

Anjoy Foods Group Co., Ltd.

Articles of Association

(Draft)

(To be applicable upon issuance and listing of H shares)

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CHAPTER 1 GENERAL PROVISIONS

Article 1 The Articles of Association is formulated in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Guidelines on Articles of Association of Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules") and other relevant regulations for the purposes of regulating the organization and conducts of Anjoy Foods Group Co., Ltd. (hereinafter referred to as the "Company"), and safeguarding the legitimate rights and interests of the Company, its shareholders and creditors.

Article 2 The Company is a joint stock limited company incorporated pursuant to the Company Law and other relevant regulations in the PRC.

The Company was established by way of promotion through the overall change of its predecessor, Xiamen Huashun Minsheng Foods Co., Ltd. (廈門華順民生食品有限公司) (hereinafter referred to as "Xiamen Huashun Minsheng"). It had completed the registration at the Xiamen Administration for Industry and Commerce and obtained the Business License of Enterprise Legal Person (Unified Social Credit Code: 913502007054909195).

Article 3 Upon the approval by China Securities Regulatory Commission (hereinafter referred to as the "CSRC") (Zheng Jian Xu Ke [2017] No.152) on January 20, 2017, the Company initially issued 54.01 million RMB ordinary shares to the public, and was listed on the Shanghai Stock Exchange (hereinafter referred to as the "SSE") on February 22, 2017. Upon the filing with the CSRC on May 15, 2025, the Company issued [•] overseas listed shares (hereinafter referred to as the "H shares") in Hong Kong. The aforesaid H shares were listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange", and together with the SSE as the "Stock Exchanges") on [•].

Article 4 The registered name of the Company: Anjoy Foods Group Co., Ltd.

Article 5 Company address: No. 2508, Xinyang Road, Haicang District, Xiamen; Postcode: 361022.

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

Article 7 The business term of the Company starts from December 24, 2001 with perpetual existence.

Article 8 The chairman of the board of directors shall be the legal representative of the Company. If the chairman of the board of directors resigns, he/she shall be deemed to also resign as the legal representative. If the legal representative resigns, the Company shall appoint a new legal representative within 30 days of the date of such resignation.

Article 9 All the assets of the Company are divided into shares of equal par value. Each shareholder shall be liable to the Company to the extent of the shares as held by such shareholder. The Company shall be liable for its debts to the extent of all its assets.

Article 10 From the date when the Articles of Association took effect, it shall become the document legally binding the governance over the organization and activities of the Company, as well as the relationship between the Company and its shareholders and that between the shareholders. It is also a document with legally binding effect on the Company and its shareholders, directors, supervisors and senior management members. Shareholders may, in accordance with the Articles of Association, bring litigation against each other. The shareholders may bring litigations against the directors, supervisors and senior management members of the Company. The shareholders may bring litigation against the Company, and the Company may bring litigation against shareholders, directors, supervisor, general manager and senior management members.

Article 11 Other senior management members referred to herein shall refer to the deputy general managers, secretary to the board of directors and chief financial officer of the Company.

CHAPTER 2 BUSINESS OBJECTIVE AND SCOPE

Article 12 The Company's business objective is to adhere to its business philosophy of "food for the people (食以民為天)".

Article 13 The legally registered business scope of the Company is: food production. (For projects subject to approval according to the laws, business activities can only be carried out after obtaining the approval of the relevant departments. The specific operation projects are subject to the approval documents or licenses of the relevant departments.) General projects: meat products and by-products processing (except for western-style meat products processing projects with an annual output of 3,000 tons and below; processing of surimi products and dried and salted aquatic products (except for frozen marine surimi production lines); food sales (only selling prepackaged food); sales of food additives; purchase of primary agricultural products; import and export of goods; food import and export; technology import and export; import and export agency; technical service, technology development, technology consultation, technology exchange, technology transfer, technology promotion. (Except for projects subject to approval according to the laws, business activities can be conducted independently with the business license in accordance with the laws).

CHAPTER 3 SHARES

Section 1 Issuance of Shares

Article 14 The shares of the Company are issued in the form of registered share certificates.

Article 15 The issuance of shares by the Company shall adhere to the principles of openness, fairness and justice. Each share of the same class shall rank pari passu with each other.

Shares of a class in each issuance shall be issued under the same terms and at the same price. Any entity or person shall pay the same price for each of the shares they subscribe.

Article 16 The shares issued by the Company, including A shares and H shares, are all denominated in RMB. The shares issued by the Company and listed on the SSE are hereinafter referred to as the “A shares”; the shares issued by the Company and listed on the Hong Kong Stock Exchange are hereinafter referred to as the “H shares”. Upon a resolution at the shareholders’ meeting of the Company, the Company may convert all issued shares with par value into shares without par value or convert all shares without par value into shares with par value.

Article 17 The A shares issued by the Company are centrally deposited with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. The H shares issued by the Company shall primarily be deposited in the custodian company of the Hong Kong Securities Clearing Company Limited in accordance with the laws and practices for securities registration and depository of the place where the shares of the Company are listed, or may also be held by shareholders in their own names.

Article 18 The details of each shareholder and their shareholding ratio (including the name of promoters, the number of shares subscribed, the shareholding ratio and the type of shares) before the listing of the Company’s A shares are as follows:

No.	Name of shareholders	Number of shares held (shares)	Shareholding ratio (%)	Type of shares
1	Xinjiang Guoli Minsheng Equity Investment Co., Ltd. (新疆國力民生股權投資有限公司)	93,190,570	57.51	Promoter shares
2	Liu Mingming	27,314,540	16.86	Promoter shares
3	Zhang Qingmiao	11,550,000	7.13	Promoter shares
4	Lv Wenbin	9,239,890	5.70	Promoter shares
5	Huang Jianlian	6,352,500	3.92	Promoter shares
6	Huang Qingsong	6,352,500	3.92	Promoter shares
7	Shenzhen Xiushui Investment Co., Ltd. (深圳秀水投資有限公司)	4,070,000	2.51	Non-promoter shares
8	Shenzhen Tongsheng Chuangye Investment Enterprise (Limited Partnership) (深圳市同盛創業投資企業(有限合夥))	3,960,000	2.45	Non-promoter shares
Total		162,030,000	100	—

Article 19 After the completion of the initial public offering of H shares, assuming the over-allotment option is not exercised, the total share capital of the Company is [•] shares, all of which are ordinary shares. Among them, there are [•] ordinary A shares, accounting for [•]% of the total share capital of the Company; [•] ordinary H shares, accounting for [•]% of the total share capital of the Company.

Article 20 The Company or its subsidiaries (including its affiliated companies) shall not provide any financial assistance to those who purchase or intend to purchase the Company's shares in the form of gifts, advances, guarantees, compensations or loans.

Section 2 Increase and Decrease of Shares and Repurchase of Shares

Article 21 According to the operation and development needs of the Company, subject to the laws and regulations, the Company may increase the capital by the following ways upon approval of resolutions at the shareholders' meeting:

- (I) public issuance of shares;
- (II) non-public issuance of shares;
- (III) allotment of new shares or distribution of bonus shares to existing shareholders;
- (IV) the conversion of reserve funds into share capital;
- (V) other methods as stipulated by laws and administrative regulations, and approved by the securities regulatory authority of the place where the Company's shares are listed.

When the Company issues convertible corporate bonds, the issuance, conversion procedures and arrangements of the convertible corporate bonds, as well as the changes in the Company's share capital resulting from the conversion, shall be handled in accordance with the provisions of national laws, administrative regulations, departmental rules, and other documents, as well as the terms set forth in the Company's convertible corporate bond prospectus.

For the Company to increase capital by issuing new shares, after approval in accordance with the Articles of Association, the procedures stipulated by the relevant laws, administrative regulations, departmental rules, normative documents, and the listing rules of the stock exchanges where the Company's shares are listed shall be followed.

Article 22 The Company may reduce its registered capital. When reducing its registered capital, the Company shall follow the procedures stipulated by the Company Law, as well as other relevant regulations and the Articles of Association.

Article 23 The Company may, in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association, repurchase its own shares under the following circumstances:

- (I) reducing the Company's registered capital;
- (II) merging with other companies holding the Company's shares;

- (III) using the shares as an employee stock ownership plan or equity incentive plan;
- (IV) purchasing its shares from shareholders who have voted against the resolutions on the merger or division of the Company at a shareholders' meeting upon their request;
- (V) use of shares for conversion of convertible corporate bonds issued by the Company;
- (VI) necessary for the Company to maintain its value and protect the interests of the shareholders;
- (VII) other circumstances permitted by laws, administrative regulations, departmental rules, and regulatory rules of the place where the Company's shares are listed.

Except for the aforesaid circumstances, the Company shall not repurchase its own shares.

Article 24 Where the Company repurchases its shares, it shall be conducted through public and centralized trading or other methods recognized by laws, regulations, the CSRC and the stock exchanges where the Company's shares are listed. The repurchase shall also comply with applicable laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company's shares are listed.

Where the Company intends to repurchase its shares under the circumstances set out in items (III), (V) or (VI) of Article 23 of the Articles of Association, it shall be conducted through public and centralized trading, and shall also comply with the laws, administrative regulations, departmental rules, and relevant regulations of the securities regulatory authority of the place where the Company's shares are listed.

Article 25 Where the Company intends to repurchase its shares under the circumstances set out in items (I) or (II) of Article 23 of the Articles of Association, it shall be approved by a resolution at a shareholders' meeting. Where the Company intends to repurchase its shares under the circumstances set out in items (III), (V) or (VI) of Article 23 of the Articles of Association, it may, subject to compliance with the securities regulatory rules of the place where the Company's shares are listed, be approved by a resolution by at least two-thirds of the directors present in the board meeting.

When the Company repurchases its own shares, it shall fulfill the obligation of information disclosure in accordance with the provisions of the Securities Law, the regulations of the stock exchanges where the Company's shares are listed, and other securities regulatory rules.

After the Company has repurchased its own shares in accordance with Article 23 of the Articles of Association, the shares so repurchased under the circumstance set out in item (I) shall be canceled within ten days from the date of purchase; the shares so repurchased under the circumstances set out in items (II) or (IV) shall be transferred or canceled within six months; and the shares held in total by the Company after the repurchase under any of the circumstances set out in items (III), (V) or (VI) shall not exceed 10% of the Company's total issued shares, and such shares shall be transferred or canceled within three years.

Section 3 Transfer of Shares

Article 26 The Company's shares can be transferred according to the laws. All transfers of H Shares shall be effected by instruments of transfer in writing in a general or common form or in any other form acceptable to the board of directors, including the standard transfer form or form of transfer specified by the Hong Kong Stock Exchange from time to time. The instruments of transfer may be signed by hand only or (where the transferor or transferee is a corporation) stamped with the corporation's chop. If the transferor or transferee is a recognized clearing house as defined by the relevant provisions that come into effect from time to time according to the laws of Hong Kong (hereinafter referred to as the "recognized clearing house") or its nominee, the instruments of transfer may be signed by hand or in a machine imprinted format. All instruments of transfer shall be deposited with the legal address of the Company or such places as the board of directors may designate from time to time.

Article 27 The Company shall not accept its own shares as the subject of pledge.

Article 28 The shares issued by the Company before the public offering of A shares shall not be transferred within one year from the date of listing and trading of the Company's shares on the stock exchange. If laws, administrative regulations, or the State Council's securities regulatory authority has other provisions regarding the transfer of shares held by the Company's shareholders or actual controllers, those provisions shall prevail.

The directors, supervisors and senior management members of the Company shall notify the Company of their holdings of shares in the Company and the changes therein. The annual transfer of shares during the term of office as determined at the time of their assumption of office shall not exceed 25% of their total holdings of shares of the Company. The shares of the Company held by them shall not be transferred within one year from the date on which the Company's shares are listed for trading. The shares in the Company held by them shall not be transferred within half a year from their departure from the Company.

Where the listing rules of the place where the Company's shares are listed provide otherwise in respect of the restrictions on the transfer of shares, such rules shall prevail.

If the shares are pledged within the restricted transfer period stipulated by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted transfer period. Holding shares of the Company on behalf of others in violation of laws or administrative regulations is prohibited.

Article 29 When directors, supervisors and senior management members of the Company and shareholders holding more than 5% of the Company's shares sell their shares or other equity securities within six months from the acquisition of such shares, or purchase shares within six months from the disposal of such shares, the resulting gains are owned by the Company and the board of directors of the Company shall recover its resulting gains. However, the disposal of such shares by securities companies holding more than 5% of the shares as a result of underwriting the untaken shares in an offer, and other circumstances stipulated by the the State Council's securities regulatory authority are excluded.

The shares or other equity securities held by the directors, supervisors, senior management members and natural person shareholders referred to in the preceding paragraph shall include the shares or other equity securities held by their spouse, parents, children, and those held through the accounts of others.

Shareholders may require the board of directors to comply with the requirement set out in the first paragraph of this Article within 30 days if the board of directors fails to do so. In the event that the board of directors fails to rectify the situation within the said timeline, shareholders may file a legal action to the people's court in their own name for safeguarding the interests of the Company.

If the board of directors of the Company fails to comply with the first paragraph of this Article, relevant responsible directors shall bear joint liability pursuant to the laws.

CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Section 1 Shareholders

Article 30 The Company shall establish a register of shareholders based on the certificates provided by the securities registration authority and the register of shareholders is sufficient evidence to prove that the shareholders hold the shares of the Company. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

The Company shall enter into a share custody agreement with the securities depository and clearing institution, make regular inquiries about the information on major shareholders and the changes in shareholdings (including equity pledges) of major shareholders, and keep abreast of the Company's shareholding structure. Duplicates of the register of shareholders of H Shares shall be maintained at the Company's place of domicile. The appointed overseas agency shall ensure the consistency between the original and the duplicate of the register of shareholders of H Shares. The register of shareholders kept in Hong Kong shall be available for inspection by shareholders. However, the register of shareholders may be closed on terms equivalent to those set out in section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and requirements of regulatory rules of the stock exchanges where the Company's shares are listed.

Any shareholder registered in the register of shareholders or any person who requests that his/her name be registered in the register of shareholders may apply to the Company for a new share to be reissued for the share (the "Relevant Share") if his/her share (the "Original Share") is lost.

If a shareholder of overseas listed foreign shares loses his/her shares and applies for a reissue, the matter may be handled in accordance with the laws of the place where the original copy of the shareholder register of overseas listed foreign shares is kept, the rules of the securities exchange, or other relevant regulations.

Article 31 Where the Company convenes a shareholders' meeting, distributes dividends, liquidates and participates in other activities requiring the recognition of shareholders' identities, the board of directors or the convener of the shareholders' meeting shall decide the record date. The shareholders whose names appear on the register of shareholders at the close of trading on the record date are entitled to the relevant rights and interests.

Article 32 Shareholders of the Company enjoy the following rights:

- (I) to receive dividends and other forms of interest distributions in proportion to the shares they hold;
- (II) to file a petition of, to convene, hold and attend the shareholders' meetings either in person or by proxy and exercise their corresponding voting right according to laws;
- (III) to supervise, present suggestions on or make inquiries about the business operations of the Company;
- (IV) to transfer, donate or pledge their shares in accordance with laws, administrative regulations and the Articles of Association;
- (V) to inspect and copy the Articles of Association, register of shareholders, minutes of shareholders' meetings, resolutions of the board of directors' meetings, resolutions of the meetings of supervisory committee, financial and accounting reports; the shareholders who individually or collectively hold 3% or more of the Company's Shares for 180 consecutive days or more may inspect the accounting books and vouchers of the Company;
- (VI) to participate in the distribution of the remaining properties of the Company in proportion to their shareholdings in the event of the termination or liquidation of the Company;
- (VII) to request the Company to purchase their shares for the shareholders who object to the Company's resolution on merger or division made by the shareholders' meetings; and
- (VIII) to enjoy other rights stipulated by laws, administrative regulations, departmental rules, regulatory rules of the stock exchanges where the Company's shares are listed and the Articles of Association.

Article 33 Shareholders who wish to review and reproduce the information of the abovementioned items or request any information, should tender documentary evidence showing the category and the number of shares he is holding, the Company will provide the relevant information after confirming the shareholder status. If a shareholder of the Company requests for a review or reproduction of the relevant materials, the shareholder shall comply with the Securities Law of the People's Republic of China and other laws and administrative regulations.

A shareholder may request to inspect the Company's accounting books and vouchers by submitting a written request stating the purpose. If the Company has reasonable grounds to believe that the shareholder's request serves an improper purpose and may harm the legitimate interests of the Company and other shareholders, it may refuse the inspection. The Company must respond to the shareholder in writing within 15 days of receiving the written request, providing reasons for the refusal. If the inspection is denied, the shareholder may file a lawsuit with the People's Court.

Shareholders may appoint an intermediary agency, such as an accounting firm or a law firm, to inspect the accounting books and vouchers.

When a shareholder of the Company reviews and reproduces the relevant documents and materials of the Company, the shareholder shall not inspect the trade secrets of the Company and other documents that need to be kept confidential until entering into a confidential agreement with the Company. Shareholders and the accounting firms, law firms and other intermediary agencies they appointed shall comply with the requirements of laws and administrative regulations on the protection of state secrets, trade secrets, personal privacy and personal information and assume legal responsibility for the leakage of secrets.

If a shareholder requests to review or reproduce the relevant materials of the Company's wholly owned subsidiaries, the provisions of the preceding four paragraphs shall apply.

Article 34 Shareholders are entitled to request the people's court to invalidate the resolutions of a shareholders' meeting or board of directors' meeting which violates the laws and administrative regulations.

Where the convening procedure or voting method of a shareholders' meeting or board of directors' meeting contravenes the laws, administrative regulations or the Articles of Association, or the contents of the resolutions contravene the Articles of Association, shareholders shall have the right to request the people's court to cancel them within 60 days as of the date the resolutions are made, except where there are only minor defects in the convening procedures or voting methods of the shareholders' meeting or board of directors' meeting, which do not materially affect the resolutions.

Article 35 Where the Company incurs losses as a result of violation of the laws, administrative regulations or the Articles of Association by directors and senior management members in the course of performing their duties, the shareholders individually or jointly holding more than 1% of the shares of the Company for over 180 consecutive days shall have the rights to request the supervisory committee in writing to initiate legal proceedings in the people's court. Where the Company incurs losses as a result of violation of the laws, administrative regulations or the Articles of Association by the supervisory committee in the course of performing its duties, the aforesaid shareholders may request the board of directors in writing to initiate legal proceedings in the people's court.

In the event that the supervisory committee and the board of directors refuse to file an action upon receipt of the shareholders' written request specified in the preceding paragraph, or fail to file an action within 30 days upon receipt thereof, or in the event that the failure to immediately file an action in an emergency case will cause irreparable damage to the interests of our Company, the shareholders specified in the preceding paragraph may, in their own name, directly file an action to the people's court for the interest of our Company.

In the event of any other person infringes upon the legitimate rights and interests of our Company and causes losses thereto, the shareholders specified in paragraph 1 of this article may file an action with the people's court pursuant to the provisions of the preceding two paragraphs.

Where the Company incurs losses as a result of violation of the laws, administrative regulations, departmental rules or the Articles of Association by directors, supervisors and senior management members of a wholly-owned subsidiary of the Company in the course of performing their duties, or if the legitimate rights and interests of a wholly-owned subsidiary of the Company are impaired by any other person, thus causing any losses, the shareholders individually or jointly holding more than 1% of the shares of the Company for over 180 consecutive days may request the supervisory committee or the board of directors of the wholly-owned subsidiary in writing to initiate legal proceedings in the people's court or directly files an action with the people's court in their own name pursuant to the provisions of the preceding three paragraphs.

Article 36 In the event that a director or a senior management member violates laws, administrative regulations or the Articles of Association, thus causing damage to the interests of shareholders, the shareholders may file an action with the people's court.

Article 37 A shareholder of the Company shall undertake the following obligations:

- (I) to comply with the laws, administrative regulations and the Articles of Association;
- (II) pay equity capital according to his/her shares subscribed and the method of equity capital injection;
- (III) not to withdraw equity shares unless provided by laws and regulations;
- (IV) not to abuse the rights of a shareholder to prejudice the interests of the Company or other shareholders; not to abuse the Company's independent status of legal person and shareholders' limited liability to prejudice the interests of the Company's creditors;

In the event that a shareholders abuses his/her rights, thus causing losses to the Company or other shareholders, he/she shall be liable for compensation in accordance with the laws;

In the event that a shareholder of the Company abuses the Company's independent status of legal person and shareholders' limited liability to evade debts, thus seriously prejudicing the interests of the Company's creditors, he/she shall be jointly and severally liable for the Company's debt;

- (V) Other obligations as stipulated in the laws, administrative regulations and the Articles of Association.

Article 38 The shareholders holding more than 5% of the Company's voting rights shall, in the event of a pledge of the shares held by them, report to the Company in writing on the date of such event.

Article 39 The controlling shareholders and actual controllers of the Company shall not take advantage of their associated relationship to damage the Company's interests. Any loss caused to the Company as a result of such violation shall be compensated.

The controlling shareholders and actual controllers of the Company are obliged to act in good faith to the Company and other public shareholders. The controlling shareholders shall exercise their rights as capital contributors in strict accordance with the laws and shall not impair the lawful rights and interests of the Company and other public shareholders by means of the distribution of profits, reorganization of assets, external investment, fund occupation, loan guarantees, nor shall they make use of their controlling position to impair the interests of the Company and other public shareholders.

Section 2 General Provisions for Shareholders' Meetings

Article 40 The shareholders' meeting is the organ of authority of the Company, which exercises the following powers in accordance with the laws:

- (I) to elect or replace the directors and supervisors (other than the employee representatives) and to decide on matters relating to the remuneration of directors and supervisors;
- (II) to examine and approve reports of the board of directors;
- (III) to examine and approve reports of the supervisory committee;
- (IV) to examine and approve the Company's profit distribution plans and loss recovery Plans;
- (V) to make resolutions on any increase or decrease of the Company's registered capital;
- (VI) to make resolutions on the issue of corporate bonds by the Company;
- (VII) to make resolutions on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;
- (VIII) to amend the Articles of Association;
- (IX) to make resolutions on the appointment and dismissal of accounting firms by the Company;
- (X) to examine and approve the provision of guarantees stipulated in Article 41 of the Articles of Association;
- (XI) to examine matters relating to the purchases and disposals of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;
- (XII) to examine and approve matters relating to changes in the use of proceeds;
- (XIII) to examine and approve the equity incentive plans and employee stock ownership plans;
- (XIV) to examine other matters as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, which shall be decided by the shareholders' meeting.

The powers of the aforementioned shareholders' meeting shall not be exercised by the board of directors or other institutions and individuals through authorization.

The shareholders' meeting may authorize the board of directors to make resolutions regarding the issuance of corporate bonds.

Article 41 The following provision of guarantees to third parties by the Company are subject to the consideration and approval by the shareholders' meeting:

- (I) a single guarantee that exceeds 10% of the Company's latest audited net assets;
- (II) any guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlled subsidiaries has exceeded 50% of the Company's latest audited net assets;
- (III) any guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlled subsidiaries has exceeded 30% of the Company's latest audited total assets;
- (IV) any guarantee provided to a party with an asset-liability ratio of over 70%;
- (V) in accordance with the principle of cumulative calculation of guarantee amounts over a continuous 12-month period, the amount of guarantee has exceeded 30% of the Company's latest audited total assets;
- (VI) the guarantee to be provided to shareholders, actual controllers and their related parties;
- (VII) other circumstances that require approval by the shareholders' meeting as stipulated by the CSRC and the Stock Exchanges (based on the stock exchanges where the Company is approved for public issuance of shares and listing).

For guarantee matters within the authority of the board of directors, in addition to being passed by more than half of all directors, they should also be agreed upon by more than two-thirds of the directors attending the board meeting. Guarantees mentioned in the preceding item (V) should be passed by more than two-thirds of the voting rights held by shareholders attending the meeting.

When the shareholders' meeting deliberates on guarantee proposals provided for shareholders, actual controllers, and their related parties, such shareholders or shareholders under the control of the actual controller shall not participate in the vote on that item, and the vote must be passed by more than half of the voting rights held by other shareholders attending the meeting.

Article 42 The accountability mechanism for violation of the abovementioned approval authority and review procedures shall be implemented in accordance with the Company's management system on external guarantees and relevant laws and regulations. The following major transactions of the Company are subject to consideration and approval at the shareholders' meeting:

- (I) the total amount of assets involved in the transaction accounts for more than 50% of the Company's latest audited total assets, and where both book value and appraised value of the total amount of assets involved in the transaction are available, the higher of the two values shall be used for calculation;
- (II) the concluded transaction amount (including liabilities and expenses incurred) accounts for more than 50% of the latest audited net assets of the Company, and exceeds RMB50 million in absolute amount;
- (III) the profit generated from the transaction accounts for more than 50% of the audited net profit of the Company in the latest accounting year, and exceeds RMB5 million in absolute amount;
- (IV) the operating revenue related to the subject of the transaction (e.g. equity interest) in the latest accounting year accounts for more than 50% of the audited operating revenue of the Company in the latest accounting year and exceeds RMB50 million in absolute amount;
- (V) the net profit related to the subject of the transaction (e.g. equity interest) in the latest accounting year accounts for more than 50% of the audited net profit of the Company in the latest accounting year, and exceeds RMB5 million in absolute amount.
- (VI) The net assets (where both book value and appraised value are available, whichever is higher) related to the subject of the transaction (e.g. equity interest) accounts for more than 50% of the latest audited net assets of the listed company, and exceeds RMB50 million in absolute amount.

If the data involved in the calculation of the above indicators is negative, the absolute value shall be taken for calculation.

Article 43 Shareholders' meetings are divided into annual meetings and extraordinary meetings. The annual shareholders' meeting is convened once every year and shall be held within six months after the end of the previous accounting year.

The Company shall convene an extraordinary shareholders' meeting within two months from the date of the occurrence of any of the following circumstances:

- (I) where the number of directors is less than the minimum number stipulated by the Company Law or less than two-thirds of the number prescribed in the Articles of Association;
- (II) where the uncovered losses of the Company reach one-third of its paid-in share capital;
- (III) where it is requested by a shareholder individually or shareholders collectively holding more than 10% of the Company's shares;
- (IV) the board of directors considers it necessary;
- (V) the supervisory committee proposes that such a meeting shall be held;

- (VI) other circumstances conferred by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If an extraordinary shareholders' meeting is convened in accordance with the securities regulatory rules of the place where the Company's shares are listed, the actual convening date of the extraordinary shareholders' meeting may be adjusted based on the approval progress of the stock exchanges where the Company's shares are listed.

Article 44 The venue for the shareholders' meetings of the Company shall be the Company's conference room or other locations notified.

The shareholders' meetings shall be provided with a venue and held in the form of onsite meeting. Once the notice of a shareholders' meeting is issued, the venue of the onsite shareholders' meeting shall not be changed without proper reasons. If it is indeed necessary to change, the convener shall announce and explain the reasons at least two trading days before the onsite meeting is held. In addition, the Company shall provide facilities that allow shareholders to attend the meeting and vote via the internet. Shareholders participating in the shareholders' meeting by the above means shall be deemed to be present at such meeting.

If the shareholders' meeting of the Company is held via electronic communication means, the detailed participation methods shall be specified in the notice of the shareholders' meeting. Shareholders participating in the shareholders' meeting through electronic communication means shall be deemed to be present at such meeting.

Article 45 When convening a shareholders' meeting, the Company shall engage lawyers to provide legal opinions and make announcements on the following issues:

- (I) whether the procedures of convening and holding the meeting comply with the laws, administrative regulations and the Articles of Association;
- (II) whether the qualifications of attendees and convener are legal and valid;
- (III) whether the procedure and result of voting are legal and valid;
- (IV) legal opinions on other matters as requested by the Company.

Section 3 Convening of Shareholders' Meetings

Article 46 Independent directors shall have the right to propose to the board of directors to convene extraordinary shareholders' meetings. When an independent director proposes to convene an extraordinary shareholders' meeting, the board of directors shall issue written feedback on consent or non-consent to the convening of the extraordinary shareholders' meeting within 10 days from the receipt of the proposal according to the laws, administrative regulations and the Articles of Association.

If the board of directors gives consent to convene an extraordinary shareholders' meeting, it shall, within five days from the passing of the board of directors resolution, issue a notice on convening the extraordinary shareholders' meeting. If the board of directors does not give consent to convene an extraordinary shareholders' meeting, the board of directors shall state the reason and issue an announcement.

Article 47 The supervisory committee shall have the right to propose the convening of extraordinary shareholders' meetings and submit such proposal in writing to the board of directors. In accordance with the laws, administrative regulations and the Articles of Association, the board of directors shall issue written feedback on consent or non-consent to the convening of the extraordinary shareholders' meetings within 10 days from the receipt of the proposal.

If the board of directors gives consent to convene an extraordinary shareholders' meeting, it shall, within five days from the passing of the board of directors resolution, issue a notice on convening the extraordinary shareholders' meeting. Any changes to the original proposal in the notice shall obtain the consent of the supervisory committee.

If the board of directors does not give consent to convene an extraordinary shareholders' meeting or does not issue feedback within 10 days from the receipt of the proposal, the board of directors shall be deemed as unable to perform or failed to perform the duties of convening an extraordinary shareholders' meeting. In such cases, the supervisory committee may proceed to convene and chair the extraordinary shareholders' meeting on its own.

Article 48 Shareholders that, either individually or jointly, hold over 10% of shares of the Company have the right to propose to the board of directors for the convening of an extraordinary shareholders' meeting, and such proposal shall be made in writing to the board of directors. In accordance with laws, administrative regulations, and the Articles of Association, the board of directors shall issue a written feedback to state if it agree to convene the extraordinary shareholders' meeting within 10 days from the receipt of the proposal.

In event that the board of directors agrees to convene such extraordinary shareholders' meeting, a notice of the meeting shall be provided within five days of such resolution by the board of directors. Alterations to the original proposals for the meeting stated in the notice shall be approved by the relevant shareholders.

In the event that the board of directors disagrees with the convening of such extraordinary shareholders' meeting or fails to provide any feedback within 10 days after receiving the proposal, shareholders that, either individually or jointly, hold over 10% of shares of the Company have the right to propose to the supervisory committee for the convening of the extraordinary shareholders' meeting, and such proposal shall be made in writing to the supervisory committee.

In event that the supervisory committee agrees to convene an extraordinary shareholders' meeting, a notice of the meeting shall be issued within five days of receipt of such request. Alterations to the original proposals in the notice shall be approved by the relevant shareholders.

In event that the supervisory committee does not provide a notice of the shareholders' meeting within the specified timeframe, the supervisory committee shall be considered to be unwilling to convene and preside over the meeting. The shareholders that, either individually or jointly, hold over 10% of shares of the Company for a period of 90 consecutive days or more may convene and preside over the shareholders' meeting on their own.

Article 49 Where the supervisory committee or shareholders decide to convene a shareholders' meeting on its/their own, it/they shall notify the board of directors in writing and file with the SSE.

The shareholders who convene the shareholders' meeting shall hold no less than 10% shares of the Company prior to the announcement of the resolutions of such meeting.

The supervisory committee or the shareholders who convene the meeting shall also submit relevant evidential documents to the SSE when issuing the notice of the shareholders' meeting or announcement of resolutions of the shareholders' meeting.

Article 50 The board of directors and the secretary to the board of directors shall cooperate with the shareholders' meetings convened by the supervisory committee or shareholders. The board of directors shall provide the register of shareholders as at the date of record.

Article 51 The necessary expenses for the shareholders' meetings convened by the supervisory committee or shareholders on their own shall be borne by the Company.

Section 4 Proposals and Notices of Shareholders' Meetings

Article 52 Proposals raised in such meeting shall fall within the scope of the shareholders' meeting's authority, have concrete content and specific matters for resolution, and shall comply with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the relevant provisions of the Articles of Association.

Article 53 When the Company convenes the shareholders' meeting, the board of directors, the supervisory committee and shareholders who individually or jointly hold more than 1% of the shares of the Company shall have the right to put forward proposals to the Company.

Shareholders who individually or collectively hold more than 1% of the shares of the Company may submit an interim proposal in writing to the convener 10 days prior to the convening of the shareholders' meeting. The interim proposal shall have concrete content and specific matters for resolution. The convener shall issue a supplementary notice of the shareholders' meeting within 2 days after receiving the proposal, and announce the content of the interim proposal. However, this does not apply if the interim proposal violates the provisions of laws, administrative regulations, or the Company's Articles of Association, or if it is not within the scope of the shareholders' meeting's authority.

Save as specified in the previous provision, the convener shall neither revise the proposals set out in the notice of shareholders' meeting nor add new proposals after issuing the notice of shareholders' meeting.

The shareholders' meeting shall not have voting or pass resolutions on proposals not set out in the notice of the shareholders' meeting or not in conformity with Article 52 of the Articles of Association.

Article 54 The convener shall notify all shareholders in writing, including issue of an announcement, 21 days prior to the convening of the annual meeting, and each shareholder shall be notified in writing, including issue of an announcement, 15 days prior to the convening of the extraordinary meeting.

For such period, the Company shall exclude the meeting day.

Article 55 The notice of a shareholders' meeting shall include the following:

- (I) the time, place, format and duration of the meeting;
- (II) matters and proposals submitted to the meeting for consideration;
- (III) in plain language: all shareholders have the right to attend the shareholders' meeting, and may entrust a proxy in writing to attend the meeting and vote. Such proxy does not need to be a shareholder of the Company;
- (IV) the shareholding record date of the shareholders entitled to attend the meeting;
- (V) voting time and voting procedures via the Internet or otherwise;
- (VI) name and telephone number of the permanent contact for conference affairs;
- (VII) other contents conferred by the laws, administrative regulations, departmental rules, the rules of the stock exchanges where the Company's shares are listed and the Articles of Association.

The notice and supplementary notice of the shareholders' meeting shall fully and completely disclose all the specific content of all proposals. Where an independent director is required to express opinions on matters to be discussed, the opinions and reasons of the independent directors shall be disclosed at the same time when the notice of shareholders' meeting and the supplementary notice are issued.

The online voting for the shareholders' meeting shall start no earlier than 3:00 p.m. on the day before and no later than 9:30 a.m. on the day of the convening of the physical shareholders' meeting, and shall end no earlier than 3:00 p.m. on the day of the conclusion of the physical shareholders' meeting.

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

Article 56 Where the election of directors and supervisors is to be discussed at a shareholders' meeting, the notice of the shareholders' meeting shall fully disclose the particulars of the candidates, which at least shall include the following:

- (I) personal particulars such as educational background, working experience and part-time jobs;
- (II) whether there is any related relationship with the Company or the controlling shareholder and the actual controller of the Company;

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

(IV) whether or not they have been subject to penalties imposed by the CSRC and other relevant authorities or any disciplinary action taken by any stock exchange.

Save in the case of the election of directors and supervisors on a cumulative voting basis, a separate resolution shall be proposed for each of the candidates for election as director or supervisor.

Article 57 After the notice of the shareholders' meeting is issued, such meeting shall not be adjourned or canceled and the proposals set out in the notice shall not be canceled without grounded reasons. Once the shareholders' meeting is adjourned or canceled, the convener shall issue a public announcement and explain the reasons at least two working days before the original holding date. If the securities regulatory rules of the place where the shares of the Company are listed stipulate otherwise in respect of the adjournment or cancellation of the shareholders' meeting, such provisions shall prevail on the premise of not violating the regulatory requirements of the place of incorporation of the Company.

Section 5 Holding of Shareholders' Meetings

Article 58 The board of directors and other conveners of the Company shall take necessary measures to ensure that the shareholders' meeting is held properly. They shall take measures to prevent the shareholders' meeting from any interference, disturbance and violation of the legitimate rights and interests of the shareholders and report timely to relevant authorities for investigation.

Article 59 All shareholders registered on the record date or their proxies shall be entitled to attend the shareholders' meeting, and to speak and exercise their voting rights therein in accordance with the relevant laws, regulations and the Articles of Association.

A shareholder may attend and vote at the shareholders' meeting in person or by proxy. Any shareholder who is entitled to attend and vote at a shareholders' meeting has the right to appoint one or more persons (who may not be shareholders) as his/her proxy to attend and vote on his or her behalf.

Article 60 Individual shareholders attending the meeting in person shall present their personal identity cards or other valid certificates or proof that can indicate their identity, as well as their stock account card. Proxies attending the meeting shall present their personal identity cards and the power of attorney from the shareholder.

Corporate shareholders shall be represented by its legal representative or proxies authorized by the legal representative. Legal representatives attending the meeting shall present their personal identity cards or valid documents that can prove its identity as the legal representative. Proxies authorized to attend the meeting shall present their personal identity cards or the written power of attorney legally issued by the legal representative of the legal person shareholder, except for shareholders who are a recognized clearing house as defined in the relevant ordinances in force from time to time under the laws of Hong Kong or the securities regulatory rules of the place where the shares of the Company are listed or its proxy.

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

If the shareholder is a recognized clearing house, the recognized clearing house may authorize one or more persons it deems fit to act as its proxy or representative at any meeting or any meeting of creditors; however, if two or more persons are authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized. A person so authorized may act on behalf of the recognized clearing house or its proxy as if such person were an individual shareholder of the Company.

Article 61 The power of attorney issued by a shareholder to appoint another person to attend a shareholder's meeting shall contain the following particulars:

- (I) name of the proxy;
- (II) whether the proxy has any voting rights;
- (III) instructions to vote for, against or abstain from voting on each matter to be considered that are included on the agenda of the shareholders' meeting, respectively;
- (IV) date of issuance and date of expiry of the power of attorney;
- (V) signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the corporate shall be affixed.

Article 62 The power of attorney shall state whether the proxy may vote as he/she wishes if the shareholder does not give specific instructions.

Article 63 If the power of attorney for voting by proxy is signed by another person authorized by the principal, the power of attorney or other document authorizing the signature shall be notarized. The notarized power of attorney or other authorizing document, together with the instrument appointing the voting proxy, shall be deposited at the domicile of the Company or at such other place as specified in the notice of the meeting. The power of attorney for voting should be available at the company's registered office or other place specified in the notice of convening the meeting at least before the relevant meeting for which the authorization is given or before the designated voting time.

If the principal is a legal person, its legal representative or a person authorized by its board of directors or other decision-making bodies shall attend the Company's shareholder's meeting as a representative.

Article 64 The register of the persons attending the meeting shall be prepared by the Company. The register shall state the names (or names of the corporations), identity card numbers and residential addresses of the attendees, the number of voting shares held or represented by the attendees, and the names (or names of the corporations) of the principal.

Article 65 The convener and the lawyers engaged by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of members provided by the securities registration and settlement institutions, and shall register the names of the shareholders and the number of their voting shares. The registration for a meeting shall be completed before the chairperson of the meeting announces the number of shareholders and proxies attending the meeting in person and the total number of voting shares held by them.

Article 66 When the shareholder' meeting is held, all directors, supervisors and the secretary to the board of directors of the Company shall attend the meeting, and the manager and other senior management members shall attend the meeting as non-voting participants. Subject to compliance with the securities regulatory rules of the place where the shares of the Company are listed, the aforementioned persons may attend the meeting or attend such meeting as non-voting participants through the internet, video, telephone or other means with equivalent effect.

Article 67 A shareholders' meeting shall be presided over by the chairman of the board of directors. If the chairman is unable to or does not perform his/her duties, the deputy chairman shall preside over the meeting. If the deputy chairman is unable to or does not perform his/her duties, a director jointly elected by more than half of the directors shall preside over the meeting.

A shareholders' meeting convened by the supervisory committee shall be presided over by the chairman of the supervisory committee. If the chairman of the supervisory committee is unable to or does not perform his/her duties, such meeting shall be presided over by a supervisor jointly elected by more than half of the supervisors.

A shareholders' meeting convened by shareholders shall be presided over by a representative nominated by the convener.

Where a shareholders' meeting is held and the chairperson of the meeting violates the rules of procedure and makes the meeting unable to proceed, with the consent of more than half of the shareholders present at the meeting with voting rights, the shareholders' meeting may elect a person to serve as the chairperson of the meeting and continue the meeting.

Article 68 The Company shall formulate rules of procedure for shareholders' meetings which shall specify the convening and voting procedure of shareholders' meetings, including notification, registration, reviewing of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing, public announcements as well as principles of authorization to the board of directors by the shareholders' meeting. The content of authorization shall be clear and specific. The rules of procedures for shareholders' meetings shall be stipulated by the board of directors as an appendix to the Articles of Association and approved by the shareholders' meeting.

Article 69 The board of directors and the supervisory committee shall report their work for the past year at the annual general meeting. Each independent director shall also make his/her work report which shall be disclosed no later than when the listed company gives notice of the annual general meeting.

Article 70 The directors, supervisors and senior management members shall answer and analyze inquiries and proposals made by shareholders at the shareholders' meeting.

Article 71 The chairperson of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting in person as well as the total number of voting shares, which shall be the number of shareholders and proxies attending the meeting in person and the total number of their voting shares as indicated in the meeting's registration record.

Article 72 Minutes of the shareholders' meetings shall be kept by the secretary to the board of directors. The minutes shall state the following contents:

- (I) time, venue and agenda of the meeting and name of the convener;
- (II) the name of the chairperson of the meeting and the names of the directors, supervisors, general managers and other senior management members attending the meeting or attending such meeting as non-voting participants;
- (III) the number of shareholders and proxies attending the meeting, the total number of voting shares held by them and the proportion to the total number of shares of the Company;
- (IV) the consideration and review process, key points of speech on and voting results of each proposal;
- (V) shareholders' inquiries or suggestions and corresponding replies or explanation;
- (VI) names of attorneys, vote counters and scrutineers;
- (VII) other content required by the Articles of Association to be included in the meeting minutes.

Article 73 The convener shall guarantee the authenticity, accuracy and integrity of the content of the meeting minutes. The directors, supervisors, the secretary to the board of directors, convener or their representatives who attend the meeting, and the chairperson of the meeting shall sign the meeting minutes. The meeting minutes shall be kept together with the signature book of the attending shareholders, the power of attorney of the proxies, and the valid information on voting via internet or by other means for a period of not less than ten years.

Article 74 The convener of the meeting shall ensure that the shareholders' meeting is held continuously until final resolutions have been reached. In the event that the shareholders' meeting is suspended or the shareholders fail to reach any resolution due to force majeure or for other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or the meeting shall be terminated directly and an announcement shall be published timely. Meanwhile, the convener shall report the same to the local office of the CSRC and the stock exchange in the place where the Company is located.

Section 6 Voting and Resolutions of Shareholders' meetings

Article 75 Resolutions at shareholders' meeting can be classified into ordinary resolutions and special resolutions.

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

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

Article 76 The following matters shall be passed as ordinary resolutions at the shareholders' meeting:

- (I) work reports of the board of directors and the supervisory committee;
- (II) plans for the distribution of profits and for recovery of losses proposed by the board of directors;
- (III) the election and removal of the members of the board of directors and the supervisory committee and their remuneration and payment method;
- (IV) the annual report of the Company;
- (V) any other matters other than those shall be passed as special resolutions as required by laws, administrative regulations, regulatory rules of the stock exchanges where the Company's shares are listed, or the Articles of Association.

Article 77 The following matters shall be passed as special resolutions in a shareholders' general meeting:

- (I) the increase or reduction of the registered capital of the Company;
- (II) the merger, division, change of company form, spin-off, dissolution and liquidation of the Company;
- (III) any amendment to the Articles of Association;
- (IV) the purchase or sale of significant assets or the provision of guarantee to others within a year, where the amount exceeds 30% of the Company's audited total assets for the latest period;
- (V) share option incentive plan;
- (VI) change the form of the company;
- (VII) adjust or change the profit distribution policy determined by the Articles of Association;

(VIII) any other matters stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association of the Company, which have a significant impact on the Company if to be passed as an ordinary resolution of a shareholders' meeting and which are necessary to be passed as a special resolution.

Article 78 Shareholders, including proxies thereof, shall exercise voting rights according to the number of shares with voting rights held by them, and each share shall be entitled to one vote. Where permitted by the applicable securities regulatory rules of the place where the shares are listed, shareholders (including shareholder proxy) with two or more votes are not required to cast all their votes as affirmative, negative or abstention votes.

Where material issues affecting the interests of minority shareholders are considered at the shareholders' meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The shares held by the Company shall have no voting right, and shall not be included in the total number of shares with voting rights of shareholders present at the shareholders' meeting.

If any shareholder is required to abstain from voting on any particular resolution or is restricted to voting only for or only against any particular resolution under applicable laws and regulations and Hong Kong Listing Rules, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted in the total number of voting shares.

If a shareholder purchases shares with voting rights of the Company in violation of the provisions of Clause 1 and Clause 2 of Article 63 of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the shareholders' meeting for thirty-six months after the purchase.

The board of directors, independent directors and shareholders who hold more than one percent of voting shares of the Company or investors protection institutes established in accordance with laws, administrative regulations or the requirements of the CSRC may, as the soliciting parties, personally or authorize securities company or securities service agency to publicly request the Company's shareholders to authorize them to attend the shareholders' meeting and exercise the shareholders' rights such as right of making motions and voting rights on behalf of such shareholders. Where shareholders' rights are collected in accordance with the provisions of the preceding paragraph, the collector shall disclose the collection documents and the Company shall cooperate. Information including the specific voting intention shall be fully disclosed to the shareholders from whom voting rights are being collected. Consideration or de facto consideration for collecting shareholders' voting rights is prohibited. Except for statutory conditions, the Company shall not impose any minimum shareholding limitation for collecting voting rights.

Any open solicitation of rights from shareholders in violation of laws, administrative regulations or relevant requirements specified by CSRC which results in losses of the Company or its shareholders shall be liable for compensation in accordance with laws.

Article 79 When the shareholders' meeting discusses matters related to related party transactions, the related shareholders may attend the meeting and can, in accordance with the meeting procedures, explain their views to the attending shareholders, but they should not participate in the voting. The number of shares they represent with voting rights is not counted in the valid total votes; the announcement of the shareholders' meeting resolution shall fully disclose the voting situation of the non-related shareholders.

The chairperson of the meeting shall, before any proposal on related party transactions is considered at the shareholders' meeting, inform related shareholders that they are not entitled to vote on the proposal, and announce the number of attending shareholders and proxies other than related shareholders and the total number of their voting shares.

The related shareholders shall take the initiative to abstain from voting. If he/she fails to do so, other shareholders may request him/her to abstain from voting.

The votes cast by any related shareholder on related party transactions in violation of this article shall be invalid.

Resolution at a shareholders' meeting on a related party transaction shall be passed by more than half of the voting rights held by the non-related shareholders attending the shareholders' meeting. However, in case of the related party transaction that involves any of the matters specified in Article 77 of the Articles of Association, such resolution at a shareholders' meeting shall be passed by more than two-thirds of the voting rights held by non-related shareholders attending the shareholders' meeting.

Article 80 Unless the Company is in a crisis or under other special circumstances, the Company shall not enter into any contract with any person other than directors, general manager and other senior management members pursuant to which all or a substantial part of the business of the Company will be given to such person without the approval by special resolutions at a shareholders' meeting.

Article 81 The list of candidates for directors and supervisors shall be proposed to the shareholders' meeting for voting.

Apart from directors and supervisors elected through the cumulative voting system, each candidate of director or supervisor shall be individually proposed. The board of directors shall state the biographical details and basic particulars of the candidates to the shareholders.

- (I) when a re-election of the board of directors or an addition or replacement of director for the incumbent board of directors takes place, the incumbent board of directors and shareholders individually or collectively holding 3% or more of shares of the Company may nominate candidates based on the number of persons to be elected as director for the next session of the board of directors or additional candidates as director;
- (II) when a re-election of the supervisory committee or an addition or replacement of supervisor for the incumbent supervisory committee takes place, the incumbent supervisory committee and shareholders individually or collectively holding 3% or more of shares of the Company may nominate candidates based on the number of persons to be elected as supervisor for the next session of the supervisory committee or additional candidates as supervisor who are not staff representatives;

- (III) Candidates to be elected as director or supervisor nominated by shareholders shall be subject to qualification review by the incumbent board of directors and then proposed to the shareholders' meeting for election upon approval.

Article 82 When voting at the shareholders' meeting for the election of directors and supervisors, cumulative voting system may be implemented if more than one director or supervisor is to be elected. When a single shareholder of the Company and its persons acting in concert holds more than 30% of the shares, the cumulative voting system shall be adopted.

The cumulative voting system mentioned in the preceding paragraph means that when directors or supervisors are being elected at a shareholders' meeting, each share has the number of votes same as the number of directors or supervisors to be elected, and the shareholders' votes may be used in a concentrated manner.

The principles below shall be followed for voting at a shareholders' meeting under the cumulative voting system:

- (I) the number of candidates for the directors or supervisors may be greater than that of the directors or supervisors to be elected at the shareholders' meeting, but the number of candidates to be voted by each shareholder shall not exceed the number of directors or supervisors to be elected at the shareholders' meeting, and the total number of votes allocated to a shareholder shall not exceed the number of votes which he/she is entitled; otherwise, his/her votes shall be invalid;
- (II) voting for independent directors and non-independent directors shall be carried out separately. For the election of independent directors, the number of votes each shareholder is entitled to shall be equal to the number of shares held by the shareholder multiplied by the number of independent directors to be elected, and such votes must be cast only for the candidates for the Company's independent directors; for the election of non-independent directors, the number of votes each shareholder is entitled to shall be equal to the number of shares held by the shareholder multiplied by the number of non-independent directors to be elected, and such votes must be cast only for the candidates for the Company's non-independent directors;
- (III) the candidates to be finally elected as directors or supervisors shall be determined according to the numbers of votes they have received, but the minimum number of votes each candidate elected has received must exceed half of the total number of shares held by shareholders (including proxies thereof) attending the shareholders' meeting. If the number of directors or supervisors elected falls short of the number of directors or supervisors to be elected at the shareholders' meeting, a new round of voting shall be carried out for the candidates for directors or supervisors not having received the required number of votes to fill the shortfall. If the shortfall is still not eliminated, a by-election shall be conducted at the next shareholders' meeting of the Company. If two or more candidates for directors or supervisors have the same number of votes, but not all of them can be elected according to the election quota, a separate round of voting shall be conducted for such candidates with the same number of votes.

Article 83 In addition to the cumulative voting system, the shareholders' meeting shall vote on all proposals one by one; in the event that there are several proposals for the same issue, such proposals shall be voted on and resolved in order of the time at which they have been submitted. Unless the shareholders' meeting is terminated or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be set aside nor withheld at the shareholders' meeting.

Article 84 No amendment shall be made to a proposal when it is considered at a shareholders' meeting; otherwise, the relevant amendment shall be deemed a new proposal and shall not be voted on at the shareholders' meeting.

Article 85 Each voting right shall be exercised either at the meeting, online, or by any of other available means. The first vote shall prevail in cases when a given voting right is exercised repeatedly.

Article 86 Voting shall be conducted by open ballot at a shareholders' meeting.

Article 87 When proposals are voted on at the shareholders' meeting, two shareholder representatives shall be appointed to participate in vote counting and scrutinizing. Where any shareholder has interests in any matter considered, the said shareholder or proxy thereof shall not participate in vote counting and scrutinizing.

When proposals are voted on at the shareholders' meeting, the lawyer, shareholder representative and supervisor representative shall count and scrutinize the votes jointly and announce the voting results on the scene. Such voting results shall be recorded in the meeting minutes.

Shareholders or proxies thereof voting online shall have the right to check their voting results via the corresponding voting system.

Article 88 An on-site shareholders' meeting shall not conclude earlier than that held online or by other means, and the chairperson of the meeting shall be responsible for announcing whether a proposal is passed or not at the shareholders' meeting according to the voting results of each proposal.

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

Article 89 A shareholder attending a shareholders' meeting shall express one of the following opinions on any proposal to be voted on: for, against or abstention, save for the circumstance under which the securities registration and clearing institution, acting as the nominal holder of shares under the Mainland-Hong Kong Stock Connect, makes a declaration according to the intentions of the de facto holders.

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

Article 90 If the chairperson of the meeting has any doubt as to the results of a resolution which has been put to vote, he/she may have the votes counted. If the chairperson of the meeting has not counted the votes, any shareholder who is present in person or by proxy and who objects to the results announced by the chairperson may, immediately after the declaration of the results, demand that the votes be counted and the chairperson shall have the votes counted immediately.

Article 91 Resolutions of the shareholders' meeting shall be announced in due time. The announcement shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the voting method, the voting results for every proposal and the details of each of the resolutions passed.

Article 92 Where a proposal has not been passed or any resolutions of the preceding shareholders' meeting have been changed at the current shareholders' meeting, special mention shall be made in the announcement of the resolutions of the shareholders' meeting.

Article 93 If the shareholders' meeting passes a proposal concerning the election of a director or supervisor, the newly appointed director and supervisor shall take office on the date as specified in the resolution of the shareholders' meeting; if the appointment time of the new director and supervisor is not specified in the resolution of the shareholders' meeting, the newly appointed director and supervisor shall take office on the date when the resolution of the shareholders' meeting is passed.

Article 94 Where a proposal in relation to the payment of cash dividends, the issue of bonus shares or the capitalisation of capital reserves has been passed at a shareholders' meeting, the Company shall implement the specific plans within two months after the conclusion of the shareholders' meeting. If the specific plan cannot be implemented within two months due to the provisions of laws and regulations and the securities regulatory rules of the place where the shares of the Company are listed, the implementation date may be adjusted accordingly in accordance with relevant regulations and the actual situation.

CHAPTER 5 BOARD OF DIRECTORS

Section 1 Directors

Article 95 Directors may include executive directors, non-executive directors and independent directors (the term "independent director" has the same meaning as "independent non-executive director" in the Hong Kong Listing Rules). Non-executive directors refer to directors who do not hold management positions in the Company. Independent director refers to a person who meets the regulatory requirements of the stock exchanges where the Company's shares are listed. Directors of the Company shall be natural persons who shall possess the qualifications as required by laws, administrative regulations and rules. A person who falls into any of the following circumstances shall not serve as a director of the Company:

- (I) persons without civil conduct capacity or with limited civil conduct capacity;
- (II) persons who were sentenced for crimes of corruption, bribery, encroachment or embezzlement of property or disruption of the socialist economic order, or persons who were deprived of their political rights for committing a crime, in each case where five years have not lapsed following the serving of the sentence, or in case of a suspended sentence, not more than two years have elapsed since the date of expiration of the probationary period;

- (III) persons who acted as directors, or factory managers or managers of bankrupt or liquidated companies or enterprises who bear personal liability for the bankruptcy or liquidation of such companies or enterprises, where three years have not lapsed following the date of completion of such bankruptcy or liquidation;
- (IV) persons who were legal representatives of a company or enterprise, which had its business license revoked due to a violation of the law and were ordered to close down, and who bear personal liability for the revocation or close down, where less than three years have elapsed since the date of the revocation of business license and the order to close down such company or enterprise;
- (V) persons who have been listed by the People's Court as defaulter because they have incurred a substantial debts that have not been settled by the due date;
- (VI) persons who have been banned from the market by the CSRC by prohibiting him/her from serving as a director, supervisor or senior management member of any listed company for a period which has not yet expired;
- (VII) persons who are publicly deemed by a stock exchange as unsuitable to serve as a director, supervisor and senior management member of a listed company for a period which has not yet expired;
- (VIII) other requirements stipulated in the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed.

If any director is elected or appointed in violation of the provisions of this article, such election, appointment or employment shall be null and void. The Company shall dismiss a director from office if the circumstances of this article arise during his or her term of office.

Article 96 The Company's board of directors does not have any directors who are representatives of the employees.

Directors are elected or replaced by the shareholders' meeting and may be removed from office by the shareholders' meeting before the expiration of their term, in accordance with the relevant laws, regulations, and listing rules of the stock exchanges where the Company's shares are listed, through an ordinary resolution (provided that any claims for compensation that the removed director may have under any contract are not affected thereby). The term of office for a director is three years, and they may be re-elected upon expiration of their term.

The term of office for a director is calculated from the date of assumption of office until the expiration of the term of the current board of directors. If directors are not timely re-elected upon the expiration of their term, the original directors shall continue to perform their duties in accordance with the provisions of laws, administrative regulations, departmental rules, and the Articles of Association.

Directors may concurrently hold positions as the general manager or other senior management members, but the total number of directors who concurrently hold positions as the general manager or other senior management members shall not exceed one-half of the total number of directors of the Company.

Article 97 Directors shall comply with the provisions of laws, administrative regulations and the Articles of Association, take measures to avoid any conflict between their own interests and the interests of the Company, and shall not use their powers to gain an improper advantage. They shall have the following fiduciary obligations to the Company:

- (I) shall not abuse their powers to accept bribes or other unlawful income and shall not embezzle the properties of the Company;
- (II) shall not misappropriate of the funds of the Company;
- (III) shall not deposit the assets or funds of the Company into accounts under his/her own name or the name of other individuals;
- (IV) shall not loan the funds of the Company to others or provide guarantees for others with the properties of the Company in violation of the Articles of Association or without the approval of the shareholders' meeting or the board of directors;
- (V) directors, their close relatives, the enterprises directly or indirectly controlled by directors or their close relatives, and the related parties who have any other related-party relationship with the directors shall not enter into contracts or conduct transactions with the Company without performing the reporting obligation to the board of directors or the shareholders' meeting and subject to the resolution at the shareholders' meeting;
- (VI) shall not take advantage of his/her position to seek any business opportunity that belongs to the Company for himself/herself or any other person except under any of the following circumstances:
 - (1) where he/she has reported to the board of directors or the shareholders' meeting and has obtained an approval by a resolution of the board of directors or the shareholders' meeting according to the provisions of the Articles of Association;
 - (2) where the company cannot make use of the business opportunity as stipulated by the provisions of laws, administrative regulations or the Articles of Association.
- (VII) shall not operate the same kind of business as that of the Company for themselves or for others' benefit if failing to report to the board of directors or the shareholders' meeting and obtain an approval by a resolution of the board of directors or the shareholders' meeting;
- (VIII) shall not take as their own any commission for any transaction with the Company;
- (IX) shall not disclose confidential information of the Company without permission;

- (X) shall not use their affiliated relationship to damage the interests of the Company;
- (XI) shall have other loyalty obligations stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The proceeds from the violation of such provisions by directors shall be attributed to the Company, and he/she shall be liable to compensate the Company for the losses thereof.

Article 98 In performing their duties, directors shall exercise the level of reasonable care that is normally expected of an administrator, always acting in the best interests of the Company, and shall fulfill the following diligence obligations in accordance with laws, administrative regulations and the Articles of Association:

- (I) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the requirements of national laws, administrative regulations and various economic policies and are not beyond the business scope specified in business license;
- (II) to treat all shareholders impartially;
- (III) to keep informed of the operation and management conditions of the Company in a timely manner;
- (IV) to sign the regular reports of the Company for written confirmation of their comments and ensure the truthfulness, accuracy and completeness of the information disclosed by the Company;
- (V) to provide information and data to the supervisory committee, and not to interfere with the supervisory committee or supervisors in their exercise of powers;
- (VI) other diligence obligations stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 99 If any director fails to attend board meetings in person or by proxy for two consecutive times, the said director shall be deemed incapable of performing his/her duties, and the board of directors shall propose removal of such director to the shareholders' meeting. Subject to the securities regulatory rules of the place where the Company's shares are listed, any director attending the board meeting by internet, video, telephone or other equivalent means, shall also be deemed to be present in person thereat.

For any independent director not qualified or unable to be an independent director or that fails to independently fulfill his/her duty or protect the legitimate rights and interests of the Company and small and medium investors, shareholder(s) individually or jointly holding more than 1% of the shares of the Company may propose to the board of directors of the Company to question or remove the said independent director. The questioned independent director shall explain the issues in question and disclose them in a timely manner. The board of directors of the Company shall, upon receipt of the proposal on relevant inquiry or dismissal, promptly hold a special meeting for discussion and disclose the results thereof.

Article 100 A director may resign prior to expiry of his/her term of office. A resigning director shall submit a written resignation report to the board of directors. The board of directors shall disclose the relevant information within 2 days.

Where the resignation of the director will render the number of directors of the board of directors of the Company to fall below the statutory quorum, or the resignation of an independent director resulting in the number of independent directors being less than one-third of the board members, the absence of accounting professionals among the independent directors, or the proportion of independent directors in the board's special committees not complying with laws and regulations, the original director shall continue to perform director duties pursuant to the provisions of laws, administrative regulations, departmental rules and the Articles of Association prior to appointment of his/her replacement. The Company shall complete the election of a replacement for the independent director within sixty days from the date of resignation to ensure that the composition of the board of directors and its special committees complies with laws and regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

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

Article 101 A director shall complete all of the handover procedures with the board of directors once his/her resignation becomes effective or his/her term of office expires. The loyalty obligations to the Company and the shareholders are not necessarily released upon expiry of his/her term of office. The obligation of confidentiality in respect of trade secrets of the Company survives the termination of his/her term of office until such trade secrets become publicly known.

Article 102 Save as specified in the Articles of Association or as legally authorized by the board of directors, no director shall act on behalf of the Company or the board of directors in his/her personal name. If a director acts in his/her own name but a third party may reasonably think that the said director is acting on behalf of the Company or the board of directors, the said director shall make a prior statement of his/her standpoint and capacity.

Article 103 If a director breaches the laws, administrative regulations, departmental rules or the Articles of Association in fulfilling his/her duties and causes loss to the Company, the said director shall be liable for compensation.

If a director provides guarantee for others with the property of the Company without the approval of the board of directors or the shareholders' meeting, the board of directors shall propose a replacement of such director to the shareholders' meeting; and if the Company has suffered any loss arising therefrom, the said director shall be liable for compensation. The controlling shareholder or the actual controller of the Company instructing a director to engage in acts that harm the interests of the Company or shareholders shall bear joint and several liabilities with the director.

Articles 97 and 98 hereof shall apply to the controlling shareholder or the actual controller of the Company who do not serve as directors but are executing the affairs of the Company.

Article 104 The qualifications, procedure of nomination and election, term of office, resignation and powers and functions of directors shall be as specified by the laws, administrative regulations, departmental rules and the provisions issued by the CSRC.

The independent directors shall act in accordance with the laws, administrative regulations, and the relevant provisions of the CSRC and the Stock Exchanges.

Section 2 Board of Directors

Article 105 The Company shall have a board of directors, which shall be accountable to the shareholders' meeting.

Article 106 The board of directors consists of ten directors, including one chairman. Among the board members, there are four independent directors.

The board of directors has established five special committees: the strategy committee, the nomination committee, the audit committee, the remuneration and assessment committee and the sustainable development committee. All members of the special committees are composed of directors. The majority of the membership of the audit committee, the nomination committee and the remuneration and assessment committee shall consist of independent directors, who shall also act as conveners. The members of the audit committee shall be directors who do not hold senior management positions in the Company, with accounting professionals among the independent directors serving as conveners. The specific responsibilities of the audit committee, the nomination committee and the remuneration and assessment committee are as follows:

(I) audit committee

The audit committee is responsible for reviewing the Company's financial information and its disclosure, monitoring and evaluating internal and external audit work and internal controls and the following matters shall be submitted to the board of directors for consideration with the approval of a majority of the members of the audit committee:

1. disclosure of financial information in financial accounting reports and regular reports, and the internal control evaluation reports;
2. engagement or dismissal of the accounting firm that undertakes the auditing of the listed company;
3. appointment or dismissal of the financial controller of the listed company;
4. changes in accounting policies, accounting estimates, or correction of significant accounting errors for reasons other than changes in accounting standards;
5. other matters stipulated by laws, administrative regulations, requirements of the CSRC and the Articles of Association.

The audit committee shall convene a meeting at least once a quarter, and may convene extraordinary meetings upon the proposal of two or more members, or when the convener deems necessary. Meetings of the audit committee shall be held with the attendance of at least two-thirds of the members.

(II) nomination committee

The nomination committee is responsible for developing standards and procedures for the election of directors and senior management members, and selecting and examining the qualifications of the candidates for directors and senior management members, and making recommendations to the board of directors on the following matters:

1. nomination or removal of directors;
2. appointment or dismissal of senior management members;
3. other matters stipulated by laws, administrative regulations, requirements of the CSRC and the Articles of Association.

If the board of directors does not adopt or does not fully adopt the recommendations of the nomination committee, it shall record the opinion of the nomination committee and specific reasons for its non-adoption in the resolution of the board of directors and disclose the same.

(III) remuneration and assessment committee

The remuneration and assessment committee is responsible for formulating evaluation standard for directors and senior management members and implementation of the evaluation, and formulating and reviewing the remuneration policies and plans for directors and senior management members, and making recommendations to the board of directors on the following matters:

1. remuneration of directors and senior management members;
2. formulation of or change to equity incentive plans and employee stock ownership plans, and conditions for incentive participants to be granted with and exercise interests;
3. arrangement of stock ownership plans for subsidiaries to be spun off by directors and senior management members;
4. other matters stipulated by laws, administrative regulations, requirements of the CSRC and the Articles of Association.

If the board of directors does not adopt or does not fully adopt the recommendations of the remuneration and assessment committee, it shall record the opinion of the remuneration and assessment committee and specific reasons for its non-adoption in the resolution of the board of directors and disclose the same.

The remuneration assessment mechanism for directors and senior management members of the Company shall comply with relevant working rules. Matters exceeding the scope of the authority of the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

Article 107 The board of directors shall exercise the following functions and powers:

- (I) to convene shareholders' meetings, and submit work reports to the shareholders' meeting;
- (II) to implement the resolutions of shareholders' meetings;
- (III) to resolve on the Company's business plans and investment plans;
- (IV) to formulate the Company's profit distribution plan and the plan for recovery of losses;
- (V) to formulate the Company's plans for increase or reduction of registered capital, issuance of bonds or other securities and listing plan;
- (VI) to formulate the Company's plans for significant acquisition, acquisition of the Company's shares or merger, division, dissolution and change of company form;
- (VII) to decide, within the scope of the mandate granted by the shareholders' meeting, on the Company's external investments, acquisition and sale of assets, mortgage of assets, external guarantees, entrusted wealth management, related party transactions, etc.;
- (VIII) to decide on the establishment of the Company's internal management organizations;
- (IX) to decide on the appointment or dismissal of the general manager, secretary to the board of directors and other senior management members of the Company, and to decide on their remunerations, incentives and penalties; to decide on the appointment or dismissal of senior management members such as the deputy general manager or chief financial officer of the Company based on the nominations by the general manager, and to decide on their remunerations, incentives and penalties;
- (X) to formulate the basic management system of the Company;
- (XI) to formulate the proposals for any amendment to the Articles of Association;
- (XII) to manage information disclosure of the Company;
- (XIII) to propose to the shareholders' meeting on appointment or change of the accounting firms which provide audit services to the Company;
- (XIV) to listen to work reports of the general manager of the Company and inspect his/her work;
- (XV) any other functions and powers stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, conferred by the shareholders' meeting or the Articles of Association.

Matters exceeding the scope of the authority of the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

Article 108 The board of directors of the Company shall make a statement to the shareholders' meeting regarding the non-standard audit opinion issued by the certified public accountant on the Company's financial report.

Article 109 The board of directors shall formulate the rules of procedure for the board of directors to ensure implementation of the resolutions of the shareholders' meeting, as well as the work efficiency and scientific decision-making of the board of directors.

The rules of procedure for the board of directors shall be annexed to the Articles of Association and shall be drafted by the board of directors and approved by the shareholders' meeting.

The board of directors has set up the audit committee, the nomination committee, the remuneration and assessment committee, the strategy committee and the sustainable development committee and formulated the rules of procedures for the special committees.

Article 110 The board of directors shall define the authority and establish stringent review and decision-making procedures in respect of external investments, acquisition and sale of assets, mortgage of assets, external guarantees, entrusted wealth management and related party transactions.

Within the scope of the mandate granted by the shareholders' meeting, the transactions of the Company that meet one of the following criteria shall be submitted to the board of directors for consideration and approval:

- (I) the total amount of assets involved in the transaction (where both book value and appraised value are available, whichever is higher) accounts for more than 10% of the Company's latest audited total assets;
- (II) the concluded transaction amount (including liabilities and expenses incurred) accounts for more than 10% of the latest audited net assets of the Company, and exceeds RMB10 million in absolute amount;
- (III) the profit generated from the transaction accounts for more than 10% of the audited net profit of the Company in the latest accounting year, and exceeds RMB1 million in absolute amount;
- (IV) the operating revenue related to the subject of the transaction (e.g. equity interest) in the latest accounting year accounts for more than 10% of the audited operating revenue of the Company in the latest accounting year and exceeds RMB10 million in absolute amount;
- (V) the net profit related to the subject of the transaction (e.g. equity interest) in the latest accounting year accounts for more than 10% of the audited net profit of the Company in the latest accounting year, and exceeds RMB1 million in absolute amount;
- (VI) the net assets (where both book value and appraised value are available, whichever is higher) related to the subject of the transaction (e.g. equity interest) account for more than 10% of the latest audited net assets of the listed company, and exceed RMB10 million in absolute amount.

The term “transaction” referred to in this article shall have the same meaning as the term “transaction” referred to in Article 42 hereof. If the data involved in the above indicators is negative, the absolute value shall be taken for calculation.

Transactions which do not meet the criteria for submission to the shareholders’ meeting and the board of directors for consideration as stipulated in the Articles of Association and relevant laws and regulations will be submitted to the chairman’s office meeting and the general manager for consideration. Refer to relevant systems and rules of the Company for details.

Article 111 The chairman and vice chairman shall be elected by the board of directors with approval of more than half of all the directors.

Article 112 The chairman shall exercise the following functions and powers:

- (I) to preside over shareholders’ meetings, and convene and preside over board meetings;
- (II) to supervise and examine the implementation of board resolutions;
- (III) to sign share certificates, corporate bonds and other marketable securities issued by the Company;
- (IV) to exercise the functions and powers as the legal representative;
- (V) to execute the important documents of the board of directors and other documents required to be executed by the legal representative of the Company;
- (VI) in any emergent force majeure event such as a catastrophic natural disaster, to exercise the special right of disposal in respect of the affairs of the Company in compliance with laws and regulations and in the interests of the Company, and to report to the board of directors or the shareholders’ meeting of the Company afterwards;
- (VII) to preside over the daily work of the board of directors during the intervals between board meetings; the Company shall formulate the rules of procedure for the chairman’s office meeting, and the chairman can perform his/her duties through the chairman’s office meeting during the intervals between board meetings. Refer to the Rules of Procedure for the Chairman’s Office Meeting for details;
- (VIII) to be authorized to approve the transactions of the Company except those that need to be considered and approved by the board of directors and the shareholders’ meeting within the scope of the mandate granted by the shareholders’ meeting and the board of directors.

The term “transaction” referred to in this article shall have the same meaning as the term “transaction” referred to in Article 42 hereof. If the data involved in the above indicators is negative, the absolute value shall be taken for calculation.

- (IX) to exercise other functions and powers conferred by the board of directors.

Article 113 Where the chairman fails to or rejects to perform his/her duties, such duties shall be performed by vice chairman; where vice chairman fails to or rejects to perform his/her duties, one director shall be elected by over half of the directors to perform such duties.

Article 114 The board of directors shall convene at least four regular meetings each year, convened by the chairman, with written notice to all directors and supervisors 14 days prior to the meeting.

Article 115 Any shareholder(s) holding 1/10 or more of the voting rights, one-third or more of the directors or the supervisory committee may propose the holding of an extraordinary meeting of the board of directors. The chairman shall convene and preside over a board meeting within 10 days from receipt of such proposal.

Article 116 The notice method and time limit for convening an extraordinary meeting of the board of directors are: written notice shall be given 5 days before the meeting; however, in case of urgent reasons, the meeting can be convened at any time through oral, telephone, or other means.

Article 117 A notice of the board meeting shall include:

- (I) date and venue of the meeting;
- (II) duration of the meeting;
- (III) subject matters and issues;
- (IV) date of notice;
- (V) contact persons of the meeting and their contact information.

Article 118 Except as otherwise provided in the Articles of Association, the board meeting shall be held upon the attendance of more than half of directors.

Article 119 Except as otherwise provided in the Articles of Association, the resolutions made by the board of directors must be passed by more than half of all directors.

Voting on board resolutions is conducted on a one-person-one-vote basis.

Article 120 If any director has connection with the enterprise or individual involved in the resolution made at a board meeting, such director shall submit a written report to the board of directors in a timely manner. The said director shall not vote on the said resolution for himself/herself or on behalf of another director. The board meeting may be held when more than half of the non-connected directors attend the meeting. The resolution of the board meeting shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the meetings is less than three, the issue shall be submitted to the shareholders' meeting for consideration. If there are any additional restrictions on directors' participation in and voting at board meetings in accordance with laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

Article 121 The resolution of the board of directors shall be voted in writing unless more than half of the directors present at the meeting agree to vote by a show of hands.

On the premise of ensuring that directors can fully express their opinions, an extraordinary meeting of the board of directors may be held in writing (including delivering meeting materials by hand, by post, by fax, by email, etc.) or by telephone conference (or with the help of similar communication equipment) instead of holding an on-site meeting. The board of directors shall prepare the board resolution after the meeting and submit it to the attending directors for signature.

Article 122 Directors shall attend board meetings in person. If any director cannot attend the meeting for any reason, he/she may authorize in writing another director to act on his/her behalf. The power of attorney shall set out the name of the proxy, the matters represented, scope of authorization and validity period, and shall be signed or sealed by the appointing director. The appointed director who attends the meeting shall exercise the director's duties within the scope of authorization. If a director does not attend a board meeting in person and does not appoint a proxy to attend the meeting, he/she shall be deemed to have waived the voting rights at the meeting.

Article 123 The board of directors shall make minutes of the decisions on the matters discussed at the meeting, and the directors, the board secretary and the recorder who attended the meeting shall sign the minutes. Directors have the right to request that some explanatory record of their speeches at the meeting be made in the minutes.

Minutes of the board meetings shall be kept as company files for a period of no less than 10 years.

Article 124 The minutes of board meetings shall include the following:

- (I) date, venue and name of the convener of the meeting;
- (II) names of the directors present and names of the directors (proxies) entrusted by others to attend the board meeting;
- (III) agenda of the meeting;
- (IV) summaries of directors' speeches;
- (V) voting method and results of each resolution (the voting results shall state the number of votes for, against or abstention).

Article 125 The directors shall be responsible for the resolutions passed at board meetings. Where a resolution of the board of directors is in violation of any law, administrative regulation, the Articles of Association, or resolutions of the shareholders' meeting and thereby causes any serious loss to the Company, the directors who participated in the passing of such resolution are liable to compensate the Company. However, if a director has been proven to have expressed dissenting opinions on the resolution during the voting and such opinions are recorded in the meeting minutes, he/she may be exempt from liability.

If the board of directors makes a resolution on external guarantees in violation of the provisions of the Articles of Association on the power of examination and approval and the review procedures for external guarantees, the supervisory committee shall suggest that the shareholders' meeting replace those directors who have voted in favor of the resolution at the board meeting; and if the Company has suffered any loss arising therefrom, the directors who have voted in favor of the resolution at the board meeting shall be jointly liable for compensation to the Company.

Section 3 Chairman's Office Meeting

Article 126 The Company shall have a chairman's office meeting, which is composed of all non-independent directors, the general manager, deputy general managers, the secretary to the board of directors, and the chief financial officer.

Article 127 During the intervals between board meetings, the chairman's office meeting exercises the authority granted by the board of directors. Specific authority and relevant rules of procedure shall be stipulated in the Rules of Procedure for the Chairman's Office Meeting.

CHAPTER 6 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS

Article 128 The Company shall have one general manager, who is appointed or dismissed by the board of directors.

The general Manager, deputy general managers, chief financial officer, and secretary to the board of directors of the Company are senior management members of the Company.

Article 129 Article 95 hereof in relation to the circumstances under which a person may not serve as a director shall mutatis mutandis apply to senior management members.

The provisions of Article 97 hereof regarding the loyalty obligations of directors and the provisions of items (IV) to (VI) of Article 98 hereof regarding the diligence obligations of directors shall mutatis mutandis apply to senior management members.

Article 130 Any person who holds any administrative office (other than director or supervisor) in the controlling shareholder group of the Company shall not hold any office of senior management member in the Company concurrently. The senior management members may receive their remunerations from the Company only, rather than from the controlling shareholder.

Article 131 The term of office of the general manager shall be 3 years, renewable upon re-appointment.

Article 132 The general manager shall be accountable to the board of directors and shall exercise the following functions and powers:

- (I) to be in charge of the Company's production, operation and management, and to organize and implement the resolutions of the board of directors and report on works to the board of directors;
- (II) to organize and implement the Company's annual plan and investment proposals;

- (III) to draft plans for the establishment of the Company's internal management organizations;
- (IV) to draft the Company's basic management system;
- (V) to formulate specific rules and regulations for the Company;
- (VI) to request the board of directors to appoint or dismiss senior management members of the Company, excluding the general manager;
- (VII) to request the chairman's office meeting to appoint or dismiss management personnel of the Company, excluding those appointed or dismissed by the board of directors. Refer to the Rules of Procedure for the Chairman's Office Meeting and the Working Rules of the General Manager for details;
- (VIII) to decide on the appointment or dismissal of company management personnel, excluding those to be decided by the board of directors or the chairman's office meeting. Refer to the Working Rules of the General Manager for details;
- (IX) to determine significant transaction matters, excluding those that must be approved by the shareholders' meeting, the board of directors, or the chairman's office meeting as stipulated by the Articles of Association and relevant company policies;
- (X) to establish the salary system for employees of the Company and its subsidiaries (excluding senior management members), and submit it to the chairman's office meeting for approval and implementation;
- (XI) to decide on the job levels, salaries, benefits, reward and punishment policies and plans for other company employees, excluding those to be decided by the board of directors;
- (XII) to exercise other authorities granted by the Articles of Association or the board of directors.

The general manager shall attend meetings of the board of directors.

Article 133 The general manager shall formulate relevant working rules, which shall come into effect upon approval by the board of directors.

The working rules of the general manager shall include:

- (I) the conditions, procedures and attendees for convening general manager's meetings;
- (II) the respective duties and division of responsibilities among the general manager and other senior management members;
- (III) use of funds and assets of the Company, limits of his/her authority to enter into important contracts, and the system to report to the board of directors and the supervisory committee;
- (IV) other matters deemed necessary by the board of directors.

Article 134 The general manager may resign before his/her term of office expires. The procedure and rules for resignation of the general manager shall be specified in the employment contract between the general manager and the Company. The general manager of the Company shall comply with laws, administrative regulations, departmental rules and the Articles of Association.

Article 135 The Company shall have a secretary to the board of directors who shall be responsible for the preparations for shareholders' meetings and board meetings, keeping of documentation and shareholders' data, handling of matters relating to information disclosure, etc.

To perform his/her duties, the secretary to the board of directors has the right to participate in relevant meetings, inspect relevant documents, and understand the Company's situations including its financial and operating positions. The board of directors and other senior management members shall support the work of the secretary to the board of directors. No organization nor individual shall interrupt the secretary to the board of directors in performing his/her normal duties.

The secretary to the board of directors shall comply with relevant requirements under the laws, administrative regulations, departmental rules and the Articles of Association.

Article 136 The senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. Any senior management member who violates any law, administrative regulation, departmental rules or the Articles of Association in the performance of his/her duties and thereby causes losses to the Company shall be liable for compensation.

If a senior management member provides guarantee for others with the property of the Company without the approval of the board of directors or the shareholders' meeting, the Company shall dismiss the said member from all his/her posts in the Company; and if the Company has suffered any loss arising therefrom, the said member shall be liable for compensation.

CHAPTER 7 SUPERVISORY COMMITTEE

Section 1 Supervisors

Article 137 Article 95 hereof in relation to the circumstances under which a person may not serve as a director shall mutatis mutandis apply to supervisors.

The directors, the general manager and other senior management members shall not act concurrently as supervisors.

Article 138 Supervisors must comply with laws, administrative regulations, and the Articles of Association, and bear loyalty obligations and diligence obligations towards the Company. They shall not abuse their authority to accept bribes or other illegal income and shall not misappropriate the properties of the Company.

Article 139 Supervisor shall serve for a term of 3 years. Upon expiry of the term, the supervisor may be re-appointed upon re-election.

Article 140 If the term of office of a supervisor expires but re-election is not made promptly, or if any supervisor resigns during his/her term of office so that the membership of the supervisory committee falls short of the quorum, the said supervisor shall continue to perform the duties of a supervisor pursuant to the laws, administrative regulations and the Articles of Association until a new supervisor is elected.

Article 141 Supervisors shall ensure the information disclosed by the Company is true, accurate and complete.

Article 142 Supervisors may be in attendance at board meetings, and raise questions or suggestions pertaining to board resolutions.

Article 143 Supervisors shall not abuse their affiliated relationships to damage the interests of the Company, and shall compensate the Company for any losses caused.

Article 144 If any supervisor violates the laws, administrative regulations, departmental rules or the Articles of Association in fulfilling his/her duties, thereby causing the Company to incur any loss, the said supervisor shall be liable for compensation.

Section 2 Supervisory Committee

Article 145 The Company shall have a supervisory committee. The supervisory committee consists of 3 supervisors, including 1 chairman who is elected by a majority vote of all supervisors. The meetings of the supervisory committee shall be convened and presided over by the chairman of the supervisory committee. If the chairman of the supervisory committee is unable or fails to perform his/her duties, such meeting shall be convened and presided over by a supervisor nominated by more than half of the supervisors.

Article 146 The supervisory committee includes 1 shareholder representative and 2 employee representatives. The employee representatives sitting on the supervisory committee shall be democratically elected by the Company's employees.

Article 147 The supervisory committee shall exercise the following functions and powers:

- (I) to examine the securities issuance documents and regular reports prepared by the board of directors, propose written examination suggestions and sign written confirmation opinions;
- (II) to review the Company's financial position;
- (III) to supervise the directors and senior management members' acts in performing their duties in the Company, and to propose a removal of any director or senior management member in violation of any laws, administrative regulations, the Articles of Association or resolutions adopted at the shareholders' meeting;
- (IV) to demand any director or senior management member who acts in a manner which is harmful to the Company's interest to rectify such behaviour;

- (V) to propose to convene an extraordinary shareholders' meeting, and to convene and preside over shareholders' meetings where the board of directors fails to perform its duty to do so as required by the Company Law;
- (VI) to submit proposals to shareholders' meetings;
- (VII) to initiate legal proceedings against any director or senior management member according to Article 189 of the Company Law;
- (VIII) to investigate into unusual operation of the Company and if necessary, to engage accounting firms, law firms or other professional institutions to assist in its work at the expenses of the Company.

Article 148 The supervisory committee shall convene a meeting at least once every six months. Notice of the meeting shall be delivered in written form to all supervisors at least 10 days prior to the meeting.

Supervisors may propose to convene extraordinary meetings of the supervisory committee. For an extraordinary meeting of the supervisory committee, written notice shall be given 3 days before the meeting; however, in case of urgent reasons, the meeting can be convened at any time through oral, telephone, or other means.

The resolution of the supervisory committee shall be voted in writing unless more than half of the directors present at the meeting agree to vote by a show of hands. Each supervisor has one vote. Resolutions of the supervisory committee shall be passed by more than half of the supervisors of the Company.

Article 149 The supervisory committee shall formulate relevant rules of procedure specifying the deliberation method and voting procedure of the supervisory committee to ensure the work efficiency and scientific decision-making of the supervisory committee. The rules of procedure for the supervisory committee shall be annexed to the Articles of Association and shall be drafted by the supervisory committee and approved by the shareholders' meeting.

Article 150 The supervisory committee shall make minutes of the decisions on the matters discussed at the meeting, and the supervisors and the recorder who attended the meeting shall sign the minutes.

Supervisors have the right to request that some explanatory record of their speeches at the meeting be made in the minutes. Minutes of the supervisory committee meetings shall be kept as company files for a period of at least 10 years.

Article 151 A notice of the supervisory committee meeting shall include:

- (I) date, venue and duration of the meeting;
- (II) subject matters and issues;
- (III) date of notice.

Refer to the notice method for board meetings in the Articles of Association for that of the supervisory committee meeting.

CHAPTER 8 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Section 1 Financial and Accounting System

Article 152 The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the provisions stipulated by the relevant authorities of the PRC. The Company shall adopt the Gregorian calendar year for its fiscal year, i.e. the fiscal year shall be from January 1 to December 31.

Article 153 The Company shall submit and disclose its annual financial reports to the CSRC and the Stock Exchanges within four months from the end of each fiscal year, and its interim reports to the relevant branch office of the CSRC and the Stock Exchanges within two months from the end of the first half of each fiscal year.

The aforesaid annual reports and interim reports shall be prepared in accordance with relevant laws, administrative regulations and requirements of the CSRC and the Stock Exchanges.

Article 154 The Company will not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

Article 155 The Company is required to allocate 10% of its profits into its statutory reserve fund when distributing each year's after-tax profits. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocations is required.

Where the statutory reserve fund of the Company is insufficient to make up the losses of the Company for the preceding year, profits of the current year shall be applied to make up the losses before any allocation to the statutory reserve fund in accordance with the provisions in the preceding paragraph.

Subject to a resolution of the shareholders' meeting, after allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may allocate a part of the after-tax profits to the discretionary reserve fund.

After making up of losses and appropriation to reserve funds, balance of the profit after tax shall be distributed to shareholders in proportion to their shareholdings.

Where the shareholders' meeting distributes profits to the shareholders in violation of laws and regulations, the profits so distributed must be returned to the Company. The shareholders and director(s) liable, supervisors and senior management members shall be liable to indemnify the Company against any losses incurred.

No profit shall be distributed in respect of the shares of the Company which are held by the Company.

The Company shall appoint one or more collection agents for H shareholders in Hong Kong. The collection agents shall collect on behalf of the relevant H shareholders the dividends distributed and other funds payable by the Company in respect of the H shares, and hold such monies in their custody pending payment to the H shareholders concerned. The collection agents appointed by the Company shall meet the requirements of the laws, regulations and the securities regulatory rules of the place where the Company's shares are listed.

Article 156 Reserve funds of the Company are used for recovering losses of the Company and expanding scale of operation of the Company or conversion into its capital. Where the reserve fund of the Company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. If there are still losses, the registered capital can be reduced to offset the losses. When reducing registered capital to offset losses, the Company shall not distribute to shareholders, nor shall it exempt shareholders from the obligation to contribute capital or pay for shares.

In accordance with the provisions of the preceding paragraph, when reducing registered capital, the provisions of Article 177 of the Articles of Association shall not apply, but the Company shall announce the reduction of registered capital in newspapers or the National Enterprise Credit Information Publicity System within thirty days from the date the shareholders' meeting resolves to reduce the registered capital.

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

When statutory reserve funds are converted into capital, the retained portion of such reserve funds shall not be less than 25% of the Company's registered capital before the increase.

Article 157 The Company may distribute dividends in the form of cash or shares.

Article 158 The Company shall implement a proactive profit distribution policy as follows:

(I) Principles of profit distribution:

The Company shall attach importance to the return on reasonable contribution of investors in profit distribution, keep profit distribution policies consecutive and stable and insist on the following principles:

- (1) Profit shall be distributed in statutory order;
- (2) If there are unrecovered losses, the profits shall not be distributed to shareholders;
- (3) The same shares represent the same rights and the same earnings;
- (4) The shares of the Company held by the Company shall not be subject to profit distribution.

(II) Forms of profit distribution:

The Company may distribute profits in cash, in shares or in a combination of both cash and shares; The Company's profit distribution shall not exceed the range of the accumulated distributable profits or damage the Company's ability to continue operations.

(III) Intervals of profit distribution:

Provided that the net profit attributable to the shareholders of the parent company for the current year is positive, the Company shall conduct at least one profit distribution per fiscal year, and the board of directors may propose to the Company to conduct interim cash or shares dividend distribution based on the Company's profit and funding needs.

If the Company's audit report for the most recent fiscal year is either a non-unqualified opinion or an unqualified opinion with a significant uncertainty paragraph related to going concern, and the asset-liability ratio exceeds 80% at the end of the reporting period with a negative net cash flow from operating activities, the Company may forgo profit distribution.

(IV) Sequence of profit distribution

If the Company satisfies the conditions for cash dividends, priority should be given to profit distribution by means of cash dividends.

(V) Conditions for profit distribution:

1. Proportion of cash dividends

Under the condition that the Company's capital requirements for normal production and operation are satisfied, and there is no material adverse change in the Company's external business environment and operating conditions, the profits distributed by the Company in cash each year shall not be less than 40% of distributable profits achieved that year.

2. Specific conditions for share dividends distribution

If the Company's operation is in good condition, the Company may propose a share dividend distribution plan after satisfying the cash dividend mentioned above.

If the Company adopts both cash and share dividends for profit distribution, the Company will implement differentiated cash dividend policies on the condition that the Company's capital requirements for normal production and operation are satisfied:

- ① Where the Company is in a sophisticated stage of development and has no significant capital expenditure arrangement, the cash dividend payout ratio in the profit distribution shall reach a minimum of 80%;
- ② Where the Company is in a sophisticated stage of development and has any significant capital expenditure arrangement, the cash dividend payout ratio in the profit distribution shall reach a minimum of 40%;
- ③ Where the Company is in growth stage and has any significant capital expenditure arrangement, the cash dividend payout ratio in the profit distribution shall reach a minimum of 20%;

Where the Company's development stage is difficult to define, but the Company has any significant capital expenditure arrangement, the aforesaid provisions may still be followed.

The shareholders' meeting authorizes the board of directors to propose a profit distribution plan for the year in accordance with the above principles each year, taking into account, among other things, features of the industries where the Company operates, its development stage, business model, profit level and whether it has any significant capital expenditure plans.

3. Profit distribution of wholly-owned or controlled subsidiaries

The Company shall exercise its shareholder rights over its wholly-owned or controlled subsidiaries in a timely manner, ensure that the subsidiaries implement a financial and accounting system consistent with that of the Company in accordance with the provisions of the articles of association of the wholly-owned or controlled subsidiaries; the amount of cash dividends distributed by the subsidiaries per year shall not be less than 20% of the distributable profit for the relevant year, and ensure that the Company has the ability to implement the cash dividend plan for the relevant year and such dividends are paid to the Company before the Company distributes dividends to shareholders.

(VI) Procedures for considering the profit distribution:

1. The profit distribution plan shall not be submitted to the shareholders' meeting for consideration before it is considered and approved by the board of directors and the supervisory committee. When the board of directors considers the profit distribution plan, it must be approved by a majority of the votes of all directors, and by more than half of the votes of the Company's independent directors. When the supervisory committee considers the profit distribution plan, it must be approved by a majority of the votes of all supervisors.
2. Profit distribution plan under consideration of the shareholders' meeting shall be approved by votes representing more than half of voting rights held by the shareholders present at the shareholders' meeting. When voting at the shareholders' meeting, online voting shall be provided to shareholders.
3. When the Company makes adjustments to the retained undistributed profit utilization plan arrangements or principles, it shall be re-submitted for approval by the board of directors, the supervisory committee and the shareholders' meeting in accordance with the above consideration procedures, and the reasons for the adjustment shall be demonstrated and explained in detail in the relevant resolutions. Independent directors shall express their independent opinions on these resolutions.
4. The distribution of dividends (or shares) shall be completed within two months after a resolution is made at the shareholders' meeting on the profit distribution plan, or after the board of directors of the Company has formulated a specific plan based on the conditions and maximum amount of interim dividends for the following year as considered and approved at the annual shareholders' meeting.

(VII) The consideration and deliberation procedures and decision-making mechanism for the profit distribution plan of the board of directors, the supervisory committee and the shareholders' meeting:

1. Before periodic reports are published, the board of directors of the Company shall consider and deliberate a profit distribution plan based on the Company's ability for sustainable operation, adequate funds for normal production, operation and development, and reasonable returns on investment of investors. Independent directors shall express specific opinions when formulating the cash dividend plan.
2. If the independent directors believe that the specific cash dividend plan may harm the rights and interests of the listed company or minority shareholders, they shall have the right to express independent opinions. Where the board of directors of the Company fails to adopt or fully adopt the opinions of independent directors, it shall record the opinions of independent directors and the specific reasons for not adopting them in the resolution of the board of directors of the Company, and disclose relevant information.
3. When formulating a specific profit distribution plan, the board of directors of the Company shall observe profit distribution policies as specified in laws, regulations and the Articles of Association. The profit distribution plan shall explain the retained undistributed profit utilization plan arrangements or principles for the relevant year, and independent directors shall express their opinions on the reasonableness of the profit distribution plan.
4. The board of directors of the Company shall consider and announce the profit distribution plan in periodic reports and submit it to the shareholders' meeting for approval. If the board of directors of the Company fails to make a cash profit distribution plan, it shall consult independent directors and external supervisors, and disclose the reasons in periodic reports, and independent directors shall express their opinions thereon.
5. The board of directors, the supervisory committee and the shareholders' meeting should fully consider the opinions of independent directors, external supervisors and public investors in the relevant decision-making and discussion process.

(VIII) Adjustment of profit distribution policies:

1. If the Company needs to adjust the profit distribution policy due to material changes in external operating environment or its own operating conditions, the adjusted profit distribution policy shall not breach any regulations of the CSRC and Stock Exchanges.

The "material changes in external operating environment or its own operating conditions" refer to circumstances as follows:

- (1) The Company suffers losses due to significant changes in the laws, regulations and industry policies formulated by the state, instead of reasons of the Company;
- (2) The Company suffers losses due to events of force majeure including earthquake, typhoon, flood and war which are unforeseeable, unavoidable or insurmountable and impose material adverse impact on production and operation of the Company;

- (3) After the Company's statutory reserve fund is used for making up for previous years' losses, the net profit of the Company in the year is still not enough to make up for previous years' losses;
 - (4) Other circumstances as prescribed by the CSRC and Stock Exchanges.
2. In the process of adjusting profit distribution policy, the board of directors of the Company shall take full account of opinions of independent directors, the supervisory committee and public investors. When the board of directors considers the profit distribution policy, it must be approved by a majority of the votes of all directors, and by more than half of the votes of the Company's independent directors. When the supervisory committee considers the profit distribution policy, it must be approved by a majority of the votes of all supervisors.
3. Adjustment to profit distribution policy shall not be submitted to the shareholders' meeting for consideration before it is considered and approved by the board of directors and the supervisory committee. The Company shall discuss the relevant matters in detail and explain reasons thereof in proposal of the shareholders' meeting with the protection of shareholders' interests as the starting point. Matters concerning adjustment to profit distribution policy under consideration of the shareholders' meeting shall be adopted by shareholders representing 2/3 or more of the voting rights of the shareholders in presence.

Section 2 Internal Audit

Article 159 The Company has implemented an internal audit system equipped with full-time auditors to conduct internal audit and supervision on the Company's financial revenues and expenditures and economic activities.

Article 160 The internal audit system of the Company and the duties of the auditors shall be implemented upon approval by the board of directors. The person in charge of audit shall be accountable and report to the board of directors.

Section 3 Appointment of Accounting Firm

Article 161 The Company shall appoint such accounting firm which has complied with the Securities Law for carrying out the audit for the accounting statements, net asset verification and other relevant consultancy services. The term of appointment is one year and can be re-appointed.

Securities service institutions engaged in securities investment consulting services shall be approved by the State Council's securities regulatory authority; without approval, they shall not provide services for securities trading and related activities. For engaging in other securities service businesses, they shall file with the State Council's securities regulatory authority and the relevant departments of the State Council.

Article 162 The engagement or dismissal of an accounting firm by the Company must be decided by an ordinary resolution of the shareholders' meeting. The board of directors shall not appoint an accounting firm before the approval of the shareholders' meeting.

Article 163 The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding, and misrepresentation.

Article 164 The remuneration of the accounting firm or the method of determining the remuneration shall be decided by the shareholders' meeting.

Article 165 If the Company removes or no longer re-appoints the accounting firm, it shall notify such accounting firm ten days in advance. When shareholders vote for the removal of such accounting firm, such accounting firm shall be entitled to state its opinions at the shareholders' meeting.

Where the accounting firm resigns its office, it shall make clear to the shareholders' meeting whether or not there are irregularities in the Company.

CHAPTER 9 NOTICES AND ANNOUNCEMENTS

Section 1 Notices

Article 166 Notices of the Company may be issued by the following methods:

- (一) by personal delivery;
- (二) by express delivery;
- (三) by announcement;
- (四) by fax;
- (五) by email;
- (六) by other means approved by relevant regulatory authority at the location where the shares of the Company are listed or required by the Articles of Association.

Article 167 Any notices of the Company which are made in the form of a public announcement shall be deemed to have been received by all relevant persons once it is published.

Article 168 Notices of the shareholders' meetings of the Company shall be made by announcement.

Article 169 Notice of a board meeting of the Company shall be served by personal delivery, post, fax or email. Except as otherwise provided for in the Articles of Association, an extraordinary board meeting shall be convened for emergency reasons.

Article 170 Notice of meeting of the supervisory committee of the Company shall be served by personal delivery, post, fax or email. Except as otherwise provided for in the Articles of Association, an extraordinary supervisory committee meeting shall be convened for emergency reasons.

Article 171 If the notice of the Company is served by personal delivery, the recipient shall affix their signature (or seal) to the Return on Service and the signing date shall be the date of service; if the notice of the Company is served by post, the third working day after handover to the post office shall be the date of service; if the notice of the Company is served by announcement, the date of first announcement shall be the date of service; if the notice of the Company is sent by fax, the time recorded by the fax machine shall be the date of service; if the notice of the Company is sent by email, the time of sending the email recorded by computer shall be the date of service.

Article 172 The accidental failure to give notice of meeting to, or non-receipt of notice of meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions adopted at the meeting.

Section 2 Announcements

Article 173 Unless the context otherwise requires, the term “announcement” as mentioned herein, in respect of an announcement issued to the holders of A Shares or issued within the PRC as required under relevant regulations and the Articles of Association, it refers to the information published on the website of the SSE and media that meets the conditions stipulated by the CSRC; in respect of an announcement issued to the holders of H shares or issued in Hong Kong as required under the relevant regulations and the Articles of Association, the announcement shall be published on the Company’s website, the website of the Hong Kong Stock Exchange, and other websites as stipulated by the Hong Kong Listing Rules from time to time in accordance with the relevant requirements of the Hong Kong Listing Rules.

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

Article 174 The Company shall designate the website of the SSE (<http://www.sse.com.cn>), the HKEXnews website of the Hong Kong Stock Exchange (<https://www.hkexnews.hk/>) or other media and websites recognized by the CSRC and the Stock Exchanges as the media to publish announcements and other information required to be disclosed.

CHAPTER 10 MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Section 1 Merger, Division, Capital Increase and Capital Reduction

Article 175 Merger of the Company may take the form of absorption or establishment of a new company.

In the case of merger by absorption, a company absorbs any other company, and the absorbed company shall be dissolved. Merger by establishment of a new company shall refer to the establishment of a new company as a result of the merger of two or more companies and dissolution of the merger parties.

Article 176 As far as the merger of the Company is concerned, the merger parties shall enter into a merger agreement, and formulate a balance sheet and a list of property. The Company shall notify its creditors within 10 days from passing of the resolution on merger, and make an announcement within 30 days in newspapers, media, on its website, or on the National Enterprise Credit Information Publicity System, as stipulated in Article 174 of the Articles of Association. Creditors may require the Company to repay the debts or to provide the corresponding guarantee within 30 days from receipt of notification or within 45 days from the date of announcement if they do not receive notification.

Article 177 At the time of merger, the claims and debts of the merger parties shall be succeeded by the company which subsists after the merger or the newly-established company.

Article 178 When the Company undergoes a division, its assets shall be divided accordingly.

In the event of a division, a balance sheet and a list of property shall be prepared. The Company shall notify its creditors within 10 days from passing of the resolution on division, and make an announcement within 30 days in newspapers, media, on its website, or on the National Enterprise Credit Information Publicity System, as stipulated in Article 174 of the Articles of Association.

Article 179 The debts of the Company prior to the division shall be assumed jointly and severally by the companies arising from the division, unless provided otherwise in a written agreement reached by the Company and the creditors in respect of repayment of the debts prior to the division.

Article 180 Where the Company needs to reduce its registered capital, it shall formulate a balance sheet and a list of property.

The Company shall notify its creditors within 10 days from passing of the resolution on reduction of registered capital, and make an announcement within 30 days in newspapers, media, on its website, or on the National Enterprise Credit Information Publicity System, as stipulated in Article 174 of the Articles of Association. The creditors shall have the right to require the Company to repay the debts or to provide the corresponding guarantee within 30 days from receipt of notification or within 45 days from the date of announcement if they do not receive notification.

Article 181 In the event of change in registration matters due to merger or division, the Company shall complete change registration formalities with the company registration authority pursuant to the law; where the Company is dissolved, the Company shall apply for deregistration pursuant to the law; where a new company is established, company establishment formalities shall be completed pursuant to the law.

If the Company increases or reduces its registered capital, the Company shall complete change registration formalities with the company registration authority pursuant to the law.

In case of a merger between the Company and a company in which it holds over 90% of the shares, the merged company is not required to pass a resolution at the shareholders' meeting but shall notify other shareholders, who shall have the right to request the Company to acquire their equity or shares at a reasonable price.

If the consideration to be paid by the Company for the merger does not exceed 10% of the Company's net assets, it may not be subject to resolution of the shareholders' meeting; however, this shall not apply if otherwise provided by laws, administrative regulations, the CSRC or the Articles of Association.

If the Company merges in accordance with the provisions of the preceding two paragraphs without the approval of the shareholders' meeting, it should be approved by the board of directors.

Section 2 Dissolution and Liquidation

Article 182 The Company shall be dissolved for the following reasons:

- (I) a shareholders' meeting has resolved on dissolution of the Company;
- (II) expiry of term of business stipulated in the Articles of Association or occurrence of any other trigger for dissolution stipulated in the Articles of Association;
- (III) dissolution is required due to the merger or division of the Company;
- (IV) the Company's business license is cancelled or the Company is ordered to be closed down or deregistered pursuant to the law;
- (V) the people's court orders dissolution in accordance with Article 231 of the Company Law.

Article 183 When the Company is dissolved pursuant to items (1) and (2) of Article 182 of the Articles of Association and has not yet distributed its assets to the shareholders, it may continue to exist by amending the Articles of Association or through a resolution of the shareholders' meeting.

Any amendment to the Articles of Association in accordance with the preceding paragraph must be approved by at least two-thirds of the voting rights represented at the shareholders' meeting.

Article 184 When the Company is dissolved pursuant to items (1), (2), (4) and (5) of Article 182 of the Articles of Association, it shall be liquidated. The directors shall be the obligors for the Company's liquidation and shall establish a liquidation group to commence liquidation within 15 days from the emergence of the cause for dissolution. The liquidation group shall be composed of people determined by the directors or the shareholders' meeting. If a liquidation group is not established for liquidation within the prescribed time or if the established liquidation group fails to carry out liquidation, the interested parties may apply to the people's court to appoint relevant personnel to form a liquidation group for liquidation.

In the event of dissolution pursuant to items (3) of Article 182 of the Articles of Association, the liquidation shall be handled by the parties involved in the merger or division in accordance with the contract signed at the time of the merger or division.

Article 185 The liquidation group shall exercise the following functions and powers during the period of liquidation:

- (I) to liquidate the Company's assets and compile a balance sheet and a property inventory separately;
- (II) to inform creditors by notice or announcement;
- (III) to deal with the outstanding businesses of the Company relating to liquidation;
- (IV) to pay off the taxes owed and the taxes arising during liquidation;
- (V) to clear credits and debts;
- (VI) to handle the remaining assets of the Company after all the debts are paid off;
- (VII) to participate in civil proceedings on behalf of the Company.

Article 186 The liquidation group shall notify all creditors within 10 days after its establishment and shall make announcements within 60 days in media, on its website, or on the National Enterprise Credit Information Publicity System, as stipulated in Article 174 of the Articles of Association. The creditors shall declare their rights to the liquidation group within 30 days after receipt of the notice or within 45 days after announcement if the creditors haven't received the notice.

The creditors shall explain matters relating to their rights and provide relevant evidential documents when declaring their rights. The liquidation group shall register the creditor's rights.

The liquidation group shall not pay off any debts to any creditors during the period of declaration of creditor's rights.

Article 187 After the liquidation group has liquidated the assets of the Company and has compiled a balance sheet and a property inventory, it shall formulate a liquidation proposal and submit it to the shareholders' meeting or the people's court for confirmation.

The Company's assets shall be used respectively for payment of liquidation expenses, employees' wages, social security premiums and statutory compensation, and payment of tax in arrears and the Company's debts; the residual assets thereafter shall be distributed in proportion to the shares held by the shareholders.

During the liquidation period, the Company shall subsist but shall not engage in business activities unrelated to the liquidation. The Company's assets shall not be distributed to shareholders prior to making repayment pursuant to the provisions of the preceding paragraph.

Article 188 After the liquidation group has liquidated the assets of the Company and compiled a balance sheet and a property inventory, if it discovers that the Company's assets are insufficient to repay its debts in full, it shall immediately apply to the people's court for bankruptcy declaration in accordance with the law.

After the people's court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Article 189 Following the completion of the liquidation of the Company, the liquidation group shall formulate a liquidation report, submit it to the shareholders' meeting or the people's court for confirmation, deliver it to the company registry, apply for the cancellation of the Company's registration and publicly announce the Company's termination.

Article 190 Members of the liquidation group shall faithfully perform their duties and perform their liquidation obligations in accordance with the law.

Members of the liquidation group shall not abuse their powers by taking bribes or receiving other illegal income and misappropriate the assets of the Company.

A member of the liquidation group who causes loss to the Company or its creditors due to intentional misconduct or gross negligence shall be liable for damages.

Article 191 If the Company is declared bankrupt in accordance with the laws, it shall be liquidated in accordance with the laws on enterprise bankruptcy.

CHAPTER 11 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 192 Under any of the following circumstances, the Company shall amend the Articles of Association:

- (I) Following the revision of the Company Law or relevant laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, the matters stipulated in the Articles of Association contradict the provisions of the revised laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed;
- (II) There is any change to the Company's particulars which result in inconsistency with the matters set out in the Articles of Association;
- (III) The shareholders' meeting has decided on making amendments to the Articles of Association.

Article 193 If the amendment to the Articles of Association adopted by resolution of the shareholders' meeting is subject to the approval of the competent authority, it shall be reported to the competent authority for approval; if it involves matters of company registration, the registration of the changes shall be made in accordance with the law.

Article 194 The board of directors shall amend the Articles of Association in accordance with the resolution of the shareholders' meeting in relation to the amendment of the Articles of Association and the opinion on examination and approval from the relevant competent authority.

Article 195 Any amendment to the Articles of Association which involves information to be disclosed as required by the law or regulations, shall be publicly announced as required.

CHAPTER 12 SUPPLEMENTARY PROVISIONS

Article 196 Definition

- (I) A controlling shareholder refers to a shareholder holding shares representing more than 50% of the total share capital of the Company; a shareholder holding less than 50% of shares in the Company, but the voting rights vested by the shares held by him/her have a material effect on any resolutions made at a shareholders' meeting, or controlling shareholder as defined in the securities regulatory rules of the place where the Company's shares are listed.
- (II) An de facto controller refers to a person who can effectively control the Company through investments, agreements or other arrangements.
- (III) Connected relationships refer to the relationships between a controlling shareholder, de facto controller, director, supervisor or members of the senior management of the Company and the enterprise directly or indirectly controlled by the same, and other relationships which may give rise to a transfer of interests of the Company. However, enterprises controlled by the State will not be regarded as having connected relationships only because they are controlled by the State.
- (IV) External guarantees refer to the guarantees provided by the Company for others, including the Company's guarantees for its controlled subsidiaries.
- (V) The total amount of external guarantees of the Company and its controlled subsidiaries refers to the sum of the total amount of external guarantees of the Company that includes guarantees provided by the Company to its controlled subsidiaries and the total amount of external guarantees of the Company's controlled subsidiaries.

Article 197 The board of directors may formulate by-laws in accordance with the provisions of the Articles of Association, provided that such by-laws do not conflict with the provisions of the Articles of Association.

Article 198 The Articles of Association are prepared in Chinese, and any discrepancies between the Articles of Association in any other languages or versions and the Articles of Association, the Chinese version of the Articles of Association upon the latest approval and registration with the Xiamen City Administration for Industry and Commerce (廈門市工商行政管理局) shall prevail.

Article 199 In the event of any conflict between the Articles of Association and the provisions of the laws, administrative regulations, other relevant regulatory documents and the securities regulatory rules of the place where the Company's shares are listed, the laws, administrative regulations, other relevant regulatory documents and the securities regulatory rules of the place where the Company's shares are listed shall prevail.

Article 200 The phrases "more than", "within" and "below", as stated in the Articles of Association, shall all include the given figure; while the phrases "except", "fall short" and "exceed" shall all exclude the given figure.

Article 201 The board of directors shall be responsible for the interpretation of the Articles of Association.

Article 202 The rules of procedures for shareholders' meetings, meetings of the board of directors and meetings of the board of supervisors are annexed to the Articles of Association.

Article 203 Subject to the consideration and approval at the shareholders' meeting of the Company, the Articles of Association shall become effective upon the date on which the Company's H Shares under the initial public offering are listed on the Hong Kong Stock Exchange, and any amendments thereto shall become effective upon the date of consideration and approval at the shareholders' meeting.

Anjoy Foods Group Co., Ltd.