

Yangzhou Yangjie Electronic Technology Co., Ltd.

Articles of Association

Contents

Chapter I General Provisions.....	3
Chapter II Mission and Scope of Business	4
Chapter III Shares	5
Section I Issue of Shares.....	5
Section II Increase, Decrease and Repurchase of Shares	6
Section III Transfer of Shares	7
Chapter IV Shareholders and Shareholders' Meeting	8
Section I Shareholders	8
Section II Controlling Shareholders and De Facto Controllers	11
Section III General Provisions for Shareholders' Meeting.....	13
Section IV Convening of the Shareholders' Meeting	15
Section V Proposals and Notices of the Shareholders' Meeting	17
Section VI Holding of the Shareholders' Meeting	19
Section VII Voting and Resolutions of the Shareholders' Meeting	22
Chapter V Board of Directors.....	26
Section I Directors	26
Section II The Board of Directors	30
Section III Independent Directors.....	35
Section IV Special Committees of the Board of Directors.....	38
Chapter VI Senior Management Personnel	40
Chapter VII Financial Accounting Policies, Profit Distribution and Audit	42
Section I Financial Accounting Policies	42
Section II Internal Audit	45
Section III Engagement of Accounting Firm.....	46
Chapter VIII Notice and Announcement	47
Section I Notice	47
Section II Announcement	47
Chapter IX Merger, Split-up, Capital Increase, Capital Decrease, Dissolution and Liquidation	48

Section I Merger, Split-up, Capital Increase and Capital Decrease.....	48
Section II Dissolution and Liquidation.....	50
Chapter X Amendment to the Articles of Association.....	52
Chapter XI Supplementary Provisions	53

Chapter I General Provisions

Article 1 The Articles of Association are hereby made in accordance with the *Company Law of the People's Republic of China* (hereinafter referred as the “*Company Law*”), the *Securities Law of the People's Republic of China* (hereinafter referred as the “*Securities Law*”), and other relevant regulations with the purpose to protect the legitimate rights and interests of Yangzhou Yangjie Electronic Technology Co., Ltd. (hereinafter referred to as “the Company”), its shareholders and creditors and to regulate its organization and operation.

Article 2 The Company is a joint stock company set up according to the *Company Law* and other relevant regulations.

The Company is converted from Yangzhou Yangjie Electronic Technology Co., Ltd. in its entirety in accordance with the law. It has been registered with the Yangzhou Municipal Administration for Market Regulation of Jiangsu Province and has obtained a business license with a unified social credit code of 913210007908906337.

Article 3 On January 3, 2014, with approval of the China Securities Regulatory Commission (hereinafter referred to as “CSRC”), the Company issued 20.6 million RMB-denominated ordinary shares (hereinafter referred to as “A-shares”) to the public for the first time and was listed on the Shenzhen Stock Exchange on January 23, 2014.

With approval from the CSRC, on March 20, 2023, the Company issued 14,339,500 global depositary receipts (hereinafter referred to as “GDRs”), representing 28,679,000 A-shares at the conversion ratio determined by the Company, and was listed on SIX Swiss Exchange on April 18, 2023.

Article 4 Registered name of the Company: 扬州扬杰电子科技股份有限公司; English name of the Company: YANGZHOU YANGJIE ELECTRONIC TECHNOLOGY CO., LTD.

Article 5 Domicile of the Company: Yangzhou Weiyang Economic Development Zone, Jiangsu. Postal code: 225008. Tel.: 0514-80889866. Fax: 0514-87943666.

Article 6 The registered capital of the Company is RMB543,347,787.

Article 7 The Company is a perpetually existing joint stock company.

Article 8 The Chairman of the Board of Directors who represents the Company in executing the affairs of the Company serves as the legal representative of the Company. Where the director serving as the legal representative resigns, the director is deemed to have concurrently resigned from the office of the legal representative. Where the legal representative resigns, the Company shall determine a new legal representative within 30 days of resignation of the

legal representative.

Article 9 The legal consequences of civil activities performed by the legal representative in the name of the Company shall be assumed by the Company. Any restriction on the power of the legal representative imposed by the Articles of Association or the shareholders' meeting may not be set up against a bona fide opposite party. Where the legal representative causes any harm to any other person for execution of his functions, the Company shall assume civil liability for such harm. The Company may, after assuming civil liability, recover loss from the legal representative at fault in accordance with laws or the Articles of Association.

Article 10 The shareholders shall be liable for the Company to the extent of the shares subscribed for by them, while the Company takes the responsibility for the Company's debts with all assets thereof.

Article 11 From the effective date, the Articles of Association shall become the legally binding document which regulates the Company's organization and operation, the rights and obligations between the Company and shareholders, and amongst the shareholders. The Articles of Association shall be legally binding on the Company and its shareholders, directors, and senior management personnel. In accordance with the Articles of Association, the shareholders can file a lawsuit against other shareholders, or the Company's directors and senior management personnel; the shareholders can file a lawsuit against the Company, and the Company can file a lawsuit against the shareholders, directors, and senior management personnel.

Article 12 Senior management personnel mentioned in the Articles of Association are the Company's President, Executive Vice President, Vice President, Board Secretary, Chief Financial Officer, Assistant to the Chairman of the Board of Directors, or any other person prescribed in the Articles of Association.

Article 13 The Company shall, in accordance with the Constitution of the Communist Party of China, establish an organization of the Communist Party of China to carry out the activities of the Party. The Company shall provide necessary conditions to facilitate the activities of the Party.

Chapter II Mission and Scope of Business

Article 14 The mission of the Company is to operate with a market-oriented and technology-driven approach, to focus on competitive products and survive with better quality, and to participate in market competition and protect the credibility of the Company, gradually improving its strength and economic efficiency and creating a satisfactory return on investments for all shareholders.

Article 15 The Company's business scope registered according to laws includes the manufacturing and processing of new electronic components and other electronic components and the sales of the Company's own products; distributed photovoltaic power generation; construction of photovoltaic power generation projects and associated engineering consultancy services; photovoltaic power project development and photovoltaic industry project development; photovoltaic solar energy modules and sales of parts and components for solar energy applications; development of solar energy application system integration; road transportation of general cargo; self-operation or agency of the import and export of commodities and technologies (except for those commodities and technologies that are restricted to be operated or prohibited from being imported or exported by the state).

The business scope of the Company shall be as approved by the company registration authority.

Chapter III Shares

Section I Issue of Shares

Article 16 Shares of the Company take the form of stocks.

Article 17 Shares of the Company shall be issued in a public, equal and fair manner, and each share of the same class shall be attached with equal rights.

Each share of the same class in the same issue shall have the same conditions and prices of issue. Any entity or individual shall pay the same price for each share it subscribes for.

Article 18 Par-value shares issued by the Company shall be indicated with par value in RMB.

Article 19 Upon approval by the competent securities authority of the State Council, the Company may issue shares or GDRs to domestic and foreign investors.

Shares domestically issued and the newly added shares domestically corresponding to the GDRs issued overseas of the Company shall be collectively deposited at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

Article 20 The promoters and their subscribed shares and percentage of capital contribution at the time of the incorporation of the Company are as follows:

Name of Shareholder	Shares Subscribed (Million Shares)	Percentage to Total Share Capital
Jiangsu Yangjie Investment Co., Ltd.	46.5	75%
Yangzhou Jiejie Investment Co., Ltd.	15.5	25%
Total	62	100%

Article 21 The Company has issued 543,347,787 shares, all of which are RMB-denominated ordinary shares.

Article 22 The Company or its subsidiaries (including its affiliated companies) shall not provide any financial assistance for others to acquire shares of the Company or its parent company in the form of gifts, disbursements, guarantees, compensations or loans, unless the Company implements an employee stock ownership plan.

The Company may, in the interest of the Company, provide financial assistance for others to acquire shares of the Company or its parent company by a resolution of the Shareholders' Meeting or a resolution of the Board of Directors adopted as authorized by the Articles of Association or the Shareholders' Meeting, but the cumulative total of financial assistance may not exceed 10% of the total issued share capital. The resolution of the Board of Directors shall be adopted by not less than two-thirds of all the directors.

Section II Increase, Decrease and Repurchase of Shares

Article 23 The Company may, in accordance with the provisions of laws and regulations and through respective adoption of resolutions at the Shareholders' Meeting, increase capital in the following ways, as the operation and development requires:

- i. Issuance of shares to unspecific objects;
- ii. Issuance of shares to specific objects;
- iii. Allotting of bonus issues to its existing shareholders;
- iv. Capital conversion of capital reserves; and
- v. Other methods specified by laws, administrative regulations, and provisions of the CSRC.

The Company shall not issue preferred shares that are convertible into ordinary shares. Where the Company issues convertible corporate bonds in accordance with laws and regulations, bondholders may convert their bonds into the Company's shares during the conversion period pursuant to relevant regulations and the procedures and arrangements stipulated in the offering documents such as the convertible corporate bond prospectus. Matters arising from such conversions, including changes to the Company's share capital, shall be handled in accordance with applicable regulations regarding share registration, listing, and industrial and commercial registration changes.

Article 24 The Company may decrease the registered capital. Where the Company decreases its registered capital, it shall be handled in accordance with the *Company Law* and the procedures stipulated in other relevant regulations and the Articles of Association.

Article 25 The Company shall not purchase its shares, except for any of the following circumstances:

- i. The Company decreases its registered capital;
- ii. The Company merges with another company holding shares of the Company;
- iii. The Company uses shares for employee stock ownership plans or equity incentives;
- iv. Shareholders disagree with resolutions on the merger and split-up of the Company made at the Shareholders' Meeting and request the Company to acquire its shares;
- v. The Company uses shares for convertible corporate bonds issued by the Company; and
- vi. It is necessary for the Company to maintain its value and the interests of its shareholders.

Article 26 The Company may purchase its shares by public centralized trading or other means approved by laws, administrative regulations and the CSRC.

Where the Company purchases its shares due to circumstances stipulated in iii., v., and vi. of the first paragraph of Article 25 of the Articles of Association, the Company shall adopt public centralized trading.

Article 27 Where the Company purchases its shares due to circumstances stipulated in i. and ii. of the first paragraph of Article 25 of the Articles of Association, it shall be approved by a resolution of a Shareholders' Meeting; where the Company purchases its shares due to circumstances stipulated in iii., v., and vi. of the first paragraph of Article 25 of the Articles of Association, it may, in accordance with the Articles of Association or an authorization of the Shareholders' Meeting, be subject to a resolution of a meeting of the Board of Directors at which not less than two thirds of directors are present.

After purchasing its own shares pursuant to the provisions of the first paragraph of Article 25 of the Articles of Association, the Company shall, under the circumstance of i., cancel them within ten days after the purchase; while under the circumstances of ii. and iv., transfer or cancel them within six months; and while under the circumstances of iii., v., and vi., aggregately hold not more than 10% of the total shares that have been issued by the Company, and transfer or cancel them within three years.

Section III Transfer of Shares

Article 28 Shares of the Company may be transferred freely in accordance with laws.

Article 29 The Company does not accept the subject matter for which the Company's shares are taken as the pledge right.

Article 30 The shares issued before the Company publicly issues shares shall not be transferred within one year from the day when the shares of the Company get listed and are traded in the stock exchange.

The directors and senior management personnel of the Company shall declare to the Company

the shares (including preferred shares) held by them and the changes thereof. During the term of office determined at the time of assumption of office, the shares transferred by them each year shall not exceed 25% of the total shares of the same category of the Company they hold. The shares of the Company held by the aforesaid persons shall not be transferred within one year from the day when the shares of the Company get listed and are traded in the stock exchange. Within six months after the aforesaid persons are removed from their post, they shall not transfer the shares of the Company they hold.

Article 31 If the Company's shareholders holding not less than 5% of the Company's shares, directors, and senior management personnel sell the shares held of the Company or other securities with the nature of equity within six months after purchase, or repurchase the same within six months after sale, the proceeds therefrom shall be owned by the Company and the Board of Directors of the Company will recover their proceeds, except for a securities company holding not less than 5% of the shares after it purchases the remaining after-sales shares due to exclusive sale, and other circumstances stipulated by provisions of the CSRC.

Shares or other securities with the nature of equity held by directors, senior management personnel and natural-person shareholders as mentioned in the preceding paragraph include shares or other securities with the nature of equity held by their spouses, parents or children, or held using the accounts of others.

If the Board of Directors of the Company fails to comply with the provisions of the first paragraph of the Article, shareholders have the right to request the Board of Directors to comply with such provisions within 30 days. If the Board of Directors of the Company fails to comply with the provisions within the above-mentioned time limit, shareholders have the right to file a lawsuit directly with a people's court in their own name for the benefit of the Company.

If the Board of Directors of the Company fails to comply with the provisions of the first paragraph of the Article, the responsible directors shall be jointly and severally liable.

Chapter IV Shareholders and Shareholders' Meeting

Section I Shareholders

Article 32 The Company shall establish a register of shareholders on the basis of the certificates provided by the securities registration institution. The register of shareholders is the sufficient evidence proving that the shareholders hold the Company's shares.

The shareholders enjoy rights and undertake obligations based on the classes and shares of their shareholdings. Shareholders holding the same class of shares enjoy the same rights and undertake the same obligations.

Article 33 Upon the holding of a Shareholders' Meeting, dividends distribution, liquidation, or other acts engaged by the Company requiring the identification of shareholders, the convener of the Board of Directors or the Shareholders' Meeting shall determine the equity

registration date, and the shareholders registered on the equity registration date after the market closes are shareholders entitled to the relevant rights and interests.

Article 34 Shareholders of the Company shall enjoy the following rights:

- i. To obtain dividends and distributed profits in other forms based on the shares of their shareholdings;
- ii. To request, convene, preside over, attend or assign shareholder proxies to attend a Shareholders' Meeting and exercise corresponding voting rights;
- iii. To supervise and manage the operation of the Company and raise suggestions or inquiry;
- iv. To transfer, gift or pledge their shares in accordance with laws, administrative regulations and provisions of the Articles of Association;
- v. To inspect and duplicate the Articles of Association, the register of shareholders, minutes of Shareholders' Meetings, resolutions of meetings of the Board of Directors, financial accounting reports; and shareholders who meet the requirements may inspect the Company's accounting books and accounting vouchers;
- vi. To participate in the distribution of the Company's remaining assets according to the shares of their shareholdings upon termination or liquidation of the Company;
- vii. To request the Company to acquire shares of shareholders that disagree with resolutions on the merger and split-up of the Company made at Shareholders' Meetings; and
- viii. Other rights prescribed by laws, administrative regulations, departmental rules or the Articles of Association.

Article 35 Where a shareholder requests to inspect or duplicate relevant materials of the Company, it shall comply with the provisions of laws and administrative regulations such as the *Company Law* and the *Securities Law*.

Article 36 If the resolutions adopted at Shareholders' Meetings and meetings of the Board of Directors of the Company violate laws and administrative regulations, shareholders shall have the right to request a people's court to judge the resolutions as invalid.

If the convention procedures and voting methods of Shareholders' Meetings and meetings of the Board of Directors violate laws, administrative regulations or the Articles of Association, or the resolutions violate the Articles of Association, the shareholders may request a people's court to rescind the resolutions within 60 days subsequent to the adoption of the resolutions, unless there is only a minor defect in the convening procedures or voting methods of Shareholders' Meetings and meetings of the Board of Directors, which does not have any substantive effect on the resolution.

If there is a dispute over the effectiveness of a resolution of the Shareholders' Meeting among the Board of Directors, shareholders, or other stakeholders, a lawsuit shall be promptly filed with a people's court. Before the people's court renders a judgment or ruling such as cancellation resolution, the stakeholders shall implement the resolution of the Shareholders' Meeting. The Company, its directors and senior management personnel shall diligently

perform their duties to ensure the normal operation of the Company.

Where the people's court renders a judgment or ruling on relevant matters, the Company shall fulfill the obligation of information disclosure in accordance with laws, administrative regulations, and the rules of the CSRC and the stock exchange, fully explain the impact, and actively cooperate with the execution after the judgment or ruling takes effect. Where the correction of previous matters is involved, the corresponding information disclosure obligations shall be handled and fulfilled in a timely manner.

Article 37 Under any of the following circumstances, a resolution of the Shareholders' Meeting or the Board of Directors of the Company is not formed:

- i. A resolution is adopted without the holding of a Shareholders' Meeting or a meeting of the Board of Directors;
- ii. The matters to be resolved are not voted on at a Shareholders' Meeting or a meeting of the Board of Directors;
- iii. The number of persons present at a meeting or the number of voting rights held by them is less than the number of persons or the number of voting rights held as prescribed in the *Company Law* or the Articles of Association; and
- iv. The number of persons voting for the matters to be resolved or the number of voting rights held by them is less than the number of persons or the number of voting rights held as prescribed in the *Company Law* or the Articles of Association.

Article 38 If a director or a senior management personnel other the member of the Audit Committee violates the provisions of laws, administrative regulations or the Articles of Association when performing his duties for the Company, causing losses to the Company, shareholders who hold not less than 1% of the Company's shares individually or jointly for not less than 180 consecutive days shall have the right to request the Audit Committee in writing to file a lawsuit with a people's court; if a member of the Audit Committee violates the provisions of laws, administrative regulations or the Articles of Association when performing his duties for the Company, causing losses to the Company, the shareholders may request the Board of Directors in writing to file a lawsuit with a people's court.

If the Audit Committee or the Board of Directors refuses to file a lawsuit after receiving the written request from the shareholders as prescribed in the preceding paragraph, or fails to initiate a lawsuit within 30 days from the date of receipt of the request, or the case is urgent and if a lawsuit is not immediately filed, the Company's interests will be irreparably damaged. The shareholders specified in the preceding paragraph have the right to bring suits directly to the people's court in their own name for the benefit of the Company.

If a third party infringes on the legitimate rights and interests of the Company, causing losses to the Company, the shareholders specified in the first paragraph of this Article may file a lawsuit with a people's court in accordance with the provisions of the preceding two paragraphs.

If a director, supervisor, or senior management personnel of a wholly-owned subsidiary of the Company, in performing their duties, violates laws, administrative regulations, or the provisions of the Articles of Association, causing losses to the Company, or if any other person

infringes upon the legitimate rights and interests of a wholly-owned subsidiary, causing losses, shareholders who hold not less than 1% of the Company's shares individually or jointly for not less than 180 consecutive days may, in accordance with 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 a people's court, or directly file a lawsuit in a people's court in their own name.

If a wholly-owned subsidiary of the Company does not have a board of supervisors or any supervisor, but has an audit committee, the provisions of the first two paragraphs of this Article shall apply.

Article 39 If a director or senior management personnel violates the provisions of laws, administrative regulations or the Articles of Association, damaging the interests of shareholders, the shareholders may file a lawsuit with a people's court.

Article 40 Shareholders of the Company shall undertake the following obligations:

- i. To comply with laws, administrative regulations and the Articles of Association;
- ii. To pay for the shares based on the shareholders' shareholdings and share purchase ways;
- iii. Not to withdraw share capital except under the circumstances prescribed by laws and regulations;
- iv. Not to abuse their shareholders' rights to damage the interests of the Company or other shareholders and not to abuse the independent status of the Company's legal person and shareholders' limited liabilities to damage the interests of the Company's creditors; and
- v. Other obligations imposed by laws, administrative regulations and the Articles of Association.

Article 41 If a shareholder of the Company abuses its shareholders' rights to damage the interests of the Company or other shareholders, it shall bear the responsibility for indemnification according to law. If a shareholder of the Company abuses the independent status of the Company's legal person and shareholders' limited liabilities to evade debts and seriously damage the interests of the Company's creditors, it shall bear the joint and several liability for the Company's debts.

Section II Controlling Shareholders and De Facto Controllers

Article 42 The controlling shareholders and the de facto controllers of the Company shall exercise their rights and perform their obligations in accordance with the laws, administrative regulations, and the provisions of the CSRC and the stock exchange, and shall safeguard the interests of the listed company.

Article 43 The controlling shareholders and the de facto controllers of the Company shall

comply with the following provisions:

- i. Exercise shareholder rights in accordance with the law, and shall not abuse their controlling power or use related party relationships to damage the legitimate rights and interests of the Company or other shareholders;
- ii. Strictly fulfill public statements and various commitments made, and shall not arbitrarily alter or seek exemption therefrom;
- iii. Strictly perform information disclosure obligations in accordance with relevant provisions, actively cooperate with the Company in its information disclosure work, and promptly inform the Company of material events that have occurred or are intended to occur;
- iv. Shall not misappropriate the Company's funds in any manner;
- v. Shall not compel, instigate, or demand that the Company or its relevant personnel provide guarantees in violation of laws or regulations;
- vi. Shall not use undisclosed material information of the Company for personal gain, disclose undisclosed material information relating to the Company in any manner, or engage in illegal or non-compliant activities such as insider trading, short-swing trading, or market manipulation;
- vii. Shall not damage the legitimate rights and interests of the Company and other shareholders through non-arm's length related party transactions, profit distribution, asset restructuring, external investment, or any other means;
- viii. Ensure the integrity of the Company's assets, and the independence of its personnel, finance, organization, and business, and shall not affect the Company's independence in any way; and
- ix. Other provisions stipulated by laws, administrative regulations, provisions of the CSRC, stock exchange business rules, and the Articles of Association.

If a controlling shareholder or de facto controller of the Company 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 a controlling shareholder or de facto controller of the Company instructs a director or senior management personnel to engage in acts that harm the interests of the Company or its shareholders, they shall bear joint and several liability with such director or senior management personnel.

Article 44 Where a controlling shareholder or de facto controller pledges the Company's shares held or actually controlled by them, they shall maintain the stability of the Company's control, as well as production and operations.

Article 45 The transfer of the Company's shares held by a controlling shareholder or de facto controller shall comply with the restrictive provisions on share transfer stipulated in the laws, administrative regulations, and the provisions of the CSRC and the stock exchange, as well as the commitments they have made regarding restrictions on share transfer.

Section III General Provisions for Shareholders' Meeting

Article 46 The Shareholders' Meeting of the Company shall be composed of all shareholders. The Shareholders' Meeting shall be the body of the Company with the powers:

- i. Electing or replacing directors and making decisions on matters related to remuneration of relevant directors;
- ii. Deliberating on and approving reports by the Board of Directors;
- iii. Deliberating on and approving the Company's profit distribution plans and deficit coverage plans;
- iv. Making resolutions on increase or decrease of the Company's registered capital;
- v. Making resolutions on issuance of corporate bonds;
- vi. Making resolutions on merger, separation, dissolution, liquidation or change of corporate form of the Company;
- vii. Amending the Articles of Association;
- viii. Making resolutions on the appointment or dismissal of accounting firms for undertaking the Company's audit business;
- ix. Deliberating on and approving the guarantee matters stipulated in Article 47 of the Articles of Association;
- x. Deliberating on matters in which the Company purchases or sells, within one year, major assets that exceed 30% of the Company's audited total assets in the latest period;
- xi. Deliberating on and approving the change of use of capital raised;
- xii. Deliberating on the share incentive plans and employee stock ownership plans; and
- xiii. Deliberating on other matters that shall be decided by the Shareholders' Meeting, as prescribed by laws, regulations, departmental rules or the Articles of Association.

The Shareholders' Meeting may authorize the Board of Directors to adopt a resolution regarding an offering of corporate bonds.

The Company may issue shares or convertible corporate bonds upon a resolution of the Shareholders' Meeting, or upon a resolution of the Board of Directors authorized by the Shareholders' Meeting or the Articles of Association. The specific implementation shall comply with the provisions of laws, administrative regulations, the CSRC, and the stock exchange.

Unless otherwise provided by laws, administrative regulations, provisions of the CSRC, or stock exchange rules, the aforementioned powers of the Shareholders' Meeting shall not be delegated to the Board of Directors or any other institution or individual for exercise on its behalf.

Article 47 The following external guarantee activities of the Company must be subject to the

deliberation and approval of the Shareholders' Meeting.

- i. Any guarantees provided after the total amount of external guarantees of the Company and its controlled subsidiaries exceeds 10% of the audited net assets in the latest period;
- ii. Any guarantees provided after the total amount of the Company's external guarantees exceeds 5% of the audited total assets in the latest period;
- iii. Any guarantees where the amount guaranteed by the Company for others within one year exceeds 5% of the Company's audited total assets in the latest period;
- iv. Guarantees for the secured with an asset-liability ratio of more than 50%;
- v. Guarantees in which the single guarantee amount exceeds 5% of the audited net assets in the latest period; and
- vi. Guarantees provided to shareholders, de facto controllers, and their related parties.

The deliberation of guarantee matters under ii. of the preceding paragraph by the Shareholders' Meeting must require approval by not less than two thirds of the voting rights held by shareholders present at the meeting.

Where the Company provides guarantees for its wholly-owned subsidiaries, or provides guarantees for its controlled subsidiaries and other shareholders of such controlled subsidiaries provide guarantees in proportion to their respective interests, such circumstances falling under i., iv., or v. above may be exempted from submission to the Shareholders' Meeting for deliberation.

External guarantee matters requiring deliberation by the Shareholders' Meeting must be reviewed and approved by the Board of Directors before they can be submitted to the Shareholders' Meeting for deliberation. When the Board of Directors reviews external guarantee matters, approval by not less than two thirds of the directors present at the meeting of the Board of Directors must be required.

For the deliberation of guarantee proposals provided for the shareholders, the controlling shareholder and their related parties by the Shareholders' Meeting, such shareholders or the shareholders subject to the controlling shareholder shall not participate in the voting, and the voting must be subject to approval by not less than half of other shareholders holding voting rights and attending the Shareholders' Meeting.

If any external guarantee is found to have violated the aforementioned approval authorities or deliberation procedures, the Company shall hold the relevant directors and senior management personnel liable. Should such violation cause economic loss to the Company, they shall be liable for compensation and other legal consequences.

Article 48 The Shareholders' Meeting is divided into the Annual Shareholders' Meeting and the Extraordinary Shareholders' Meeting. The Annual Shareholders' Meeting is convened once a year, and held within six months after the previous accounting year.

Article 49 The Company shall, within two months upon the fact occurrence date, convene an Extraordinary Shareholders' Meeting, in the event of one of the following circumstances:

- i. The number of directors is less than two thirds (5 directors) of the number stipulated in the

Company Law or the Articles of Association;

- ii. The loss not recovered by the Company reaches one third of the total paid-in capital;
- iii. Shareholders individually or jointly holding not less than 10% of the Company's shares (including preferred shares with resumed voting rights) request so;
- iv. The Board of Directors deems it as necessary;
- v. The Audit Committee proposes that the meeting be convened; and
- vi. Other circumstances as prescribed by laws, administrative regulations, departmental rules or the Articles of Association.

Article 50 The Shareholders' Meeting of the Company shall be held at the Company's domicile or at the meeting venue explicitly stated in the announcement for the Shareholders' Meeting.

The Shareholders' Meeting will be held at a venue in the form of on-site meeting. The Company shall facilitate the online attendance or attendance by other means of shareholders at the Shareholders' Meeting.

In addition to being held on-site at a venue, the Shareholders' Meeting may also be held simultaneously by means of electronic communication.

The time and location of the on-site meeting shall be chosen to facilitate shareholder participation. Once the notice of the Shareholders' Meeting is issued, the venue of the on-site meeting shall not be changed without just cause. If a change is indeed necessary, the convener shall announce such change and provide the reason at least two working days prior to the scheduled date of the on-site meeting.

Article 51 Upon holding of a Shareholders' Meeting, the Company will engage a lawyer to issue legal opinions on the following issues and make an announcement:

- i. Whether the meeting convening and holding procedures comply with laws, administrative regulations and the Articles of Association;
- ii. Whether the qualifications of the person attending the Shareholders' Meeting and the person convening the Shareholders' Meeting are lawful and valid;
- iii. Whether the procedures and results of voting at the meeting are lawful and valid; and
- iv. Legal opinions given on other relevant issues at the request of the Company.

Section IV Convening of the Shareholders' Meeting

Article 52 The Board of Directors shall convene the Shareholders' Meeting on time within the prescribed time limit.

With the consent of more than half of all independent directors, an independent director has the right to propose to the Board of Directors to hold an Extraordinary Shareholders' Meeting.

For the proposal of an independent director for an Extraordinary Shareholders' Meeting, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, submit written feedback on the approval or disapproval of holding an Extraordinary Shareholders' Meeting within ten days upon receipt of the proposal.

Where the Board of Directors approves of holding an Extraordinary Shareholders' Meeting, it shall give a notice on holding the Shareholders' Meeting within five days of the resolution of the Board of Directors. Where the Board of Directors disapproves of holding an Extraordinary Shareholders' Meeting, it shall explain the reasons and make an announcement.

Article 53 The Audit Committee shall have the right to propose to the Board of Directors to hold an Extraordinary Shareholders' Meeting, and shall make such proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, submit written feedback on the approval or disapproval of holding an Extraordinary Shareholders' Meeting within ten days upon receipt of the proposal.

Where the Board of Directors approves of holding an Extraordinary Shareholders' Meeting, it shall give a notice on holding the Shareholders' Meeting within five days of the resolution of the Board of Directors. Any changes to the original proposal in the notice shall be approved by the Audit Committee.

Where the Board of Directors disapproves of holding an Extraordinary Shareholders' Meeting or does not give feedback within ten days upon receipt of the proposal, it shall be deemed that the Board of Directors is unable to perform or does not perform the duties of convening a Shareholders' Meeting. The Audit Committee may convene and preside over such meeting at their own discretion.

Article 54 Shareholders individually or jointly holding not less than 10% of the Company's shares (including preferred shares with resumed voting rights) shall have the right to request the Board of Directors to hold an Extraordinary Shareholders' Meeting and shall make such request in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, submit written feedback on the approval or disapproval of holding an Extraordinary Shareholders' Meeting within ten days upon receipt of the written request.

Where the Board of Directors approves of holding an Extraordinary Shareholders' Meeting, it shall give a notice on holding a Shareholders' Meeting within five days of the resolution of the Board of Directors. Any changes to the original request in the notice shall be approved by relevant shareholders.

Where the Board of Directors disagrees to hold an Extraordinary Shareholders' Meeting or does not give feedback within ten days after receiving the written request, shareholders individually or jointly holding not less than 10% of the Company's shares (including preferred shares with resumed voting rights) shall have the right to propose to the Audit Committee to hold an Extraordinary Shareholders' Meeting and shall make such request in writing to the Audit Committee.

Where the Audit Committee approves of holding an Extraordinary Shareholders' Meeting, it shall give a notice to hold a Shareholders' Meeting within five days upon receipt of the request.

Any changes to the original request in the notice shall be approved by relevant shareholders.

If the Audit Committee fails to issue a Shareholders' Meeting notice within the prescribed time limit, it is deemed that the Audit Committee does not convene or preside over a Shareholders' Meeting. Shareholders individually or jointly holding not less than 10% of the Company's shares (including preferred shares with resumed voting rights) for not less than 90 consecutive days may convene and preside over a Shareholders' Meeting at their own discretion.

Article 55 If the Audit Committee or shareholders decide to convene a Shareholders' Meeting at their own discretion, the Audit Committee or shareholders shall notify the Board of Directors in writing, and at the same time, file with the stock exchange.

The Audit Committee or the shareholders convening the meeting shall submit relevant documentary proofs to the stock exchange upon issuance of the notice of the Shareholders' Meeting and the announcement on the resolutions of the Shareholders' Meeting.

Prior to the announcement of the resolutions of the Shareholders' Meeting, the shareholders convening the meeting shall hold no less than 10% of the total shares (including preferred shares with resumed voting rights).

Article 56 The Audit Committee and the Board Secretary shall cooperate with the Shareholders' Meeting convened by the Audit Committee or shareholders. The Board of Directors shall provide the register of shareholders as on the equity registration date.

Article 57 Expenses necessary for the Shareholders' Meeting convened by the Audit Committee or shareholders shall be borne by the Company.

Section V Proposals and Notices of the Shareholders' Meeting

Article 58 The contents of proposals shall fall within the scope of power of Shareholders' Meeting, with specific issues and specific matters for resolution, and shall comply with the relevant provisions of laws, administrative regulations and the Articles of Association.

Article 59 At the Shareholders' Meeting, the Board of Directors, the Audit Committee, and any shareholders independently or jointly holding not less than 1% of the Company's shares (including preferred shares with resumed voting rights) shall have the right to propose a proposal to the Company.

Shareholders independently or jointly holding not less than 3% of the Company's shares (including preferred shares with resumed voting rights) may submit a temporary proposal and submit it in writing to the convener ten days before the Shareholders' Meeting. The convener shall issue a supplementary Shareholders' Meeting notice within two days after receiving the proposal and announce the content of the temporary proposal, and submit the temporary proposal to the Shareholders' Meeting for deliberation, provided that the temporary proposal

does not violate any laws, administrative regulations, or the Company's Articles of Association, and falls within the scope of the Shareholders' Meeting's powers.

Except as prescribed for in the above paragraph, upon issuance of the notice of the Shareholders' Meeting, the convener shall not modify the proposals included in the notice of the Shareholders' Meeting or add any new proposals.

Shareholders' Meetings shall not vote on or make any resolution on any proposals that are not listed in the notice of the Shareholders' Meeting.

Article 60 The convener will notify all shareholders by way of public announcement 20 days prior to the Annual Shareholders' Meeting. For an Extraordinary Shareholders' Meeting, all shareholders will be notified by way of public announcement 15 days prior to the meeting. The Company shall not include the date of the meeting upon calculation of the starting date.

Article 61 The notice of a Shareholders' Meeting shall include the following content:

- i. Time, place and duration of the meeting;
- ii. Matters and proposals to be deliberated at the meeting;
- iii. Descriptions with evident text: All ordinary shareholders (including preferred shareholders with resumed voting rights) and shareholders holding special voting shares are entitled to attend a Shareholders' Meeting or appoint the proxies in writing to attend a Shareholders' Meeting and vote. Such shareholder proxy may not be a shareholder of the Company;
- iv. Equity registration date for the shareholders that are entitled to attend the Shareholders' Meeting;
- v. Name and telephone number of permanent conference contact person; and
- vi. Time and procedure of the online vote or other methods.

The full details of all the proposals shall be fully and completely disclosed in the Shareholders' Meeting notice and the supplementary notice. Online or other methods of voting shall start no earlier than 3:00 p.m. on the day before the Shareholders' Meeting is held on site and no later than 9:30 a.m. on the day when the on-site meeting is held, and shall close no earlier than 3:00 p.m. on the day when the on-site meeting closes.

The interval between the equity registration date and the meeting date shall not be more than seven working days. Once confirmed, the equity registration date shall not be changed.

Article 62 If the Shareholders' Meeting intends to discuss the election of directors, the notice of Shareholders' Meeting will fully disclose the details of the candidates for the directors, including at least the following contents:

- i. Academic background, working experiences, concurrent jobs and other personal information;
- ii. Whether the candidates are related to the Company or the controlling shareholder and de facto controller of the Company;

iii. Number of shares the candidates hold in the Company; and

iv. Whether the candidates have been penalized by the CSRC and other relevant departments or punished by stock exchanges.

Except for the election of directors by the cumulative voting system, each director candidate shall be proposed as a single proposal.

Article 63 Upon issuance of a notice of Shareholders' Meeting, the Shareholders' Meeting shall not be postponed or canceled without just cause and the proposals listed in the notice of the Shareholders' Meeting shall not be canceled. In the event of postponement or cancellation, the convener shall make an announcement and explain the reasons at least two working days prior to the scheduled date of the meeting.

Section VI Holding of the Shareholders' Meeting

Article 64 The Board of Directors of the Company and other conveners will take necessary measures to ensure the normal order of the Shareholders' Meeting. Measures shall be taken to stop and report to the authorities for investigation into any interference with the Shareholders' Meetings, provocation or infringement upon the legitimate rights and interests of shareholders.

Article 65 All ordinary shareholders (including preferred shareholders with resumed voting rights), shareholders holding special voting shares, and other shareholders or their proxies registered on the equity registration date shall have the right to attend the Shareholders' Meeting and exercise their voting rights in accordance with laws, regulations, and the Articles of Association.

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

Article 66 An individual shareholder attending a Shareholders' Meeting in person shall present the ID card or other valid documents or certificates that indicate his identity. If a proxy is entrusted to attend the meeting, the proxy shall show the valid ID card and the shareholder's letter of proxy.

Legal-person shareholders shall be represented by its legal representative or proxy appointed by its legal representative to attend the meeting. A legal representative attending a Shareholders' Meeting shall present the ID card or other valid certificates that prove his legal representative qualification. If a proxy is appointed to attend the meeting, the proxy shall show the valid ID card, the written letter of proxy issued by the legal representative of the legal-person shareholder according to law.

Article 67 The letter of proxy issued by a shareholder to appoint a proxy to attend a Shareholders' Meeting shall contain the following contents:

- i. Name of the appointing party and the class and number of the Company's shares held by him;
- ii. Name of the proxy;
- iii. Specific instructions from the shareholder, including instructions to vote for, against, or abstain on each matter included in the meeting agenda;
- iv. Date of issuance and the term of validity of the letter of proxy; and
- v. Signature (or seal) of the appointing party. If the appointing party is a legal-person shareholder, it shall affix the seal of the legal entity.

Article 68 If the letter of voting proxy is signed by a person authorized by the appointing party, such letter of proxy or other authorization documents shall be notarized. The notarized letter of proxy or other authorization documents, as well as the letter of voting proxy, shall be placed at the Company's domicile or other places designated in the convention notice.

Article 69 The meeting attendance register shall be made by the Company. The meeting attendance register shall indicate the attendee's name (or appellation of the organization), ID card number, residence address, number of shares attached with voting rights held or under proxy, the appointing party's name (or appellation of the organization), etc.

Article 70 The convener and the lawyer engaged by the Company will jointly verify the legitimacy of the shareholder qualifications based on the register of shareholders provided by the securities depository and clearing institution, and register the names (or appellations) of the shareholders and the number of shares held with voting rights. The meeting shall be terminated before the chair of the meeting announces on the spot the number of shareholders and proxies attending the meeting and the total number of shares held with voting rights.

Article 71 If a Shareholders' Meeting requires any director or senior management personnel to attend the meeting as a non-voting attendee, such director or senior management personnel shall do so and answer the shareholders' inquiries.

Article 72 The Shareholders' Meeting shall be chaired by the Chairman of the Board of Directors. If the Chairman cannot or fails to perform his duty, the meetings shall be chaired by the Vice Chairman (if there are two or not less than two vice chairmen in the Company, the Vice Chairman recommended by not less than half of all directors shall perform the duty). If the Vice Chairman cannot or fails to perform his duty, the meetings shall be chaired by a director recommended by not less than half of all directors jointly.

The Shareholders' Meeting convened by the Audit Committee shall be chaired by the convener of the Audit Committee. If the convener of the Audit Committee cannot perform or fails to perform his duties, a member of the Audit Committee recommended by not less than half of all members of the Audit Committee shall chair the meeting.

The Shareholders' Meeting convened by the shareholders shall be chaired by the

representative recommended by conveners.

Upon holding a Shareholders' Meeting, if the chair of the meeting violates the rules of procedure so that the Shareholders' Meeting can not continue, with agreement from the shareholders attending the Shareholders' Meeting who have more than half of the voting rights, the Shareholders' Meeting may recommend one person to serve as the chair of the meeting and continue the meeting.

Article 73 The Company shall set Rules of Procedures for the Shareholders' Meeting, specifying the holding and voting procedures of Shareholders' Meetings, including notification, registration, proposal deliberation, voting, vote counting, voting result announcement, meeting resolution formation, meeting minutes and signing thereof, announcement, etc., and the principle of authorization by Shareholders' Meetings for the Board of Directors. The authorization content shall be clear and specific. Rules of Procedures for the Shareholders' Meeting shall be annexed to the Articles of Association, prepared by the Board of Directors and approved by the Shareholders' Meeting.

Article 74 At an Annual Shareholders' Meeting, the Board of Directors shall report to the Shareholders' Meeting on their work in the past year. Each independent director shall also deliver work reports.

Article 75 The directors and senior management personnel shall clarify and explain shareholders' inquiries at the Shareholders' Meeting.

Article 76 The chair of a Shareholders' Meeting shall announce the number of shareholders and proxies attending the meeting and the total number of shares held with voting rights before the vote. The number of shareholders and proxies attending the meeting and the total number of shares held with voting rights shall be subject to the registration with the meeting.

Article 77 Minutes of meeting shall be written for Shareholders' Meetings and prepared by the Board Secretary. The meeting minutes shall record the following information:

- i. Time, place of holding, agenda of the meeting and conveners' name or designation;
- ii. Names of the chair of the meeting, and of the directors and senior management personnel attending or sitting in on the meeting;
- iii. The number of shareholders and proxies attending the meeting, the total number of shares held with voting rights before the vote and their proportion of the total shares of the Company;
- iv. The process of consideration of each proposal, key points of speeches and voting results;
- v. The opinions or suggestions on the shareholders' inquiries and the corresponding replies or explanations;
- vi. Names of lawyer, vote counter and scrutineer; and
- vii. Other content to be included in the minutes of meeting as stipulated in the Articles of

Association.

Article 78 The convener shall ensure that the contents of the minutes are true, accurate and complete. The directors and Board Secretary attending the Shareholders' Meeting, the convener or its representative and the chair of the meeting shall sign the minutes of the meeting. The minutes of the meeting shall be kept together with the attendance records of the attending shareholders, the letters of proxy for proxies attending the meeting, and the valid information for voting via the Internet and by other methods for ten years.

Article 79 The convener shall ensure that a Shareholders' Meeting is held continuously until a final resolution is reached. If the Shareholders' Meeting is suspended or unable to make a resolution due to force majeure or other special reasons, it shall take necessary measures to resume the holding of the Shareholders' Meeting as soon as possible or terminate the Shareholders' Meeting directly and make an announcement in a timely manner. Meanwhile, the convener shall report the matter to the local office of the CSRC in the place where the Company is located and the stock exchange.

Section VII Voting and Resolutions of the Shareholders' Meeting

Article 80 Resolutions of the Shareholders' Meeting are divided into the ordinary and special resolutions.

An ordinary resolution made at a Shareholders' Meeting shall be adopted by more than half of voting shares represented by the shareholders attending the Shareholders' Meeting.

A special resolution made at a Shareholders' Meeting shall be adopted by not less than two thirds of voting shares represented by the shareholders attending the Shareholders' Meeting.

For the purposes of this Article, "shareholders" include those represented by proxies attending the Shareholders' Meeting.

Article 81 The following matters shall be adopted in the form of ordinary resolutions by a Shareholders' Meeting.

- i. Working report of the Board of Directors;
- ii. Plans made by the Board of Directors on profit distribution and loss make-up;
- iii. Election and removal of the members of the Board of Directors, their remuneration and method of payment; and
- iv. Matters other than those stipulated by laws, administrative regulations or the Articles of Association to be adopted by special resolutions.

Article 82 The following matters shall be adopted in the form of special resolutions by a Shareholders' Meeting.

- i. Increase or decrease of the Company's registered capital;
- ii. Division, split-up, merger, dissolution and liquidation of the Company;
- iii. Modification of the Articles of Association;
- iv. Matters in which the Company, within one year, purchases or sells major assets that exceed or provide a guarantee to others with an amount that exceeds 30% of the Company's audited total assets in the latest period;
- v. Equity incentive plans; and
- vi. Other matters stipulated by the laws, administrative regulations and the Articles of Association which have been adopted by ordinary resolutions of a Shareholders' Meeting as having significant impact on the Company and requiring adoption by way of special resolution.

Article 83 The shareholders (including their proxies) exercise the voting right based on the shares attached with voting rights held or under proxy, with one-vote voting right for each share, except for shareholders of class shares.

If the Shareholders' Meeting is deliberating on a major issue concerning the interests of small and medium investors, the votes of such investors shall be counted separately. Results of the separate counting of votes shall be timely disclosed to the public.

The Company's shares held by the Company do not have voting rights, and this part of the shares is not included in the total number of shares with voting rights present at Shareholders' Meetings.

If a shareholder acquires shares with voting rights in violation of the first two paragraphs of Article 63 of the *Securities Law*, the portion exceeding the prescribed proportion shall not be entitled to exercise voting rights within 36 months upon the acquisition, and shall not be counted in the total number of shares with voting rights present at the Shareholders' Meeting.

The Company's Board of Directors, independent directors, shareholders holding not less than 1% of shares with voting rights, or investor protection agencies established in accordance with laws, administrative regulations, or rules of the CSRC may solicit the voting rights of shareholders. In the solicitation of shareholders' voting rights, the specific voting intentions and other information shall be fully disclosed to the persons solicited. Soliciting shareholders' voting rights for compensation or in a disguised form shall be prohibited. Apart from legal requirements, the Company shall not impose a minimum shareholding limit on the solicitation of voting rights.

Article 84 Upon deliberation of relevant related party transactions by the Shareholders' Meeting, the related shareholders shall not participate in the voting, and the number of shares with voting rights represented by them shall not be included in the total number of valid votes; the announcement of the resolutions of the Shareholders' Meeting shall fully disclose the voting of non-related shareholders.

Article 85 Except where the Company is in crisis or experiences other special circumstances, unless approved with a special resolution made at a Shareholders' Meeting, the Company shall

not sign a contract concerning handing over the Company's all or important business management to any people other than directors and senior management personnel with such people.

Article 86 The list of director candidates shall be decided at Shareholders' Meetings through proposal submission.

When a Shareholders' Meeting votes on the election of directors, a cumulative voting system may be implemented in accordance with the provisions of the Articles of Association or a resolution of the Shareholders' Meeting.

A cumulative voting system shall be implemented when a Shareholders' Meeting elects two or not less than two independent directors.

The cumulative voting system referred to in the preceding paragraph means that each share has the same voting rights as the number of directors to be elected during election of directors at a Shareholders' Meeting, and the voting rights held by shareholders may be used centrally.

The specific steps for applying the cumulative voting system to the election of directors are as follows:

- i. Voting shareholders must mark the number of voting rights they use after each director they elect.
- ii. If the total number of voting rights used by such shareholder exceeds the number of voting rights legally owned by him, such shareholder shall be deemed to have waived his right to vote.
- iii. If the total number of voting rights used by such shareholder does not exceed the number of voting rights legally owned by him, the vote shall be valid.
- iv. Upon completion of the voting, the votes shall be counted by the scrutineer of the Shareholders' Meeting and the votes received by each director candidate shall be announced. For director candidates, the person elected shall be determined based on the number of votes received, provided that the number of votes received by each elected director must exceed half of the voting shares represented by the shareholders attending the Shareholders' Meeting. If the number of directors elected is insufficient, the convener may decide to hold another vote on the vacant seats, or to hold a by-election for the vacant seats at the next Shareholders' Meeting.

In order to ensure that the number of independent directors elected complies with the provisions of the Articles of Association, independent directors shall be elected separately from other directors.

Article 87 In addition to the cumulative voting system, a Shareholders' Meeting will vote on each proposal one by one. If there are different proposals for the same issue, the proposals will be voted on in the order in which they are proposed. Except where the Shareholders' Meeting is suspended or unable to make a resolution due to force majeure or other special reasons, the Shareholders' Meeting will not put off the voting on a proposal or refuse to vote on the proposal.

Article 88 Upon deliberation of a proposal by the Shareholders' Meeting, it will not modify the proposal; otherwise, the relevant change shall be regarded as a new proposal and shall not be voted on at such Shareholders' Meeting.

Article 89 The same voting right can only be exercised via one of the on-site, online or other voting methods. In the event of repeated voting by the same voting right, the result of the first vote shall prevail.

Article 90 Registered ballot is adopted for voting at Shareholders' Meetings.

Article 91 Before a vote on a proposal is taken at a Shareholders' Meeting, two shareholder representatives shall be recommended to participate in the counting and scrutinizing of the votes. In the event that the matters to be deliberated are related to the shareholders, the relevant shareholders and proxies shall not participate in the counting and scrutinizing.

During the vote on a proposal at the Shareholders' Meeting, the lawyer and shareholder representative shall be responsible for the counting and scrutinizing of votes, and the voting result shall be announced on the spot. The voting result of the resolution shall be recorded in the minutes of the meeting.

The Company's shareholders or their proxies who vote via online and other methods have the right to check their voting results through the corresponding voting system.

Article 92 The ending time of an on-site Shareholders' Meeting shall not be earlier than that held via the Internet or by other methods. The chair of the meeting shall announce the voting conditions and result of each proposal, and announce whether the proposal is passed according to the voting result.

Prior to the formal announcement of the voting results, relevant parties such as companies, vote counters, scrutineers, major shareholders and network service providers involved in on-site, online and other voting methods of Shareholders' Meetings have confidentiality obligations in respect of voting.

Article 93 Shareholders attending the Shareholders' Meeting shall express one of the following opinions on the proposals presented for voting: Agree, oppose or abstain. Securities depository and clearing institutions, acting as nominal holders of stocks under the mainland-Hong Kong Stock Connect mechanism, or as GDR depository institutions acting as nominal holders of the underlying A-shares for GDRs, except for declarations made based on the actual holders' expression of intent.

Votes that are unfilled, mistakenly filled or illegible, and votes not cast are deemed as voters' right to abstain from voting. The voting results of the number of shares held by them shall be counted as abstentions.

Article 94 Doubting any resolution result submitted for voting, the chair of the Shareholders'

Meeting may conduct the counting of votes; if the chair does not count the votes, and any shareholder or shareholder's proxy present at the meeting has an objection to the result declared by the chair, such shareholder or shareholder's proxy is entitled to require counting of votes immediately upon declaration of the voting result, and the chair shall immediately count the votes.

Article 95 The resolutions of a Shareholders' Meeting shall be announced in a timely manner. The announcement shall list the number of shareholders and proxies attending the meeting, the total number of shares held with voting rights and its proportion in the total number of shares with voting rights of the Company, the voting methods, the voting result for each proposal and the details of the resolutions passed.

Article 96 If a proposal is not passed, or if a Shareholders' Meeting changes the resolutions of the previous Shareholders' Meeting, special prompts shall be made in the announcement of the resolutions of the Shareholders' Meeting.

Article 97 If a Shareholders' Meeting approves a proposal for the election of directors, the new directors shall take office immediately upon end of the Shareholders' Meeting.

Article 98 If a Shareholders' Meeting approves a proposal for share capital increase via cash dividend distribution, bonus issue or capital reserve capitalization, the Company will conduct the specific plan within two months upon the end of the Shareholders' Meeting.

Chapter V Board of Directors

Section I Directors

Article 99 For natural-person directors of the Company, in any of the following circumstances, a natural person cannot serve as a director of the Company:

- i. He has no or restricted capacity for civil conducts;
- ii. He has been punished due to such crimes as corruption, bribery, conversion of property, embezzlement of property or disrupting the social and economic order, and not more than five years have elapsed after expiration of the enforcement period; or if suspension of his sentence is announced, it has not been two years since completion of probation;
- iii. He is a director or factory head or manager of a company or enterprise that becomes bankrupt and subject to liquidation and is personally responsible for such bankruptcy, and not more than three years have elapsed after the date when the bankruptcy and liquidation of such company or enterprise is completed;
- iv. He is the legal representative of a company or enterprise that has its business license revoked and is ordered to close down for violation of laws, and personally liable therefor, and not more than three years have elapsed since the date when such business license is revoked

or is ordered to close down;

v. He has a relatively large amount of personal debts that have become overdue and is listed as a dishonest judgment debtor by a people's court;

vi. He is punished by the CSRC with a ban from entering the securities market and the punishment has not ended;

vii. He has been publicly recognized by securities exchanges as unsuitable for serving as a director or senior management personnel of a listed company, and the term has not yet expired; and

viii. Other situation prescribed by laws, administrative regulations and department rules.

In the event of election or appointment of a director in violation of the provisions of this Article, such election, appointment or engagement shall be invalid. The director shall be dismissed by the Company in the event of having the circumstance specified in this Article.

Article 100 Non-employee representative directors shall be elected or replaced by the Shareholders' Meeting and may be removed from office by the Shareholders' Meeting before the expiration of his term. The term of office of each director shall be three years. Upon expiration thereof, he may be re-elected to serve consecutive terms.

A director's term of office shall be from the date of appointment, until the expiration of the term of office of the relevant Board of Directors. In case of no reelection upon expiration of the term of office of the current director, the current director shall continue his performance in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association.

The senior management personnel may concurrently serve as directors, but directors concurrently serving as senior management personnel shall not exceed half of the total number of directors of the Company.

The Board of Directors shall include employee representatives of the Company. The employee representatives on the Board of Directors shall be democratically elected by the Company's employees through the employees' congress, employees' meeting, or other forms, and shall not be subject to the approval of the Shareholders' Meeting.

Article 101 The directors shall comply with the laws, administrative regulations and the Articles of Association, and assume the following obligations of loyalty towards the Company. They shall take measures to avoid conflicts of interest between their own interests and the interests of the Company, and shall not take advantage of their positions to seek improper benefits.

Directors shall assume the following obligations of loyalty towards the Company:

i. They shall not embezzle the Company's properties or misappropriate the Company's funds;

ii. They shall not make deposits of the Company's funds in any bank accounts in their personal names or in the name of another individual;

iii. They shall not use their position to bribe or receive other illegal income;

iv. They shall not directly or indirectly enter into contracts or transactions with the Company without reporting to the Board of Directors or Shareholders' Meeting and approved by a resolution of the Board of Directors or Shareholders' Meeting in accordance with the Articles of Association;

v. They shall not take advantage of their positions to seek business opportunities belonging to the Company for themselves or others, unless either the matter has been reported to the Board of Directors or the Shareholders' Meeting and approved by a resolution of the Shareholders' Meeting, or the Company is unable to utilize the business opportunities in accordance with laws, administrative regulations, or the provisions of the Articles of Association;

vi. They shall not engage in business of the same kind as that of the Company, either on their own or for others, without reporting to the Board of Directors and approved by a resolution of the Shareholders' Meeting;

vii. They shall not accept as personal gains any commission paid for transactions made between others and the Company;

viii. They shall not disclose any secret of the Company without authorization;

ix. They shall not make advantage of related party relationships against the interests of the Company; and

x. Other obligations of loyalty prescribed by laws, administrative regulations, department rules or the Articles of Association.

Income of the director in violation of provisions of this Article shall be attributed to the Company; in the event that the director causes any loss to the Company, he shall bear the responsibility for indemnification.

The provisions of iv. of the second paragraph of this Article shall apply where a contract or transaction is conducted between the Company and close relatives of directors or senior management personnel, enterprises directly or indirectly controlled by directors, senior management personnel, or their close relatives, or other related parties having a relationship with directors or senior management personnel.

Article 102 The directors shall comply with the laws, administrative regulations and the Articles of Association, and assume the obligations of diligence towards the Company. In performing their duties, directors shall act in the best interests of the Company and exercise the reasonable attention that a manager would generally exercise.

Directors shall have the following duties of diligence:

i. They shall carefully, earnestly and diligently exercise the rights granted by the Company to ensure the Company's commercial conducts comply with the requirements of national laws, administrative regulations and various national economic policies, and the Company does not carry out commercial activities beyond the scope of business which is stipulated in its business license;

ii. They shall treat all shareholders equally;

iii. They shall inquire about the Company's business operations management in a timely manner;

- iv. They shall sign written confirmation opinions on the Company's regular reports, and ensure that the information disclosed by the Company is true, accurate and complete;
- v. They shall truthfully provide relevant circumstances and information to the Audit Committee, and do not interfere with the exercising of powers by the Audit Committee; and
- vi. Other obligations of diligence prescribed by laws, administrative regulations, department rules or the Articles of Association.

Article 103 A director who fails to attend in person or appoint another director to attend two meetings of the Board of Directors consecutively shall be deemed to be unable to perform his duties, and the Board of Directors shall suggest that he be removed at a Shareholders' Meeting.

Article 104 A director may resign before his term of office expires. A director may resign by submitting a resignation report in writing to the Board of Directors. The Board of Directors shall disclose relevant information to all shareholders within two trading days.

If the number of members of the Board of Directors of the Company is lower than the statutory minimum number due to the resignation of the director, in case of no reelection upon expiration of the term of office of the current director, the current director shall continue his performance in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association.

Except for the circumstances set forth in the preceding article, the resignation of a director shall come into force when the resignation report is served on the Board of Directors.

Article 105 The Company shall establish a system for managing the departure of directors, in which it specifies the safeguards for holding accountable and claiming compensation for unfulfilled public commitments and other outstanding matters. When a director's resignation becomes effective or his term of office expires, such director shall complete all handover procedures with the Board of Directors; upon the end of his term of office, such director will not automatically be relieved of the duty of loyalty he owes to the Company and its shareholders, which shall remain valid within a reasonable period as specified in the Articles of Association. The liability of a director arising from the performance of his duties during his term of office shall not be exempted or terminated by his departure from office.

When a director submits his resignation or the term of office expires, the obligations he owes to the Company and shareholders shall not automatically terminate during a reasonable period from the date his resignation report becomes effective or thereafter; upon the end of his term of office, his duty to maintain the confidentiality of company trade secrets shall remain valid until such secrets become publicly available information. The periods when other obligations shall exist shall be determined according to the principle of fairness and in light of the length of the time interval between occurrence of the event and his departure, and the circumstances and conditions under which the relationship with the Company comes to an end.

Article 106 The Shareholders' Meeting may resolve to dismiss a director, and the dismissal shall take effect on the date the resolution is made. If a director is dismissed without just cause

before the expiration of his term of office, the director may request compensation from the Company.

Article 107 Unless as provided by the Articles of Association or legitimately authorized by the Board of Directors, no director may act in his own name on behalf of the Company or the Board of Directors. When a director acts in his own name, if a third party will reasonably believe that the director is acting on behalf of the Company or the Board of Directors, the director shall first state his position and the capacity in which he acts.

Article 108 The Company shall be liable for any damage caused to others by a director in the performance of his duties at the Company. The director shall also be held financially responsible for any intentional or gross negligence.

Directors shall compensate for the loss or losses, if any, caused by their violation of laws, administrative regulations, departmental rules or the Articles of Association during performance of their duties in the Company.

Section II The Board of Directors

Article 109 The Company shall set up a Board of Directors, which shall be composed of nine directors, including three independent directors. The Board of Directors shall have one Chairman and two Vice Chairmen. The Chairman and Vice Chairmen shall be elected by a majority vote of all the directors.

Article 110 The Board of Directors has the following powers:

- i. Convening Shareholders' Meetings and reporting its work to the Shareholders' Meeting;
- ii. Implementing the resolutions of the Shareholders' Meeting;
- iii. Determining the Company's operational guidelines and investment plans;
- iv. Preparing the Company's profit distribution plans and plans to cover its losses;
- v. Preparing the Company's plans for increase or decrease of the registered capital, issuance of bonds or other securities and listing;
- vi. Planning for the Company's significant acquisitions, acquisition of the Company's shares, or merger, split-up, dissolution or change of corporate form of the Company;
- vii. Deciding on external investment, acquisition and sale of assets, asset mortgage, external guarantees, entrusted wealth management, related party transactions, external donations and other matters of the Company within the scope of authority granted by the Shareholders' Meeting;
- viii. Determining the structure of the Company's internal management;
- ix. Determining the appointment or dismissal of the Company's President, Board Secretary, and other senior management personnel, and determining their compensation and incentive

and disciplinary matters; and, based on the nomination of the President, determining the appointment or dismissal of the Company's Vice President, Chief Financial Officer, and other senior management personnel, and determining their compensation and incentive and disciplinary matters;

x. Formulating the basic management rules of the Company;

xi. Drafting amendment plans for the Articles of Association;

xii. Managing information disclosures made by the Company;

xiii. Requesting the Shareholders' Meeting for the appointment or replacement of the accounting firm for the Company's auditing;

xiv. Listening to the work reports of the President of the Company and checking the President's work; and

xv. Other powers conferred by laws, administrative regulations, department rules or the Articles of Association.

Matters beyond the scope of authorization by the Shareholders' Meeting shall be submitted to the Shareholders' Meeting for deliberation.

Article 111 The Board of Directors of the Company shall, at a Shareholders' Meeting, make an explanation on each audit report which states a non-standard audit opinion and is issued by CPAs in respect of a financial report of the Company.

Article 112 The Board of Directors shall lay down its Rules of Procedures for the Board of Directors so as to ensure its implementation of resolutions of the Shareholders' Meeting, enhance work efficiency and guarantee scientific decision-making. The rules of procedures of the Board of Directors shall stipulate the holding and voting procedures of the Board of Directors. The Rules of Procedures for the Board of Directors shall be annexed to the Articles of Association, prepared by the Board of Directors and approved by the Shareholders' Meeting.

Article 113 The Board of Directors shall determine the authority for external investment, acquisition and sale of assets, asset mortgage, external guarantees, entrusted wealth management, related party transactions, and external donations, and establish strict review and decision-making processes; for major investment projects, the Board of Directors shall organize relevant experts and professionals to conduct a review and report the projects at a Shareholders' Meeting for approval.

In the event of any following situation, the business transaction within the Company shall be subject to approval by the Board of Directors:

The transaction involves assets that account for not less than 10% of the audited total assets of the listed company in the most recent period, with the asset value determined by the higher of the book value or appraisal value;

The underlying asset (e.g., equity) represents not less than 10% of the audited operating revenue of the listed company in the most recent accounting year, with an absolute amount exceeding RMB10 million;

The underlying asset (e.g., equity) represents not less than 10% of the audited net profit of the listed company in the most recent accounting year, with an absolute amount exceeding RMB1 million;

The transaction amount (including assumed liabilities and expenses) accounts for not less than 10% of the audited net assets of the listed company in the most recent period, with an absolute amount exceeding RMB10 million; and

The profit generated from the transaction represents not less than 10% of the audited net profit of the listed company in the most recent accounting year, with an absolute amount exceeding RMB1 million.

In the event of any following situation, the business transaction (excluding cash assets received as donations by the Company) shall be submitted for the Board of Directors and the Shareholders' Meeting for review:

i. The transaction involves assets that account for not less than 50% of the audited total assets of the listed company in the most recent period, with the asset value determined by the higher of the book value or appraisal value;

ii. The underlying asset (e.g., equity) represents not less than 50% of the audited operating revenue of the listed company in the most recent accounting year, with an absolute amount exceeding RMB50 million;

iii. The underlying asset (e.g., equity) represents not less than 50% of the audited net profit of the listed company in the most recent accounting year, with an absolute amount exceeding RMB5 million;

iv. The transaction amount (including assumed liabilities and expenses) accounts for not less than 50% of the audited net assets of the listed company in the most recent period, with an absolute amount exceeding RMB50 million; and

v. The profit generated from the transaction represents not less than 50% of the audited net profit of the listed company in the most recent accounting year, with an absolute amount exceeding RMB5 million.

If any data involved in the calculation of the aforesaid indicators is negative, its absolute value shall be used for calculation.

The transactions referred to in this provision include purchasing or selling assets, external investments (including entrusted wealth management, entrusted loans, investments in subsidiaries, joint ventures, and joint operations, transactions involving trading financial assets, available-for-sale financial assets, held-to-maturity investments, etc.), providing financial assistance, providing guarantees, leasing in or leasing out assets, entering into contracts related to management (including entrusted operations, delegated operations, etc.), gifting or receiving assets, debt or debt restructuring, transfer of research and development projects, entering into licensing agreements, and other transactions recognized by the Shenzhen Stock Exchange. The assets purchased and sold aforesaid do not include the purchase of raw materials, fuel and power, or the sale of products, commodities and other assets related to daily operations. However, the purchase and sale of such assets involved in asset swaps are still included.

In transactions involving the "purchase or sale of assets", the calculation shall be based on the higher value between the total assets and the transaction amount. The cumulative calculation shall be carried out over a consecutive period of 12 months, considering the transaction type.

If the cumulative calculation reaches 30% of the most recent audited total assets, it shall be submitted to the Shareholders' Meeting for review. Such transactions shall be approved by the shareholders that are present at the meeting and represent not less than two thirds of the voting rights. Obligations fulfilled in accordance with the foregoing provisions are excluded from the scope of accumulative calculation.

Article 114 The Chairman shall have the following powers:

- i. Presiding over the Shareholders' Meetings and convening and chairing the BoD meetings;
- ii. Supervising and inspecting the implementation of the Board of Directors's resolutions; and
- iii. Other powers granted by resolution of the Board of Directors.

Article 115 The Vice Chairman shall assist the Chairman in his work. Where Chairman cannot or fails to perform his duties, the duties shall be performed by the Vice Chairman (if there are two or not less than two vice chairmen in the Company, the Vice Chairman elected by not less than half of all directors shall perform the duties). Where the Vice Chairman cannot or fails to perform his duties, the duties shall be performed by a director recommended by not less than half of all directors jointly.

Article 116 The Board of Directors shall hold at least two meetings each year. Such meetings shall be convened by its Chairman and a written notice shall be given to all directors ten days prior to the holding of each meeting.

Article 117 Shareholders representing not less than one tenth of voting rights, not less than one third of directors or the Audit Committee may propose to convene an extraordinary meeting. The Chairman shall convene and preside over a meeting of the Board of Directors within ten days after receiving the proposal.

Article 118 Notice of the convening of an extraordinary meeting by the Board of Directors shall be delivered by hand, letter, fax, email, SMS, WeChat, instant messaging tools or e-mail. Notice shall be given to all directors and other attendees three days prior to the date of the meeting.

Under emergency circumstances, the Chairman may notify on an ad hoc basis and exempt from the time requirement for notice. If a director is present at a meeting and does not raise any objection regarding not receiving the meeting notice before or during the meeting, it shall be deemed that the director has been duly notified of the meeting.

Article 119 A notice of a meeting of the Board of Directors shall set forth:

- i. Date and place of meeting;
- ii. The meeting duration;

- iii. The reason and subject matters for discussion; and
- iv. Date of the meeting notice.

Article 120 The meetings of the Board of Directors shall not be held unless a majority of directors are present. Resolutions of the Board of Directors shall be passed by the affirmative votes of more than half of all the directors.

Each director shall have one vote on the resolution of the Board of Directors.

Article 121 Where a director has a related party relationship with an enterprise or individual involved in a matter to be resolved at a meeting of the Board of Directors, such director shall report to the Board of Directors in writing in a timely manner. Such director shall not exercise voting rights over the resolution, or delegate other directors to exercise voting rights. The meeting of the Board of Directors may be held if more than half of the directors present are non-related directors. Resolutions made at the meeting of the Board of Directors must be subject to approval by more than half of the non-related directors. If there are less than three non-related directors attending a meeting of the Board of Directors, the matter shall be submitted to a Shareholders' Meeting for deliberation.

Article 122 The Board of Directors shall vote on the resolutions by a show of hands or written voting (including faxed voting).

The extraordinary meeting of the Board of Directors may, on the premise of ensuring the full expression of the opinions of the directors, send the proposed resolution to all directors in writing. The resolution shall be deemed valid if the number of directors who have signed and agreed to the resolution meets the required quorum as stipulated by laws, administrative regulations, and the Articles of Association.

Article 123 The directors shall attend meetings of the Board of Directors in person. In the event that a director cannot attend a meeting for a reason, he can, in writing, appoint another director to attend the meeting. The letter of authorization shall specify the name of the proxy, the items and term of the authorization with signature or seal of the principal. A director who attends a meeting on behalf of another director shall exercise the rights of that director within the scope of entrusted authority. If a director fails to attend a meeting of the Board of Directors and also fails to appoint a proxy to attend on his behalf, he shall be deemed to have waived his voting rights at that meeting.

The meeting of the Board of Directors may be conducted via teleconference or similar communication devices. All directors present at a meeting shall be deemed to attend the meeting in person as long as they can communicate adequately.

Article 124 Meeting minutes regarding the decisions on matters considered shall be prepared by the meetings of the Board of Directors and be signed by the directors attending the meeting.

Minutes of meetings of the Board of Directors shall be kept as the Company's files for at least

ten years.

Article 125 Minutes of meetings of the Board of Directors shall set forth:

- i. Time, place and convener of the meeting;
- ii. Name of directors attending the meeting in person and directors (proxy) attending the meeting under the authorization of other persons;
- iii. Meeting agenda;
- iv. Key points of speeches by directors; and
- v. Voting method and results of each matter resolved (results shall state the number of votes for or against such matter or the abstention votes).

Section III Independent Directors

Article 126 Independent directors shall, in accordance with the laws, administrative regulations, and rules of the CSRC and the stock exchange, and the Articles of Association, diligently perform their duties, maximize the role of participating in decision-making, supervision and balancing, and professional consultation in the Board of Directors, safeguard the overall interests of the Company and protect the legitimate rights and interests of minority shareholders.

Article 127 Independent directors must maintain their independence. The following personnel shall not serve as independent directors:

- i. Personnel employed by the Company or its affiliated enterprises, as well as their spouses, parents, children and major social relations therewith;
- ii. Natural person shareholders who directly or indirectly hold not less than 1% of the shares issued by the Company or are among the top ten shareholders of the Company, as well as their spouses, parents and children;
- iii. Shareholders who directly or indirectly hold not less than 5% of the shares issued by the Company, or hold positions among in the top five shareholders of the Company, as well as their spouses, parents and children;
- iv. Personnel employed in the affiliated enterprises of the Company's controlling shareholder or de facto controller, as well as their spouses, parents and children;
- v. Personnel who have significant business transactions with the Company and its controlling shareholder, de facto controller or their respective affiliated enterprises, or who hold positions in entities with significant business transactions and their controlling shareholder or de facto controller;
- vi. Personnel providing financial, legal, consulting, sponsorship and other services to the Company and its controlling shareholders, de facto controllers or their respective affiliated enterprises, including but not limited to all members of the project team of the intermediary institutions providing services, review personnel at all levels, personnel affixing signatures to the reports, partners, directors, senior management personnel and main responsible persons;

vii. Personnel who fall under any of the circumstances listed in i. to vi. within the most recent 12 months; and

viii. Other personnel who do not have independence as stipulated by laws, administrative regulations, the CSRC, the business rules of the stock exchange and the Articles of Association.

The affiliated enterprises of the Company's controlling shareholder or de facto controller as mentioned in iv. to vi. of the preceding paragraph do not include enterprises that are controlled by the same state-owned asset management institution as the Company and have not formed a related party relationship with the Company in accordance with the relevant regulations.

Independent directors shall conduct self-examination of their independence every year and submit the self-examination results to the Board of Directors. The Board of Directors shall assess the independence of incumbent independent directors every year and issue special opinions, which shall be disclosed concurrently with the annual report.

Article 128 Anyone who serves as an independent director of the Company shall meet the following conditions:

i. In accordance with laws, administrative regulations and other relevant provisions, he is qualified to serve as a director of a listed company;

ii. He complies with the requirements for independence as stipulated in the Articles of Association;

iii. He possesses basic knowledge on operation of listed companies and is familiar with relevant laws, regulations and rules;

iv. He has not less than five years of working experience in law, accounting or economics, etc. necessary to perform the duties of an independent director;

v. He has sound personal character and no major records of bad faith or other bad records; and

vi. Other conditions as stipulated by laws, administrative regulations, the rules of the CSRC, the business rules of the stock exchange and the Articles of Association.

Article 129 As members of the Board of Directors, independent directors shall be loyal and diligent to the Company and all shareholders, and shall perform the following duties prudently:

i. Participating in the decision-making of the Board of Directors and expressing clear opinions on the matters deliberated;

ii. Supervising potential major conflicts of interest between the Company and its controlling shareholder, de facto controller, directors and senior management personnel, and protecting the legitimate rights and interests of minority shareholders;

iii. Providing professional and objective suggestions for the Company's operation and development to promote the improvement of the decision-making level of the Board of Directors; and

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

Article 130 Independent directors shall exercise the following special powers:

- i. Independently engaging intermediary institutions to audit, consult or verify specific matters of the Company;
- ii. Proposing to the Board of Directors to convene an Extraordinary Shareholders' Meeting;
- iii. Proposing to convene a meeting of the Board of Directors;
- iv. Publicly soliciting shareholders' rights from shareholders in accordance with the law;
- v. Expressing independent opinions on matters that may harm the rights and interests of the Company or minority shareholders; and
- vi. Other powers as prescribed by laws, administrative regulations, the CSRC and the Articles of Association.

Independent directors exercising the powers listed from i. to iii. of the preceding paragraph shall obtain the consent of more than half of all independent directors.

If an independent director exercises the powers listed in the first paragraph, the Company shall disclose it in a timely manner. If the aforesaid powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

Article 131 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 party transactions that shall be disclosed;
- ii. Plans for the Company and related parties to change or waive their commitments;
- iii. The decisions made and measures adopted by the Board of Directors of the acquired listed company regarding the acquisition; and
- iv. Other matters as stipulated by laws, administrative regulations, the CSRC and the Articles of Association.

Article 132 The Company shall establish a special meeting mechanism attended entirely by independent directors. When the Board of Directors reviews matters such as related party transactions, they shall be approved in advance by a special meeting of independent directors.

The Company shall hold special meetings for independent directors on a regular or irregular basis. The matters listed from i. to iii. of the first paragraph of Article 130 and Article 131 of the Articles of Association shall be reviewed by a special meeting of independent directors.

The special meetings of independent directors may study and discuss other matters of the Company as needed. A special meeting of independent directors shall be convened and presided over by an independent director jointly recommended by more than half of independent directors. When the convener fails to or is unable to perform his duties, two or not less than two independent directors may convene a meeting and recommend one representative to preside over the meeting on their own initiative.

Meeting minutes shall be prepared for a special meeting of independent directors as prescribed, and the opinions of independent directors shall be stated in the meeting minutes. Independent

directors shall affix signatures to the meeting minutes for confirmation.

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

Section IV Special Committees of the Board of Directors

Article 133 The Board of Directors of the Company shall establish an Audit Committee to exercise the powers of the Board of Supervisors as prescribed by the *Company Law*.

Article 134 The members of the Audit Committee shall consist of three directors who do not serve as senior management personnel in the Company. There shall be two independent directors, and the convener shall be an accounting professional among the independent directors.

Article 135 The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, and supervising and evaluating internal and external audit work and internal control. The following matters shall be submitted to the Board of Directors for review after being approved by more than half of all members of the Audit Committee:

- i. Disclosing financial information in financial accounting reports and periodical reports, as well as internal control evaluation reports;
- ii. Engaging or dismissing accounting firms that undertake the auditing business of listed companies;
- iii. Appointing or dismissing the financial officer of a listed company;
- iv. Making changes in accounting policies, accounting estimates or corrections of major accounting errors for reasons other than changes in accounting standards; and
- v. Other matters as stipulated by laws, administrative regulations, the CSRC and the Articles of Association.

Article 136 The Audit Committee shall hold at least one meeting every quarter. An extraordinary meeting may be convened upon proposal of two or not less than two members or when the convener deems it necessary. The meeting of the Audit Committee must be held only when not less than two thirds of the members are present.

A resolution of the Audit Committee shall be adopted by more than half of the members of the Audit Committee.

In voting on a resolution of the Audit Committee, each member shall have one vote.

The resolutions of the Audit Committee shall be recorded in meeting minutes as required, and the members of the Audit Committee attending the meeting shall affix signatures to the meeting minutes.

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

Article 137 The Board of Directors of the Company shall set up other special committees such as strategy, nomination, remuneration and appraisal, etc., to perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. The proposals of the special committees shall be submitted to the Board of Directors for review and decision-making. The working procedures of the special committees shall be developed by the Board of Directors.

Independent directors shall account for more than half of the members in the Nomination Committee and the Remuneration and Appraisal Committee, and an independent director shall serve as the convener. However, if the relevant competent department of the State Council has other separate provisions on the convener of the special committee, such provisions shall prevail.

Article 138 The Nomination Committee shall be responsible for developing the selection criteria and procedures for directors and senior management personnel, selecting and reviewing the candidates of directors and senior management personnel and their qualifications, and putting forward suggestions to the Board of Directors on the following matters:

- i. Nominating or appointing and removing directors;
- ii. Appointing or dismissing senior management personnel; and
- iii. Other matters as stipulated by laws, administrative regulations, the CSRC and the Articles of Association.

If the Board of Directors fails to adopt or fully adopt the suggestions of the Nomination Committee, it shall record the opinions of the Nomination Committee and the specific reasons for non-adoption in the resolution of the Board of Directors and make disclosure.

Article 139 The Remuneration and Appraisal Committee shall be responsible for developing appraisal standards for directors and senior management personnel and conducting appraisal of directors and senior management personnel, developing and reviewing the remuneration decision-making mechanism, decision-making process, arrangements for payment and cessation of payment and recourse and other remuneration policies and plans for directors and senior management personnel, and putting forward suggestions to the Board of Directors on the following matters:

- i. Remuneration of directors and senior management personnel;
- ii. Development of or amendment to equity incentive plans or employee stock ownership plans, and the achievements of the conditions for the incentive recipients to obtain rights and exercise rights;
- iii. Directors and senior management personnel arrange for shareholding plans in the subsidiaries they plan to spin off; and
- iv. Other matters as stipulated by laws, administrative regulations, the CSRC and the Articles of Association.

Chapter VI Senior Management Personnel

Article 140 The Company has one President who shall be appointed or dismissed by the Board of Directors.

The Company has several Vice Presidents who shall be appointed or dismissed by the Board of Directors.

Senior management personnel of the Company include President, Executive Vice President, Vice President, Financial Director, Board Secretary and Assistant to the Chairman of the Board of Directors.

Article 141 The circumstances under the Articles of Association where a person cannot serve as a director and the resignation management system shall also apply to senior management personnel.

The provisions of the Articles of Association concerning the obligations of loyalty and diligence of directors shall also apply to senior management personnel.

Article 142 A person who holds an administrative position other than director in an entity where the Company holds controlling shares shall not serve as a senior management personnel of the Company. Senior management personnel receive their salaries solely from the Company and not through salary payments made by the controlling shareholder.

Article 143 The term of office of the President shall be three years, and the President may serve consecutive terms upon renewal of employment.

Article 144 The President shall be liable to the Board of Directors and shall exercise the following powers:

- i. Taking charge of the production, operation and management activities of the Company, organizing implementation of resolutions of the Board of Directors and reporting to the Board of Directors;
- ii. Organizing implementation of the annual business and investment plans of the Company;
- iii. Drafting plans for the structure of the Company's internal management;
- iv. Drafting basic management rules of the Company
- v. Formulating specific rules of the Company;
- vi. Submitting to the Board of Directors for the appointment or dismissal of the Company's Vice Presidents and Chief Financial Officer;
- vii. Deciding to appoint or dismiss officers other than those to be appointed or dismissed by the Board of Directors; and
- viii. Other powers granted by the Articles of Association and the Board of Directors.

The President shall attend the meetings of the Board of Directors as non-voting attendee.

Article 145 The Company shall prepare detailed rules on the President's work, which shall be implemented after reported to and approved by the Board of Directors.

Article 146 The detailed rules on the President's work shall set forth:

- i. The conditions for and procedures of holding a President meeting and persons who shall attend it;
- ii. The respective specific duties of the President and other senior management personnel and the division of responsibility among them;
- iii. Authority for the use of Company's funds and assets, authority for the signing of major contracts, and the system of reporting to the Board of Directors; and
- iv. Other matters agreed by the Board of Directors.

Article 147 The President may resign before his term of office expires. The specific procedures and regulations with respect to resignation of the President shall be stipulated in the labor contract between him and the Company.

Article 148 The Vice President of the Company shall be proposed by the President and appointed or dismissed by the Board of Directors. The Vice President of the Company shall assist the President in his work.

Article 149 The Company has the Board Secretary. The Board Secretary shall be responsible for the preparation of Shareholders' Meetings and meetings of the Board of Directors of the Company, the keeping of documents and the management of information on the Company's shareholders, and the handling of matters related to information disclosure. The Board Secretary shall abide by the relevant provisions of laws, administrative regulations, departmental rules and the Articles of Association.

Article 150 Where a senior management personnel causes damage to others while performing his duties for the Company, the Company shall assume liability for compensation. Where a senior management personnel has intentional acts or gross negligence, he shall also assume liability for compensation.

Where a senior management personnel violates any law, administrative regulation or departmental rule or the Articles of Association in executing his office in the Company, causing losses to the Company, he shall assume compensatory liability.

Article 151 Senior management personnel of the Company shall faithfully fulfill their duties and safeguard the best interests of the Company and all shareholders. If a senior management

personnel fails to faithfully fulfill his duties or breach his fiduciary obligations, causing harm to the interests of the Company and public shareholders, he shall be held liable for compensation in accordance with the law.

Chapter VII Financial Accounting Policies, Profit Distribution and Audit

Section I Financial Accounting Policies

Article 152 The Company shall formulate financial accounting policies in accordance with the laws, administrative regulations and requirements of the related state authorities.

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

The above annual and interim reports shall be prepared in accordance with relevant laws, administrative regulations, and rules of the CSRC and the stock exchange.

Article 154 The Company shall not maintain any accounting books other than the statutory accounting books. The assets of the Company shall not be deposited in any account opened in an individual's name.

Article 155 In the distribution of the after-tax profits of a year, the Company shall set aside 10% of the profits as its statutory surplus reserve. The Company may discontinue setting aside funds of the statutory surplus reserve if the cumulative amount of the statutory reserve is not less than 50% of the registered capital of the Company.

Where the statutory surplus reserves of the Company are not adequate to cover losses of previous years, the profits of a year shall be first used to cover losses before the set-aside of the statutory surplus reserves in the preceding paragraph.

After setting aside statutory surplus reserves from its after-tax profits, the Company may, upon resolution of the Shareholders' Meeting, set aside discretionary surplus reserves from its after-tax profits.

After coverage of losses and set-aside of surplus reserves, the remaining after-tax profits shall be distributed in proportion to the shares held by shareholders, unless the Articles of Association provide otherwise.

If the Shareholders' Meeting distributes profits to shareholders in violation of the *Company Law*, the shareholders shall return the profits distributed in violation of the regulations to the Company. If losses are caused to the Company, shareholders and the directors and senior management personnel who are responsible shall assume liability for compensation.

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

Article 156 The distribution of the Company's profits shall be subject to the following provisions:

1. The Company shall implement a positive profit distribution policy. Profit distribution shall not jeopardize the Company's ability to continue as a going concern and shall not exceed the scope of accumulated distributable profits.

The formulation and revision of the Company's profit distribution policy shall be proposed by the Board of Directors and submitted to the Shareholders' Meeting for deliberation. The profit distribution policy proposed by the Board of Directors shall be approved by a majority vote of the Board of Directors.

The Audit Committee of the Company shall review the profit distribution policy formulated and revised by the Board of Directors.

The Board of Directors and the Audit Committee shall give full consideration to the opinions of independent directors and public investors in the relevant decision-making and argumentation process.

The Company shall distribute profits at least once a year. The Company may distribute dividends in the form of cash, stock or a combination of cash and stock. Cash distribution is prioritized over stock distribution.

The Company's cash dividends shall be no less than 20% of the distributable profits realized in the year.

Where the Company has major investment plans or material cash expenditures, the proportion of cash dividends in the profit distribution shall be at least 20%. Major investment plan or material cash expenditure refers to one of the following:

- i. The cumulative expenditures to be incurred for the external investments, asset acquisitions and other transactions that the Company plans to carry out in the next 12 months reach or exceed 50% of the Company's audited net assets or RMB50 million in the most recent period;
- ii. The cumulative expenditures to be incurred for the external investments, asset acquisitions and other transactions that the Company plans to carry out in the next 12 months reach or exceed 30% of the Company's audited net assets in the most recent period.

The Board of Directors may propose that the Company pay an interim dividend based on the Company's capital position.

2. The profit distribution proposal shall be put forward by the Board of Directors and implemented after deliberation and approval by the Shareholders' Meeting.

The annual profit distribution proposal shall explain the plan for the use of retained undistributed profits. If an annual profit is made and the Board of Directors does not propose a cash dividend, the reasons, plans and arrangements for the use of the Company's retained funds shall be disclosed in its regular report. At the same time, the Audit Committee shall review the proposal and submit it to the Shareholders' Meeting for deliberation. In the event of distributing stock dividends, the reasonableness and feasibility of the distribution shall also be explained. The independent directors may solicit opinions from minority shareholders and

put forward a proposal on the distribution of dividends, which shall be submitted directly to the Board of Directors for review.

When deliberating on the specific scheme of cash dividend distribution, the Shareholders' Meeting shall actively communicate and exchange with the shareholders, especially the minority shareholders through various channels, fully listen to the opinions and demands of the minority shareholders, and promptly respond to the concerns of the minority shareholders. The Shareholders' Meeting shall provide shareholders with the means to vote online.

After the Shareholders' Meeting has made a resolution on profit distribution, the Board of Directors shall complete the profit distribution plan within two months after the Shareholders' Meeting is held.

3. The Company shall strictly implement the profit distribution policy as determined in the Articles of Association. If it is necessary to adjust or change the profit distribution policy determined in the Articles of Association, the corresponding decision-making procedures shall be performed after detailed demonstration and approved by not less than two thirds of the votes held by the shareholders present at the Shareholders' Meeting. The Company shall detail the reasons for the modification in the proposal to be submitted to the Shareholders' Meeting. When voting at the Shareholders' Meeting, online voting shall be arranged. The independent directors of the Company may solicit the public shareholders of the Company for their voting rights at the Shareholders' Meeting before the convening of the Shareholders' Meeting, and the exercise of the aforesaid powers by the independent directors shall be subject to the consent of not less than half of all the independent directors.

4. The Company shall develop a dividend return plan and a dividend scheme for the next five years. The Company may make appropriate and necessary adjustments to the dividend plan and scheme based on the opinions of shareholders (especially public investors) and independent directors. Adjustment of the dividend plan and scheme shall be based on the protection of shareholders' rights and interests and shall not be in conflict with the relevant provisions of the Articles of Association. The Company shall guarantee that the adjusted return plan for shareholders shall not violate the following principle that the profits distributed in cash each year shall not be less than 20% of the profits distributable that year.

5. The Company shall disclose in detail the formulation and implementation of the cash dividend policy in the annual report and provide special explanations on the following matters:

- i. Whether it complies with the provisions of the Articles of Association or the requirements of the resolution of the Shareholders' Meeting;
- ii. Whether the criteria and percentage of dividends are clear;
- iii. Whether the relevant decision-making procedures and mechanisms are complete;
- iv. Whether the independent directors have performed their duties and played their roles properly; and
- v. Whether minority shareholders have adequate opportunities to express their opinions and demands, and whether the legitimate rights and interests of minority shareholders are adequately protected.

If the cash dividend policy is adjusted or changed, a detailed explanation shall also be provided for whether the conditions and procedures for the adjustment or change are compliant and transparent.

Article 157 The distribution of dividends (or shares) must be completed within two months after the Company's Shareholders' Meeting adopts a resolution on the profit distribution plan, or after the Company's Board of Directors develops a specific plan in accordance with the conditions and ceiling of the interim dividend for the next year deliberated and adopted at the Annual Shareholders' Meeting.

Article 158 The Company's surplus reserves shall be used to cover the losses, expand the operations or increase the registered capital of the Company.

Where surplus reserves are used to cover loss of the Company, the discretionary and statutory surplus reserves shall be first used; and if they are insufficient for covering losses, the capital surplus reserves may be used according to the provisions.

Where the statutory surplus reserves are converted to increase in the registered capital, the remainder of the surplus reserves shall not be less than 25% of the registered capital of the Company before the conversion.

Section II Internal Audit

Article 159 The Company shall implement an internal audit system, clearly defining the leadership structure, responsibilities and authorities, personnel allocation, financial guarantee, application of audit results and accountability for the internal audit work.

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

Article 160 The internal audit institution of the Company shall supervise and inspect the Company's business activities, risk management, internal control, financial information and other matters.

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

Article 161 The internal audit institution shall be responsible to the Board of Directors.

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

Article 162 The specific organization and implementation of the internal control evaluation of the Company shall be in the charge of the internal audit institution. The Company shall

issue annual internal control evaluation reports based on the evaluation report issued by the internal audit institution and reviewed by the Audit Committee, as well as the relevant materials.

Article 163 When the Audit Committee communicates with external audit entities such as accounting firms and national audit institutions, the internal audit institutions shall actively cooperate with them and provide necessary support and collaboration.

Article 164 The Audit Committee shall participate in the evaluation of the person in charge of internal audit.

Section III Engagement of Accounting Firm

Article 165 The Company shall engage an accounting firm that complies with the provisions of the *Securities Law* to audit accounting statements, verify net assets and provide other related consulting services for a period of one year from the end of the Company's current Annual Shareholders' Meeting to the end of the next Annual Shareholders' Meeting, and such engagement may be renewed.

Article 166 The engagement and dismissal of an accounting firm by the Company shall be decided by the Shareholders' Meeting, and the Board of Directors shall not appoint an accounting firm before the decision is made by the Shareholders' Meeting.

Article 167 The Company shall guarantee to provide the engaged accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information, and may not refuse, hide or misrepresent (the provision of) such information.

Article 168 The audit fee of the accounting firm shall be determined by the Shareholders' Meeting.

Article 169 Where the Company dismisses or does not re-engage an accounting firm, it shall notify the accounting firm 20 days in advance, and when the Shareholders' Meeting of the Company votes on the dismissal of the accounting firm, the accounting firm shall be allowed to state its opinion.

Where the accounting firm submits a resignation, it shall explain to the Shareholders' Meeting whether the Company has any improper acts.

Chapter VIII Notice and Announcement

Section I Notice

Article 170 Notices of the Company shall be issued in the following forms:

- i. By a person;
- ii. By mail (including express delivery);
- iii. By announcement;
- iv. By fax or e-mail; and
- v. Other forms prescribed by the Articles of Association.

If a notice issued by the Company is made by way of announcement, it shall be deemed that all relevant personnel have received the notice upon the announcement.

Article 171 A notice on convening a Shareholders' Meeting by the Company shall be issued by announcement.

Article 172 A notice on convening a meeting of the Board of Directors by the Company shall be delivered by a dedicated person, mail, fax or e-mail.

Article 173 If a notice of the Company is delivered by a dedicated person, the addressee shall sign (or seal) the acknowledgment of receipt and the notice shall be deemed served on the date when the addressee signs for it; if sent by mail, the notice shall be deemed served on the five working day from the date of delivery to the post office or the second working day from the date of signature by the special delivery service provider; if sent by fax or email, the notice shall be deemed served on the date on which the notice is sent; if sent through an announcement, the notice shall be deemed served on the date when the announcement is published for the first time.

Article 174 A meeting and the resolutions adopted to thereof shall not be invalidated as a result of accidental omission to give notice of the meeting to, or the failure of receiving such notice by, a person entitled to receive such notice.

Section II Announcement

Article 175 The Company designates *Securities Times* and cninfo (<http://www.cninfo.com.cn>) as the media for publishing announcements and other information required to be disclosed.

Chapter IX Merger, Split-up, Capital Increase, Capital Decrease, Dissolution and Liquidation

Section I Merger, Split-up, Capital Increase and Capital Decrease

Article 176 For a merger, the Company may adopt two forms, merger by absorption and merger by new establishment.

When a company absorbs another company, it is absorption, and the absorbed company is dissolved. When not less than two companies merge to establish a new company, it is new establishment, and the merged companies are dissolved.

Article 177 Where the consideration paid by the Company for a merger does not exceed 10% of the Company's net assets, a resolution of the Shareholders' Meeting is not required, except as otherwise prescribed in the Articles of Association.

Where a resolution of the Shareholders' Meeting of the Company is not required regarding a merger of the Company under the preceding paragraph, it shall be resolved by the Board of Directors.

Article 178 If the Company merges with another entity, the parties to the merger shall sign a merger agreement, and prepare a balance sheet and property list. The Company shall notify its creditors within ten days after making the resolution of merger, and make an announcement on *Securities Times* or in the National Enterprise Credit Information Publicity System within 30 days. The creditors shall, within 30 days of receipt of the notice or within 45 days of issuance of the announcement if they fail to receive the notice, require the Company to repay debts or provide corresponding security.

Article 179 After the Company merges with another entity, the claims and debts to the parties to the merger shall be inherited by the company existing after the merger or the newly incorporated company.

Article 180 In case of a split-up of the Company, its property shall be divided accordingly.

If the Company splits up, it shall prepare a balance sheet and property list. The Company shall notify its creditors within ten days after making the resolution of split-up, and make an announcement on *Securities Times* or in the National Enterprise Credit Information Publicity System within 30 days.

Article 181 The companies arising from the split-up shall be jointly and severally liable for the Company's debts incurred prior to the split-up, unless otherwise agreed in any written agreement concluded by and between the Company and its creditors before the split-up in respect of full repayment of debts.

Article 182 In the event that the Company needs to decrease its registered capital, a balance sheet and a property list will be prepared.

The Company shall notify its creditors within ten days after making the resolution of capital decrease at the Shareholders' Meeting, and make an announcement on *Securities Times* or in the National Enterprise Credit Information Publicity System within 30 days. The creditors shall, within 30 days of receipt of the notice or within 45 days of issuance of the announcement if they fail to receive the notice, require the Company to repay debts or provide corresponding security.

Where the Company reduces its registered capital, the Company shall reduce the corresponding capital contribution or shares on the basis of the proportion of shares held by shareholders, except as otherwise provided for by the laws or the Articles of Association.

Article 183 Where the loss of the Company cannot be fully covered under the second paragraph of Article 158 of the Articles of Association, the Company may reduce its registered capital to cover loss. If loss is covered by reduction of the registered capital, the Company shall neither distribute the reduction to the shareholders nor exempt the shareholders from the obligation of making capital contribution or payment for shares.

Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of the second paragraph of Article 182 of the Articles of Association shall not apply, but an announcement shall be made on *Securities Times* or in the National Enterprise Credit Information Publicity System within 30 days from the date when the Shareholders' Meeting makes a resolution to reduce the registered capital.

After reducing its registered capital under the preceding two paragraphs, the Company shall not distribute profits before the cumulative amount of the statutory and discretionary surplus reserves reaches 50% of the registered capital of the Company.

Article 184 Where the registered capital is reduced in violation of the *Company Law* and other relevant provisions, the shareholders shall return the funds received by them, and the original state shall be restored if shareholders are granted exemption from or reduction of capital contribution; and if any loss is thus caused to the Company, the shareholders and liable directors, and senior management personnel shall pay damages.

Article 185 Where the Company offers new shares to increase its registered capital, the shareholders do not have the preemptive rights to subscribe for new shares, except as otherwise prescribed in the Articles of Association or unless the Shareholders' Meeting adopts a resolution to decide that the shareholders have the preemptive rights to subscribe for new shares.

Article 186 Upon merger or split-up of the Company or any change in its registration particulars, the Company shall apply for registration of the change toward its registration authority in accordance with the law; upon dissolution of the Company, the Company shall apply for its deregistration in accordance with the law; if a new company is incorporated, its registration shall be applied for in accordance with the law.

If the Company increases or decreases its registered capital, the Company shall apply for registration of the change to the registration authority in accordance with the law.

Section II Dissolution and Liquidation

Article 187 In any of the following cases, the Company shall dissolve:

- i. The business term of the Company as stated in the Articles of Association expires or any other cause of dissolution as set out in the Articles of Association appears;
- ii. The Shareholders' Meeting has made a resolution of dissolution;
- iii. The Company requires dissolution for merger or split-up; and
- iv. The Company's business license is revoked, or the Company is ordered to close down or is dissolved according to law; and
- v. In case the Company's operation and management encounter severe difficulties which cannot be solved with other approaches and its continuous existence may cause grave loss of the shareholders' benefits, the shareholders representing not less than 10% of the voting rights of the Company may request a people's court to dissolve the Company.

Where any of the causes of dissolution of the Company set out in the preceding paragraph occurs, the Company shall, within ten days, publish the cause of dissolution through the National Enterprise Credit Information Publicity System.

Article 188 Where the Company falls under the circumstances as stipulated in i. and ii. of Article 187 of the Articles of Association and has not yet distributed property to shareholders, it may continue to exist by amending the Articles of Association.

An amendment to the Articles of Association under the preceding paragraph or adoption of a resolution at a Shareholders' Meeting must be adopted with not less than two thirds of the voting rights held by shareholders attending the Shareholders' Meeting.

Article 189 The Company shall conduct liquidation for undergoing dissolution pursuant to the provisions of i., ii., iv. and v. of Article 187 of the Articles of Association. Directors, as the liquidation obligors of the Company shall, within 15 days of occurrence of the cause of dissolution, form a liquidation team to conduct liquidation.

The liquidation team are composed of directors, except as otherwise prescribed in the Articles of Association or unless any other person is selected through a resolution of the Shareholders' Meeting.

Where the liquidation obligors fail to perform their liquidation obligations in a timely manner, causing any loss to the Company or any creditor, the liquidation obligors shall assume liability for compensation.

Article 190 The liquidation team has the following powers during the period of dissolution:

- i. Sorting out the property of the Company and preparing a balance sheet and a property list;
- ii. Issuing notices to or publishing announcements to notify creditors;
- iii. Handling the Company's unfinished business in relation to liquidation;
- iv. Paying off the taxes in arrears and the taxes incurred in the liquidation process;
- v. Settling the creditor's rights and debts;
- vi. Managing the remaining property of the Company upon liquidation of debts; and
- vii. Participating in civil proceedings on behalf of the Company.

Article 191 The liquidation team shall notify the creditors within ten days upon establishment and an announcement shall be provided on *Securities Times* or in the National Enterprise Credit Information Publicity System within 60 days. The creditors shall, within 30 days of receipt of the notice or within 45 days of issuance of the announcement if they fail to receive the notice, declare their claims to the liquidation team.

When declaring their claims, the creditors shall state matters related to the claims and provide documentary evidence. The liquidation team shall register the claims.

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

Article 192 After completion of liquidation of the Company's property and preparation of a balance sheet and property list, the liquidation team shall formulate a liquidation scheme, which shall be confirmed by the Shareholders' Meeting or a people's court.

The Company's property, after payment of liquidation expenses, wages, social insurance premiums and statutory compensation of the employees, the taxes due and outstanding debts, shall be distributed in proportion to shareholders' shareholdings.

During the period of liquidation, the Company shall remain in existence, provided that it shall not carry out any business activities other than relating to liquidation. The property of the Company shall not be distributed to the shareholders until it has been liquidated in accordance with the preceding paragraph.

Article 193 If the liquidation team finds that the Company's property is insufficient to settle its debts after cleaning up the Company's property and preparing the balance sheet and property list, it shall apply to a people's court for the declaration of bankruptcy in accordance with the law.

After the people's court accepts an application for bankruptcy, the liquidation team shall transfer the liquidation affairs to the bankruptcy administrator designated by the people's court.

Article 194 Upon completion of liquidation, the liquidation team shall prepare a liquidation report, submit it to the Shareholders' Meeting or the people's court for confirmation, file it with the company registration authority, and apply for deregistration of the Company.

Article 195 The members of a liquidation team shall, in performing their liquidation duties, have the duty of loyalty and duty of diligence.

Where the members of the liquidation team are negligent in performing their liquidation duties, causing any loss to the Company, they shall be liable for compensation; and where the members of the liquidation team cause any loss to the creditors intentionally or with gross negligence, they shall be liable for compensation. Members shall loyally perform their duties and perform their liquidation obligations in accordance with the law.

Article 196 In the event that the Company declares bankruptcy in accordance with the law, the bankruptcy liquidation shall be carried out in accordance with the laws related to enterprise bankruptcy.

Chapter X Amendment to the Articles of Association

Article 197 Under any of the following circumstances, the Company will amend the Articles of Association:

- i. After the amendment of the *Company Law* or any other relevant law or administrative regulation, any provisions of the Articles of Association are in conflict with the amended law or administrative regulation;
- ii. Any changes of the Company result in inconsistency with the matters recorded in the Articles of Association; and
- iii. The Shareholders' Meeting decides to amend the Articles of Association.

Article 198 Where any amendment to the Articles of Association adopted by a resolution of the Shareholders' Meeting is subject to the approval of the competent authorities, it shall be reported to the competent authorities for approval; and if any company registration information is involved, the modification registration procedure shall be undergone according to the law.

Article 199 The Board of Directors shall amend the Articles of Association according to the resolution of the Shareholders' Meeting to amend the Articles of Association and the opinions of the competent authorities expressed in their approvals.

Article 200 Where the disclosure of information on any amendment to the Articles of Association is required by any law or regulation, the amendment shall be announced as required.

Chapter XI Supplementary Provisions

Article 201 Definitions:

- i. The controlling shareholder refers to a shareholder that holds shares of not less than 50% of the total share capital of the Company; or a shareholder whose shareholding ratio does not exceed 50%, but the voting rights enjoyed by the shares they hold are sufficient to have a significant impact on the resolutions of the Shareholders' Meeting.
- ii. The de facto controller means a natural person, legal person or another organization that may actually control the Company's behavior through investment relations, agreements or other arrangements.
- iii. Related party relationship means the relationship between the controlling shareholder or de facto controller, a director, or a senior management personnel of the Company and an enterprise directly or indirectly controlled by the controlling shareholder, de facto controller, director, or senior management personnel or any other relationship that may lead to the transfer of the interests of the Company. However, enterprises controlled by the state do not necessarily have a related party relationship because they are under the same control by the state.

Article 202 The Board of Directors may formulate detailed rules for the Articles of Association in accordance with the provisions of the Articles of Association. The detailed rules for the Articles of Association shall not be in conflict with the provisions of the Articles of Association.

Article 203 The Articles of Association shall be written in Chinese. In the event of any discrepancy between the Articles of Association in any other languages or different versions and the Articles of Association, the Chinese version after the latest approval and registration by the Yangzhou Municipal Administration for Market Regulation of Jiangsu Province shall prevail.

Article 204 For the purposes of the Articles of Association, "not less than", "within" shall include the figure in question; "more than", "other than", "lower than" and "over" shall exclude the figure in question.

Article 205 The Articles of Association shall be interpreted by the Board of Directors of the Company.

Article 206 The appendices to the Articles of Association include the Rules of Procedures for the Shareholders' Meeting and the Rules of Procedure for the Board of Directors.

Article 207 Where any legislation of the state provides otherwise for preferred shares, such

legislation shall prevail.

Article 208 The Articles of Association shall take effect upon approval by the Shareholders' Meeting. The original Articles of Association shall automatically become invalid from the effective date of the Articles of Association.

Yangzhou Yangjie Electronic Technology Co., Ltd.

Legal representative: Liang Qin

Date: November 1, 2025