the place where the Company's shares are listed shall be announced in accordance with the regulations.

CHAPTER 11 SUPPLEMENTARY PROVISIONS

Article 201 Definitions

(I) A controlling shareholder refers to a shareholder holding shares representing more than 50% of the total share capital; 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) An de facto controller refers to a natural person, legal person or other organization that is not a shareholder of the Company, but can effectively control the Company through investments, agreements or other arrangements.

(III) Connected relationships refer to the relationships between a controlling shareholder, de facto controller, director or members of the senior management of the Company and the enterprise directly or indirectly controlled by the same, and other relationships which may give rise to a transfer of interests of the Company. However, enterprises controlled by the State will not be regarded as having connected relationships only because they are controlled by the State.

(IV) The "accounting firm" referred to in the Articles of Association has the same meaning as the "auditor" in the Hong Kong Listing Rules, and the "independent director" is consistent with the meaning of "independent non-executive director" in the Hong Kong Listing Rules. Independent directors must also meet other independence requirements under the Hong Kong Listing Rules and the securities regulatory rules of the place where the Company's shares are listed.

(V) Hostile takeover refers to the acquisition by the acquirer (or its concerted parties) without the consent of the Board, including but not limited to purchasing the Company's shares in the secondary market, acquiring the Company's shares through agreement transfer, acquiring the Company's shares through judicial auction, acquiring the Company's shares through undisclosed concerted parties, etc., for the purpose of obtaining control of the Company or exerting significant influence on the Company's decision-making. If there is a disagreement as to whether an acquisition is a hostile takeover as described in the Articles of Association, the Board has the right to consider and form a resolution thereon. The determination made by the resolution of the Board is the sole and final basis for judging whether the acquisition constitutes a hostile takeover as described in the Articles of Association.

(VI) Treasury shares refer to corporate shares acquired but not yet transferred or cancelled by the Company in accordance with the provisions of the Company Law, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, and for the purposes of the Hong Kong Listing Rules, include the shares repurchased by the Company and held or deposited in the CCASS for sale on the Hong Kong Stock Exchange. Save as otherwise provided by the Company Law, the securities regulatory rules of the place where the Company's shares are listed or relevant laws and regulation, the Company shall not vote directly or indirectly in respect of the treasury shares at any meeting of the Company, and such treasury shares shall not be included in determining the total number of shares in issue at any particular point of time.

If, in the future, laws, regulations or normative documents of securities regulatory authorities clearly define "hostile takeover", the scope of hostile takeover defined in the Articles of Association shall be adjusted accordingly.

In order to counter the hostile takeover mentioned in the preceding paragraph, the takeover measures taken by the Board of the Company are not hostile takeovers if they are in line with the long-term interests of the Company and the overall interests of shareholders.

Article 202 The Board may formulate by-laws in accordance with the provisions of the Articles of Association, provided that such by-laws do not conflict with the provisions of the Articles of Association.

Article 203 The Articles of Association are prepared in Chinese, and any discrepancies between the Articles of Association in any other languages or versions and the Articles of Association, the Chinese version of the Articles of Association upon the latest filed with the Company registration authority shall prevail.

Article 204 Any matters not provided in the Articles of Association shall be implemented in accordance with relevant national laws, regulations, regulatory documents, and securities regulatory rules of the place where the Company's shares are listed. In the event of any inconsistency between the Articles of Association and the relevant provisions of the laws, regulations, regulatory documents and the securities regulatory rules of the place where the Company's shares are listed, the relevant laws, regulations, regulatory documents and the securities regulatory rules of the place where the Company's shares are listed shall prevail.

Article 205 The phrases "more than", "within", as stated in the Articles of Association, shall all include the given figure; while the phrases "over", "less than", "beyond", "below" and "more than" shall all exclude the given figure.

Article 206 The Board shall be responsible for the interpretation of the Articles of Association.

Article 207 The rules of procedure for Shareholders' meetings and the rules of procedure for the Board of Directors are annexed to the Articles of Association.

Article 208 Subject to the consideration and approval at the Shareholders' meeting, the Articles of Association shall come into effect and be implemented from the date when the H Shares issued by the Company are filed with the CSRC and listed on the Hong Kong Stock Exchange.

Befar Group Co., Ltd