**ENN Natural Gas Co., Ltd.**

# Articles of Association

ENN Natural Gas Co., Ltd.

Board of Directors

August 2026

# Chapter I General Provisions

**Article 1** These Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law") and other relevant provisions, in order to safeguard the legitimate rights and interests of the Company, shareholders, employees and creditors and regulate the organization and conduct of the Company.

**Article 2** ENN Natural Gas Co., Ltd. (hereinafter referred to as the "Company") is a joint stock limited company incorporated in accordance with the Company Law and other relevant laws and regulations.

The Company was established by means of targeted raising upon approval by the Hebei Commission for Economic System Restructuring under Ji Ti Gai Wei Gu Zi [1992] No. 1 and No. 40 documents; it was registered with the Shijiazhuang Administrative Bureau for Industry and Commerce and obtained a business license, with unified social credit code 91130100107744755W.

**Article 3** With the approval of the China Securities Regulatory Commission (hereinafter referred to as the "CSRC") on September 13, 1993, the Company initially issued 20 million Renminbi-denominated ordinary shares to the public and was listed on the Shanghai Stock Exchange on January 3, 1994.

**Article 4** Chinese name of the Company: 新奥天然气股份有限公司

English name of the Company: ENN Natural Gas Co., Ltd.

**Article 5** Domicile of the Company: No. 383 Heping East Road, Shijiazhuang City, Hebei Province, China.

Postal Code: 050031.

**Article 6** The registered capital of the Company is RMB 3,095,185,107.

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

**Article 8** The Chairman of the Board of Directors is the legal representative of the Company. Where the Chairman resigns, he or she shall be deemed to have resigned as the legal representative at the same time. Where the legal representative resigns, the Company shall determine a new legal representative within 30 days from the date of resignation of the legal representative.

The civil activities conducted by the legal representative in the name of the Company shall be assumed by the Company as their legal consequences.

Any restriction imposed by these Articles of Association or the Shareholders' Meeting on the authority of the legal representative shall not be asserted against a bona fide counterparty.

Where the legal representative causes damage to another person in the performance of his or her duties, the Company shall bear civil liability. After bearing civil liability, the Company may seek recourse against the legal representative at fault in accordance with the law or these Articles of Association.

**Article 9** Shareholders shall be liable to the Company to the extent of the shares they have subscribed for, and the Company shall be liable for the Company's debts with all its assets.

**Article 10** These Articles of Association, upon becoming effective, shall constitute a legally binding document regulating the organization and conduct of the Company and the rights and obligations between the Company and shareholders and among shareholders, and shall be legally binding on the Company, shareholders, directors and senior management. Pursuant to these Articles of Association, shareholders may sue shareholders; shareholders may sue directors and senior management of the Company; shareholders may sue the Company; and the Company may sue shareholders, directors and senior management.

**Article 11** Senior management as referred to in these Articles of Association means the Chief Executive Officer or Co-Chief Executive Officers, President, person in charge of finance (including the Chief Financial Officer, Financial Controller, etc.), vice presidents, secretary of the Board of Directors and other persons specified in these Articles of Association.

**Article 12** In accordance with the provisions of the Constitution of the Communist Party of China, the Company shall establish Communist Party organizations and carry out Party activities. The Company shall provide necessary conditions for the activities of the Party organizations.

## Chapter II Business Purpose and Scope

**Article 13** The business purpose of the Company is: to be guided by customer needs, promote mutual advancement of production and intelligence, strengthen the strategic positioning of "integrated synergy across the natural gas industry chain," deeply promote a full-scenario layout of clean energy, and help achieve sustainable economic, environmental and social development.

**Article 14** The business scope of the Company as legally registered is: construction of clean energy projects primarily based on natural gas; clean energy management services; research and development of natural gas clean energy technologies, technical consulting, technical services and technology transfer; enterprise management consulting; and business consulting services (excluding securities, investment, futures, education and training).

## Chapter III Shares

Section 1 Issuance of Shares

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

**Article 16** The issuance of the Company's shares shall follow the principles of openness, fairness and impartiality, and each share of the same class shall carry equal rights.

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

**Article 17** The Company's issued par-value shares shall have their par value denominated in Renminbi.

With the approval of the securities regulatory authority under the State Council, the Company may issue shares or Global Depositary Receipts (hereinafter referred to as "GDRs") to domestic investors and overseas investors. "Overseas investors" as referred to in the preceding paragraph means investors from foreign countries and Hong Kong, Macao and Taiwan, China, who subscribe for shares or GDRs issued by the Company; "domestic investors" means investors within the People's Republic of China, other than those from the aforementioned regions, who subscribe for shares issued by the Company or subscribe for GDRs in compliance with national regulations on overseas investment supervision.

**Article 18** The shares issued by the Company shall be centrally deposited with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited.

**Article 19** The total number of shares issued by the Company is 3,095,185,107, and all shares issued by the Company are ordinary shares.

**Article 20** Neither the Company nor its subsidiaries (including the Company's affiliated enterprises) shall provide financial assistance, in the form of gifts, advance payments, guarantees, loans or otherwise, to any person for the acquisition of shares of the Company or its parent company, except where the Company implements an employee stock ownership plan.

For the benefit of the Company, upon a resolution of the Shareholders' Meeting, or upon a resolution of the Board of Directors made in accordance with these Articles of Association or an authorization of the Shareholders' Meeting, the Company may provide financial assistance to any person for the acquisition of shares of the Company or its parent company, provided that the aggregate amount of such financial assistance shall not exceed 10% of the total issued share capital. A resolution of the Board of Directors shall be approved by two-thirds or more of all directors.

Section 2 Increase, Decrease and Repurchase of Shares

**Article 21** In accordance with the needs of its operations and development and in compliance with laws and regulations, the Company may increase its capital by the following methods upon separate resolutions of the Shareholders' Meeting:

(1) Public issuance of shares to unspecified persons;

(2) Issuance of shares to specified persons;

(3) Distribution of bonus shares to existing shareholders;

(4) Conversion of capital reserve into share capital;

(5) Other methods prescribed by laws and administrative regulations and stipulated by the CSRC.

**Article 22** The Company may reduce its registered capital. The reduction of registered capital by the Company shall be handled in accordance with the procedures stipulated by the Company Law and other relevant provisions and these Articles of Association.

**Article 23** The Company shall not acquire its own shares, except under any of the following circumstances:

(1) Reduction of the Company's registered capital;

(2) Merger with another company holding shares of the Company;

(3) Use of shares for an employee stock ownership plan or equity incentive;

(4) A shareholder requests the Company to acquire its shares because the shareholder objects to a resolution of the Shareholders' Meeting on the merger or division of the Company;

(5) Use of shares for conversion of convertible corporate bonds issued by a listed company;

(6) Necessary for a listed company to maintain the Company's value and the rights and interests of shareholders.

**Article 24** The Company may acquire its own shares through open centralized trading or other methods recognized by laws, administrative regulations and the CSRC.

Where the Company acquires its own shares under the circumstances specified in items (3), (5) and (6) of Article 23 of these Articles of Association, such acquisition shall be conducted through open centralized trading.

**Article 25** Where the Company acquires its own shares under the circumstances specified in items (1) and (2) of Article 23 of these Articles of Association, such acquisition shall be subject to a resolution of the Shareholders' Meeting. Where the Company acquires its own shares under the circumstances specified in items (3), (5) and (6) of Article 23 of these Articles of Association, such acquisition shall be subject to a resolution of a Board meeting attended by two-thirds or more of the directors.

After the Company acquires its own shares in accordance with Article 23 of these Articles of Association, where the acquisition falls under item (1), the shares shall be cancelled within 10 days from the date of acquisition; where the acquisition falls under items (2) or (4), the shares shall be transferred or cancelled within 6 months; where the Company acquires its own shares in accordance with items (3), (5) or (6) of Article 23, the total number of the Company's own shares held by the Company shall not exceed 10% of the total number of the Company's issued shares, and such shares shall be transferred or cancelled within 3 years.

Section 3 Transfer of Shares

**Article 26** The shares of the Company shall be transferred in accordance with the law.

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

**Article 28** Shares issued before the public issuance of shares by the Company shall not be transferred within one year from the date on which the Company's shares are listed for trading on a stock exchange. Directors and senior management of the Company shall declare to the Company the shares of the Company they hold (including preferred shares) and any changes thereto. During their term of office determined upon assumption of office, the number of shares transferred each year shall not exceed 25% of the total number of shares of the same class they hold in 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 aforementioned persons shall not transfer the shares of the Company held by them within six months after leaving office.

**Article 29** Where directors, senior management or shareholders holding 5% or more of the Company's shares sell the shares or other securities with an equity nature of the Company held by them within 6 months after purchase, or purchase them again within 6 months after sale, the gains derived therefrom shall belong to the Company, and the Board of Directors of the Company shall recover such gains. However, this shall not apply to securities companies holding 5% or more of the shares due to the purchase of remaining shares after underwriting, or other circumstances stipulated by the CSRC.

The shares or other securities with an equity nature held by the directors, senior management and natural person shareholders referred to in the preceding paragraph include shares or other securities with an equity nature held by their spouses, parents and children, and those held through accounts of other persons.

Where the Board of Directors of the Company fails to implement the provisions of the first paragraph of this Article, shareholders have the right to request the Board of Directors to implement them within 30 days. Where the Board of Directors of the Company fails to implement them within the aforementioned time limit, shareholders have the right to directly file a lawsuit with the People's Court in their own name for the interests of the Company.

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

## Chapter IV Shareholders and Shareholders' Meeting

Section 1 Shareholders

**Article 30** The Company shall establish a register of shareholders based on the certificates provided by the securities registration and clearing institution. The register of shareholders is sufficient evidence of a shareholder's holding of the Company's shares. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold; shareholders holding the same class of shares shall enjoy equal rights and assume the same obligations.

**Article 31** When the Company convenes a Shareholders' Meeting, distributes dividends, conducts liquidation or undertakes other activities requiring confirmation of shareholder identity, the Board of Directors or the convener of the Shareholders' Meeting shall determine the record date. Shareholders registered on the register after market close on the record date shall be the shareholders entitled to the relevant rights and interests.

**Article 32** Shareholders of the Company shall enjoy the following rights:

(1) To receive dividends and other forms of profit distribution according to the proportion of shares they hold;

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

(3) To supervise the operations of the Company and make suggestions or raise inquiries;

(4) To transfer, donate or pledge the shares they hold in accordance with laws, administrative regulations and these Articles of Association;

(5) To inspect and copy these Articles of Association, the register of shareholders, the minutes of Shareholders' Meetings, the resolutions of Board meetings and financial and accounting reports; shareholders meeting the prescribed conditions may inspect the Company's accounting books and accounting vouchers;

(6) To participate in the distribution of the Company's residual assets according to the proportion of shares they hold upon termination or liquidation of the Company;

(7) To request the Company to acquire their shares if they object to a resolution of the Shareholders' Meeting regarding the merger or division of the Company;

(8) Other rights stipulated by laws, administrative regulations, departmental rules or these Articles of Association.

**Article 33** Where a shareholder requests to inspect or copy the relevant materials, the shareholder shall comply with the provisions of the Company Law, the Securities Law and other laws and administrative regulations, and shall provide the Company with written documents proving the class and number of shares held. The Company shall provide such materials in accordance with the shareholder's request after verifying the shareholder's identity.

**Article 34** Where the content of resolutions of the Shareholders' Meeting or the Board of Directors of the Company violates laws or administrative regulations, shareholders have the right to request the People's Court to declare such resolutions invalid.

Where the convening procedures or voting methods of the Shareholders' Meeting or the Board of Directors violate laws, administrative regulations or these Articles of Association, or the content of the resolutions violates these Articles of Association, shareholders have the right to request the People's Court to revoke such resolutions within 60 days from the date the resolution is made. However, this shall not apply where the convening procedures or voting methods of the Shareholders' Meeting or Board meeting have only minor defects that do not have a substantive impact on the resolution.

Where the Board of Directors, shareholders or other relevant parties have a dispute over the validity of a resolution of the Shareholders' Meeting, a lawsuit shall be filed with the People's Court in a timely manner. Before the People's Court issues a judgment or ruling revoking the resolution or otherwise, the relevant parties shall implement the resolution of the Shareholders' Meeting. The Company, directors and senior management shall effectively perform their duties to ensure the normal operation of the Company.

Where the People's Court issues a judgment or ruling on relevant matters, the Company shall perform its information disclosure obligations in accordance with the laws, administrative regulations, the CSRC and the stock exchange, fully explain the impact, and actively cooperate in implementation after the judgment or ruling takes effect. Where correction of prior matters is involved, the Company shall handle such matters promptly and perform the corresponding information disclosure obligations.

**Article 35** Under any of the following circumstances, a resolution of the Shareholders' Meeting or the Board of Directors of the Company shall not be formed:

(1) No Shareholders' Meeting or Board meeting was convened to make the resolution;

(2) The Shareholders' Meeting or Board meeting did not vote on the matter to be resolved;

(3) The number of persons attending the meeting or the number of voting rights held did not reach the number of persons or voting rights prescribed by the Company Law or these Articles of Association;

(4) The number of persons or voting rights agreeing to the matter to be resolved did not reach the number of persons or voting rights prescribed by the Company Law or these Articles of Association.

**Article 36** Where a director other than a member of the Audit Committee or senior management violates laws, administrative regulations or these Articles of Association in performing duties for the Company and causes losses to the Company, a shareholder who has individually or collectively held 1% or more of the Company's shares for 180 consecutive days or more has the right to request the Audit Committee in writing to file a lawsuit with the People's Court; where a member of the Audit Committee violates laws, administrative regulations or these Articles of Association in performing duties for the Company and causes losses to the Company, the aforesaid shareholder may request the Board of Directors in writing to file a lawsuit with the People's Court.

Where the Audit Committee or the Board of Directors, after receiving the written request from the shareholder as specified in the preceding paragraph, refuses to file a lawsuit, or fails to file a lawsuit within 30 days from the date of receiving the request, or where the situation is urgent and failure to file a lawsuit immediately will cause irreparable damage to the interests of the Company, the shareholder referred to in the preceding paragraph has the right to directly file a lawsuit with the People's Court in his or her own name for the interests of the Company.

Where a third party infringes upon the legitimate rights and interests of the Company and causes losses to the Company, the shareholder referred to in the first paragraph of this Article may file a lawsuit with the People's Court in accordance with the preceding two paragraphs.

Where directors, supervisors or senior management of a wholly-owned subsidiary of the Company violate laws, administrative regulations or these Articles of Association in performing their duties and cause losses to the Company, or where a third party infringes upon the legitimate rights and interests of a wholly-owned subsidiary of the Company and causes losses, a shareholder who has individually or collectively held 1% or more of the Company's shares for 180 consecutive days or more may, in accordance with the first three paragraphs of Article 189 of the Company Law, request in writing the Supervisory Board or Board of Directors of the wholly-owned subsidiary to file a lawsuit with the People's Court, or directly file a lawsuit with the People's Court in his or her own name.

Where a wholly-owned subsidiary of the Company has no Supervisory Board or supervisor but has an Audit Committee, the first and second paragraphs of this Article shall apply.

**Article 37** Where directors or senior management violate laws, administrative regulations or these Articles of Association and damage the interests of shareholders, shareholders may file a lawsuit with the People's Court.

**Article 38** Shareholders of the Company shall assume the following obligations:

(1) To comply with laws, administrative regulations and these Articles of Association;

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

(3) To perform the duty of good faith to the Company in accordance with the law; shareholders holding 5% or more of the shares and their concerted action persons shall truthfully, accurately and completely disclose to the Board of Directors their related parties and concerted action circumstances, and shall undertake to promptly report to the Board of Directors when the related relationship or concerted action relationship changes;

(4) To support the development strategies and plans formulated by the Board of Directors;

(5) Not to withdraw their capital contributions, except as provided by laws and regulations;

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

(7) Not to seek improper benefits, not to interfere with the decision-making and management rights of the Board of Directors and senior management as stipulated in these Articles of Association, and not to bypass the Board of Directors and senior management to directly interfere with the Company's operation and management;

(8) Other obligations that should be assumed under laws, administrative regulations and these Articles of Association.

Where a shareholder of the Company abuses its shareholders' rights and causes losses to the Company or other shareholders, it shall bear compensation liability in accordance with the law; where a shareholder of the Company abuses the independent status of the Company's legal person and the limited liability of shareholders to evade debts and seriously damages the interests of the Company's creditors, it shall bear joint and several liability for the Company's debts.

Section 2 Controlling Shareholder and Actual Controller

**Article 39** The controlling shareholder and actual controller of the Company shall exercise their rights and perform their obligations in accordance with laws, administrative regulations, the CSRC and the stock exchange, and safeguard the interests of the listed company.

Where the controlling shareholder or actual controller pledges the shares of the Company held or actually controlled by it, it shall maintain the control of the Company and the stability of production and operations. Where the controlling shareholder or actual controller transfers shares of the Company held by it, it shall comply with the restrictive provisions on share transfers under laws, administrative regulations, the CSRC and the stock exchange, as well as its commitments concerning restrictions on share transfers.

**Article 40** The controlling shareholder and actual controller of the Company shall comply with the following provisions:

(1) To exercise shareholders' rights in accordance with the law, and not to abuse control or use related relationships to damage the legitimate rights and interests of the Company or other shareholders;

(2) To strictly perform public statements and all commitments made, and not to change or waive them without authorization;

(3) To strictly perform information disclosure obligations in accordance with relevant provisions, actively and proactively cooperate with the Company in information disclosure, and promptly inform the Company of material events that have occurred or are proposed to occur;

(4) Not to occupy the Company's funds in any manner;

(5) Not to compel, instruct or require the Company or relevant persons to provide guarantees in violation of laws and regulations;

(6) Not to seek benefits by using the Company's undisclosed material information, not to disclose the Company's undisclosed material information in any manner, and not to engage in illegal or non-compliant acts such as insider trading, short-swing trading or market manipulation;

(7) Not to damage the legitimate rights and interests of the Company or other shareholders by means of non-fair related-party transactions, profit distribution, asset restructuring, outbound investment or otherwise;

(8) To ensure the completeness of the Company's assets and the independence of its personnel, finances, organization and business, and not to affect the Company's independence in any manner;

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

Where the controlling shareholder or actual controller of the Company does not serve as a director of the Company but actually performs the Company's affairs, the provisions of these Articles of Association concerning directors' duties of loyalty and diligence shall apply.

Where the controlling shareholder or actual controller of the Company instructs directors or senior management to engage in conduct damaging the interests of the Company or shareholders, it shall bear joint and several liability with such directors or senior management.

Section 3 General Provisions on Shareholders' Meetings

**Article 41** The Shareholders' Meeting is composed of all shareholders. The Shareholders' Meeting is the authority of the Company and shall exercise the following functions and powers in accordance with the law:

(1) Electing and replacing directors who are not employee representatives, and deciding on matters relating to the remuneration of directors;

(2) Reviewing and approving the report of the Board of Directors;

(3) Reviewing and approving the Company's profit distribution policy, profit distribution plan and loss recovery plan;

(4) Making resolutions on the increase or decrease of the Company's registered capital, and the issuance of any type of shares, warrants and other similar securities;

(5) Making resolutions on the issuance of corporate bonds;

(6) Making resolutions on the merger, division, dissolution, liquidation or change of corporate form of the Company;

(7) Amending these Articles of Association;

(8) Making resolutions on the engagement or dismissal of the accounting firm undertaking the Company's audit business;

(9) Reviewing and approving the guarantee matters specified in Article 42;

(10) Reviewing matters where the Company purchases or sells major assets within one year exceeding 30% of the Company's total assets as audited in the most recent period;

(11) Where transactions described in Article 112 of these Articles of Association undertaken by the Company (excluding provision of guarantees, receipt of cash assets as gifts, and debt that merely reduces the obligations of the listed company) reach any of the following standards, such transactions shall be submitted to the Shareholders' Meeting for review:

1. The total amount of assets involved in the transaction (where both book value and appraised value exist, the higher shall prevail) accounts for 50% or more of the total assets of the listed company as audited in the most recent period;

2. The net amount of assets involved in the subject matter of the transaction (such as equity) (where both book value and appraised value exist, the higher shall prevail) accounts for 50% or more of the net assets of the listed company as audited in the most recent period, and the absolute amount exceeds RMB 50 million;

3. The transaction amount (including debts and expenses assumed) accounts for 50% or more of the net assets of the listed company as audited in the most recent period, and the absolute amount exceeds RMB 50 million;

4. The profit generated by the transaction accounts for 50% or more of the net profit of the listed company as audited in the most recent fiscal year, and the absolute amount exceeds RMB 5 million;

5. The operating revenue related to the subject matter of the transaction (such as equity) in the most recent fiscal year accounts for 50% or more of the operating revenue of the listed company as audited in the most recent fiscal year, and the absolute amount exceeds RMB 50 million;

6. The net profit related to the subject matter of the transaction (such as equity) in the most recent fiscal year accounts for 50% or more of the net profit of the listed company as audited in the most recent fiscal year, and the absolute amount exceeds RMB 5 million.

Where the data involved in the above indicators are negative, the absolute value shall be used.

(12) Reviewing and approving related-party transactions between the Company and related persons (excluding the Company's provision of external guarantees, receipt of cash assets as gifts, and debt that merely reduces the obligations of the listed company) with an amount of RMB 30 million or more and accounting for 5% or more of the absolute value of the Company's net assets as audited in the most recent period; where transactions with the same related person or transactions related to subjects under the same transaction category with different related persons reach the above standards within 12 consecutive months, they shall also be submitted to the Shareholders' Meeting for approval. The "same related person" referred to above includes other related persons controlled by the same entity as such related person or having an equity control relationship with each other.

(13) Reviewing and approving matters relating to a change in the use of raised funds;

(14) Reviewing equity incentive plans and employee stock ownership plans;

(15) Reviewing other matters that should be decided by the Shareholders' Meeting as stipulated by laws, administrative regulations, departmental rules, normative documents and these Articles of Association.

The above matters within the scope of the Shareholders' Meeting's functions and powers shall be reviewed and decided by the Shareholders' Meeting; provided, however, that under necessary, reasonable and lawful circumstances, the Shareholders' Meeting may authorize the Board of Directors to make decisions, and the content of the authorization shall be clear and specific.

Where the Shareholders' Meeting authorizes the Board of Directors, if the authorized matter is one that should be adopted by an ordinary resolution of the Shareholders' Meeting under these Articles of Association, it shall be adopted by more than half of the voting shares held by the shareholders (including proxy agents) attending the Shareholders' Meeting; if the authorized matter is one that should be adopted by a special resolution of the Shareholders' Meeting under these Articles of Association, it shall be adopted by two-thirds or more of the voting shares held by the shareholders (including proxy agents) attending the Shareholders' Meeting.

**Article 42** The following external guarantee acts of the Company shall be subject to review and approval by the Shareholders' Meeting:

(1) Any guarantee provided after the total amount of external guarantees of the Company and its controlling subsidiaries exceeds 50% of the net assets as audited in the most recent period;

(2) Any guarantee provided after the total amount of external guarantees of the Company exceeds 30% of the total assets as audited in the most recent period;

(3) A guarantee provided within one year with an amount exceeding 30% of the Company's total assets as audited in the most recent period;

(4) A guarantee provided for a guarantee object whose asset-liability ratio exceeds 70%;

(5) A guarantee with a single guarantee amount exceeding 10% of the net assets as audited in the most recent period;

(6) A guarantee provided to a shareholder, actual controller or its related party.

External guarantees that should be approved by the Shareholders' Meeting must be reviewed and approved by the Board of Directors before being submitted to the Shareholders' Meeting for approval. When the Board of Directors reviews guarantee matters, they must be approved by two-thirds or more of the directors attending the Board meeting. When the Shareholders' Meeting reviews the guarantee matter referred to in item (3) of the preceding paragraph, it must be approved by two-thirds or more of the voting rights held by the shareholders attending the meeting.

Where the Company provides a guarantee to a related person, in addition to approval by more than half of all non-related directors, it must also be approved by two-thirds or more of the non-related directors attending the Board meeting and resolved accordingly, and submitted to the Shareholders' Meeting for review. Where the Company provides a guarantee to a controlling shareholder, actual controller or its related person, the controlling shareholder, actual controller or its related person shall provide a counter-guarantee.

The "total amount of external guarantees of the Company and its controlling subsidiaries" referred to above means the sum of the total external guarantees of the listed company, including guarantees provided by the listed company to its controlling subsidiaries, the total guarantees among the controlling subsidiaries of the listed company, and the total external guarantees of the controlling subsidiaries of the listed company.

**Article 43** Shareholders' Meetings are divided into annual Shareholders' Meetings and extraordinary Shareholders' Meetings. The annual Shareholders' Meeting shall be held once a year and shall be convened within 6 months after the end of the preceding fiscal year.

**Article 44** The Company shall convene an extraordinary Shareholders' Meeting within 2 months from the date any of the following circumstances occurs:

(1) The number of directors is less than the number stipulated by the Company Law or two-thirds of the number stipulated in these Articles of Association;

(2) The unrecovered losses of the Company reach one-third of the total share capital;

(3) Upon the request of shareholders individually or collectively holding 10% or more of the Company's shares;

(4) Where the Board of Directors deems it necessary;

(5) Upon the proposal of the Audit Committee to convene;

(6) Other circumstances stipulated by laws, administrative regulations, departmental rules or these Articles of Association.

The shareholding referred to in item (3) above shall be calculated only on ordinary shares and preferred shares with restored voting rights (if any), and shall be calculated as of the date on which the shareholder submits the written request.

**Article 45** The location for the Company to convene Shareholders' Meetings shall be the place where the Company is domiciled, the place where the Company has its office, or an appropriate location determined in the notice of the Shareholders' Meeting.

The Shareholders' Meeting shall have a venue and shall be held in the form of an on-site meeting. The Company shall also provide network means to facilitate shareholders' participation in the Shareholders' Meeting. The identity verification of shareholders attending the Shareholders' Meeting through network means shall be implemented in accordance with the relevant provisions of the CSRC, the Shanghai Stock Exchange and China Securities Depository and Clearing Corporation Limited and other institutions.

**Article 46** When the Company convenes a Shareholders' Meeting, it shall engage lawyers to issue legal opinions on the following matters and make an announcement:

(1) Whether the convening and holding procedures of the meeting comply with laws, administrative regulations and these Articles of Association;

(2) Whether the qualifications of the attendees and the qualification of the convener are lawful and valid;

(3) Whether the voting procedures and voting results of the meeting are lawful and valid;

(4) Legal opinions issued on other relevant matters at the request of the Company.

Section 4 Convening of Shareholders' Meetings

**Article 47** The Board of Directors shall convene the Shareholders' Meeting on time within the prescribed period.

With the consent of more than half of all independent directors, independent directors have the right to propose to the Board of Directors to convene an extraordinary Shareholders' Meeting. In response to a proposal by independent directors to convene an extraordinary Shareholders' Meeting, the Board of Directors shall, in accordance with laws, administrative regulations and these Articles of Association, provide written feedback on whether to agree or disagree to convene an extraordinary Shareholders' Meeting within 10 days after receiving the proposal.

Where the Board of Directors agrees to convene an extraordinary Shareholders' Meeting, it shall issue a notice convening the Shareholders' Meeting within 5 days after making the Board resolution; where the Board of Directors disagrees to convene an extraordinary Shareholders' Meeting, it shall explain the reasons and make an announcement.

**Article 48** Where the Audit Committee proposes to the Board of Directors to convene an extraordinary Shareholders' Meeting, it shall submit the proposal to the Board of Directors in writing. The Board of Directors shall, in accordance with laws, administrative regulations and these Articles of Association, provide written feedback on whether to agree or disagree to convene an extraordinary Shareholders' Meeting within 10 days after receiving the proposal.

Where the Board of Directors agrees to convene an extraordinary Shareholders' Meeting, it shall issue a notice convening the Shareholders' Meeting within 5 days after making the Board resolution, and any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee.

Where the Board of Directors disagrees to convene an extraordinary Shareholders' Meeting, or fails to provide feedback within 10 days after receiving the proposal, the Board of Directors shall be deemed unable to perform or not performing its duty of convening the Shareholders' Meeting, and the Audit Committee may convene and preside over the meeting on its own.

**Article 49** Shareholders individually or collectively holding 10% or more of the Company's shares who request the Board of Directors to convene an extraordinary Shareholders' Meeting shall make such request to the Board of Directors in writing. The Board of Directors shall, in accordance with laws, administrative regulations and these Articles of Association, provide written feedback on whether to agree or disagree to convene an extraordinary Shareholders' Meeting within 10 days after receiving the request.

Where the Board of Directors agrees to convene an extraordinary Shareholders' Meeting, it shall issue a notice convening the Shareholders' Meeting within 5 days after making the Board resolution, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

Where the Board of Directors disagrees to convene an extraordinary Shareholders' Meeting, or fails to provide feedback within 10 days after receiving the request, shareholders individually or collectively holding 10% or more of the Company's shares shall propose to the Audit Committee to convene an extraordinary Shareholders' Meeting and shall submit the request to the Audit Committee in writing.

Where the Audit Committee agrees to convene an extraordinary Shareholders' Meeting, it shall issue a notice convening the Shareholders' Meeting within 5 days after receiving the request, and any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders.

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

When calculating the shareholding ratio referred to in this Article, only ordinary shares and preferred shares with restored voting rights (if any) shall be counted, and the shareholding shall be calculated as of the date on which the shareholder submits the written request.

**Article 50** Where the Audit Committee or shareholders decide to convene a Shareholders' Meeting on their own, they shall give written notice to the Board of Directors and file with the stock exchange at the same time.

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

The Audit Committee or convening shareholders shall, when issuing the notice of the Shareholders' Meeting and announcing the resolution of the Shareholders' Meeting, submit relevant supporting materials to the stock exchange.

When calculating the shareholding ratio referred to in this Article, only ordinary shares and preferred shares with restored voting rights (if any) shall be counted.

**Article 51** For Shareholders' Meetings convened by the Audit Committee or shareholders on their own, the Board of Directors and the secretary of the Board of Directors shall cooperate. The Board of Directors shall provide the register of shareholders as of the record date.

**Article 52** The expenses necessary for Shareholders' Meetings convened by the Audit Committee or shareholders on their own shall be borne by the Company.

Section 5 Proposals and Notices of Shareholders' Meetings

**Article 53** Proposals for the Shareholders' Meeting shall meet the following conditions:

(1) The content of the proposal shall comply with the relevant provisions of laws, administrative regulations and these Articles of Association, and shall fall within the scope of the functions and powers of the Shareholders' Meeting;

(2) There shall be a clear agenda and specific matters for resolution;

(3) The proposal shall be submitted or delivered to the convener of the Shareholders' Meeting in writing.

**Article 54** Where the Company convenes a Shareholders' Meeting, the Board of Directors, the Audit Committee and shareholders individually or collectively holding 1% or more of the Company's shares have the right to submit proposals to the Company.

Shareholders individually or collectively holding 1% or more of the Company's shares may submit interim proposals and deliver them in writing to the convener 10 days before the convening of the Shareholders' Meeting. The convener shall issue a supplementary notice of the Shareholders' Meeting within 2 days after receiving the proposal, announce the content of the interim proposal, and submit the interim proposal to the Shareholders' Meeting for review. This shall not apply where the interim proposal violates laws, administrative regulations or these Articles of Association, or does not fall within the scope of the functions and powers of the Shareholders' Meeting.

Except for the circumstances specified in the preceding paragraph and as otherwise provided by laws, regulations, rules and normative documents, the convener shall not, after issuing the notice of the Shareholders' Meeting, modify the proposals already listed in the notice or add new proposals.

Proposals not listed in the notice of the Shareholders' Meeting or not meeting the provisions of Article 53 of these Articles of Association shall not be put to a vote or resolved at the Shareholders' Meeting.

When calculating the shareholding ratio referred to in this Article, only ordinary shares and preferred shares with restored voting rights (if any) shall be counted.

For the interim proposals of the Shareholders' Meeting referred to in these Articles of Association, the Board of Directors shall conduct a formal review of the proposals based on the following principles:

(1) Relevance: whether the matter involved in the shareholder proposal has a direct relationship with the Company and does not exceed the scope of the Shareholders' Meeting's functions and powers stipulated by laws, regulations and these Articles of Association;

(2) Legality: whether the shareholder proposal violates the relevant provisions of laws, administrative regulations and these Articles of Association;

(3) Definiteness: whether the shareholder proposal has a clear agenda and specific matters for resolution.

For proposals that simultaneously meet the above three requirements, the Board of Directors shall issue a supplementary notice of the Shareholders' Meeting within 2 days after receiving the proposal, announcing the content of the interim proposal. Where the convener decides not to include a shareholder proposal in the meeting agenda, it shall provide an explanation and statement at the relevant Shareholders' Meeting. Where the proposing shareholder has objections to the convener's decision not to include its proposal in the agenda of the Shareholders' Meeting, it may request the convening of a separate extraordinary Shareholders' Meeting in accordance with these Articles of Association.

**Article 55** The convener shall notify all shareholders by announcement 20 days before the convening of an annual Shareholders' Meeting, and shall notify all shareholders by announcement 15 days before the convening of an extraordinary Shareholders' Meeting. When calculating the starting period, the Company shall not include the date of the meeting.

**Article 56** The notice of the Shareholders' Meeting shall include the following:

(1) The time, place and duration of the meeting;

(2) The matters and proposals to be considered at the meeting;

(3) A prominent statement that all shareholders have the right to attend the Shareholders' Meeting and may appoint a proxy agent in writing to attend the meeting and participate in voting, and that such proxy agent need not be a shareholder of the Company;

(4) The record date for shareholders entitled to attend the Shareholders' Meeting;

(5) The name and telephone number of the standing contact person for the meeting;

(6) The voting time and voting procedures via network or other means.

The notice and supplementary notice of the Shareholders' Meeting shall fully and completely disclose all specific contents of all proposals. The start time of voting via network or other means for the Shareholders' Meeting shall not be earlier than 3:00 p.m. on the day before the on-site Shareholders' Meeting is convened, and shall not be later than 9:30 a.m. on the day of the on-site Shareholders' Meeting, and the end time shall not be earlier than 3:00 p.m. on the day the on-site Shareholders' Meeting ends.

The interval between the record date and the meeting date shall not exceed 7 working days. Once the record date is confirmed, it shall not be changed.

**Article 57** Where the Shareholders' Meeting intends to discuss the election of directors, the notice of the Shareholders' Meeting shall fully disclose the detailed information of the candidates for directors, including at least the following:

(1) Personal information such as educational background, work experience and concurrent positions;

(2) Whether there is a related relationship with the Company or the controlling shareholder or actual controller of the Company;

(3) Disclosure of the number of shares of the Company held;

(4) Whether the candidate has been subject to penalties by the CSRC and other relevant departments and disciplinary actions by the stock exchange.

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

**Article 58** After the notice of the Shareholders' Meeting is issued, the Shareholders' Meeting shall not be postponed or cancelled without justifiable reasons, and the proposals listed in the notice of the Shareholders' Meeting shall not be cancelled. In the event of postponement or cancellation, the convener shall announce and explain the reasons at least 2 working days before the originally scheduled date.

Section 6 Holding of Shareholders' Meetings

**Article 59** The Board of Directors and other conveners of the Company shall take necessary measures to ensure the orderly conduct of the Shareholders' Meeting. Measures shall be taken to stop acts that disrupt the Shareholders' Meeting, provoke disturbances or infringe upon the legitimate rights and interests of shareholders, and such acts shall be promptly reported to the relevant authorities for investigation and handling.

**Article 60** All ordinary shareholders registered on the record date or their proxy agents have the right to attend the Shareholders' Meeting and exercise voting rights in accordance with relevant laws, regulations and these Articles of Association.

Shareholders may attend the Shareholders' Meeting in person or appoint a proxy agent to attend and vote on their behalf; where a shareholder appoints two or more proxy agents to attend the Shareholders' Meeting, the scope of authority of each proxy agent and the names of the proposals to be voted on by each proxy agent shall be clearly specified.

**Article 61** An individual shareholder attending the meeting in person shall present his or her identity card or other valid certificate or document proving his or her identity; a proxy attending the meeting on behalf of another shareholder shall present his or her own valid identity document and the power of attorney issued by the shareholder.

A corporate shareholder shall be represented at the meeting by its legal representative or a proxy agent authorized by its legal representative. Where the legal representative attends the meeting, he or she shall present his or her identity card and valid documents proving his or her qualification as legal representative; where a proxy agent attends the meeting, the proxy agent shall present his or her identity card, the written power of attorney issued in accordance with the law by the legal representative of the corporate shareholder, and valid documents proving the qualification of the legal representative as such.

**Article 62** The power of attorney issued by a shareholder for entrusting another person to attend the Shareholders' Meeting shall state the following:

(1) Name or title of the entrusting party, and the class and number of shares held in the Company;

(2) Name or title of the proxy agent;

(3) Specific instructions of the shareholder, including instructions to vote for, against or abstain on each matter considered on the agenda of the Shareholders' Meeting;

(4) Date of issuance and validity period of the power of attorney;

(5) Signature or seal of the entrusting party. Where the entrusting party is a corporate shareholder, the seal of the corporate entity shall be affixed.

**Article 63** The power of attorney shall state whether the proxy agent may vote at his or her own discretion if the shareholder does not give specific instructions.

Where, before the voting, the entrusting party has died, lost capacity for civil conduct, withdrawn the entrustment, withdrawn the authorization to sign the power of attorney, or transferred the shares held, the vote cast by the proxy agent in accordance with the power of attorney shall remain valid, provided that the Company has not received written notice of such matters before the commencement of the relevant meeting.

**Article 64** Where the power of attorney for proxy voting is signed by a person authorized by the entrusting party, the authorization letter or other authorization document for such authorized signature shall be notarized. The notarized authorization letter or other authorization document and the proxy voting power of attorney shall all be kept at the Company's domicile or other place specified in the notice convening the meeting.

**Article 65** The attendance register for the meeting shall be prepared by the Company. The attendance register shall record the names or entity names of attendees, their identity card numbers, the number of voting shares held or represented, the names or entity names of the persons represented and other matters.

**Article 66** The convener and the lawyers engaged by the Company shall jointly verify the legality of shareholder qualifications based on the register of shareholders provided by the securities registration and clearing institution, and register the names of shareholders and the number of voting shares held by them. Registration of attendees shall terminate before the chair of the meeting announces the number of shareholders and proxy agents attending the on-site meeting and the total number of voting shares held by them.

**Article 67** Where the Shareholders' Meeting requires directors or senior management to attend the meeting, the directors and senior management shall attend and accept inquiries from shareholders.

**Article 68** The Shareholders' Meeting shall be presided over by the Chairman of the Board of Directors. Where the Chairman is unable to perform his or her duties or fails to perform them, the meeting shall be presided over by the Vice Chairman; where the Vice Chairman is unable to perform his or her duties or fails to perform them, a director jointly elected by a majority of the directors shall preside over the meeting.

A Shareholders' Meeting convened by the Audit Committee on its own shall be presided over by the convener of the Audit Committee. Where the convener of the Audit Committee is unable to perform his or her duties or fails to perform them, a member of the Audit Committee jointly elected by a majority of the members of the Audit Committee shall preside over the meeting.

A Shareholders' Meeting convened by shareholders on their own shall be presided over by the convener or a representative elected by the convener.

Where the chair of the meeting violates the rules of procedure during the Shareholders' Meeting, making it impossible for the Shareholders' Meeting to continue, the Shareholders' Meeting may, with the consent of a majority of the shareholders with voting rights attending the meeting, elect a person to serve as chair of the meeting and continue the meeting.

**Article 69** The Company shall formulate the Rules of Procedure for Shareholders' Meetings, which shall detail the procedures for convening and voting at Shareholders' Meetings, including notices, registration, review of proposals, voting, vote counting, announcement of voting results, formation of meeting resolutions, minutes and their signing, announcements and other matters, as well as the principles of authorization from the Shareholders' Meeting to the Board of Directors, and the content of the authorization shall be clear and specific. The Rules of Procedure for Shareholders' Meetings shall serve as an annex to these Articles of Association, and shall be formulated by the Board of Directors and approved by the Shareholders' Meeting.

**Article 70** At the annual Shareholders' Meeting, the Board of Directors shall report to the Shareholders' Meeting on its work in the past year. Each independent director shall also make an annual report on the performance of duties.

**Article 71** Directors and senior management shall provide explanations and statements regarding shareholders' inquiries and suggestions at the Shareholders' Meeting.

**Article 72** Before voting, the chair of the meeting shall announce the number of shareholders and proxy agents attending the on-site meeting and the total number of voting shares held by them, which shall be based on the meeting attendance register.

**Article 73** The Shareholders' Meeting shall have minutes, which shall be the responsibility of the secretary of the Board of Directors. The minutes shall record the following:

(1) The time, place, agenda and the name or title of the convener of the meeting;

(2) The name of the chair of the meeting and the names of the directors and senior management attending the meeting;

(3) The number of shareholders and proxy agents attending the meeting, the total number of voting shares held by them and the proportion of such shares to the total number of shares of the Company;

(4) The review process, key points of speeches and voting results for each proposal;

(5) The inquiries or suggestions of shareholders and the corresponding replies or explanations;

(6) The names of the lawyers, vote counters and vote scrutineers;

(7) Other contents that should be recorded in the minutes as stipulated in these Articles of Association.

**Article 74** The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, the secretary of the Board of Directors, the convener or his or her representative, and the chair of the meeting who attend the meeting shall sign the minutes. The minutes shall be kept together with the attendance register signed by shareholders attending on site, the powers of attorney for proxy attendance, and valid materials regarding voting via network and other means, for a retention period of 10 years.

**Article 75** The convener shall ensure the continuous conduct of the Shareholders' Meeting until a final resolution is formed. Where the Shareholders' Meeting is suspended or unable to make a resolution due to force majeure or other special reasons, necessary measures shall be taken to resume the Shareholders' Meeting as soon as possible or directly terminate the Shareholders' Meeting, and an announcement shall be made promptly. At the same time, the convener shall report to the local CSRC office and the stock exchange where the Company is located.

Section 7 Voting and Resolutions of Shareholders' Meetings

**Article 76** Resolutions of the Shareholders' Meeting are divided into ordinary resolutions and special resolutions.

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

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

**Article 77** The following matters shall be adopted by the Shareholders' Meeting by ordinary resolution:

(1) The work report of the Board of Directors;

(2) The profit distribution plan and loss recovery plan formulated by the Board of Directors;

(3) The appointment and removal of members of the Board of Directors and their remuneration and payment methods;

(4) The engagement and dismissal of an accounting firm;

(5) Other matters not required by laws, administrative regulations or these Articles of Association to be adopted by special resolution.

**Article 78** The following matters shall be adopted by the Shareholders' Meeting by special resolution:

(1) Increase or decrease of the Company's registered capital, or issuance of any type of shares, warrants and other similar securities;

(2) Division, spin-off, merger, dissolution, liquidation or change of corporate form of the Company;

(3) Amendment to these Articles of Association;

(4) Equity incentive plans;

(5) Issuance of corporate bonds;

(6) Purchase or sale of major assets within one year or provision of guarantees to others in an amount exceeding 30% of the Company's total assets as audited in the most recent period;

(7) Amendment to the profit distribution policy;

(8) Other matters stipulated by laws, administrative regulations or these Articles of Association, as well as other matters that the Shareholders' Meeting determines by ordinary resolution will have a material impact on the Company and need to be adopted by special resolution.

**Article 79** Shareholders (including proxy agents) shall exercise voting rights based on the number of voting shares represented by them, and each share carries one vote.

When the Shareholders' Meeting reviews major matters affecting the interests of small and medium investors, the votes of small and medium investors shall be counted separately. The results of separate vote counting shall be promptly disclosed to the public.

Shares of the Company held by the Company itself carry no voting rights, and such shares shall not be included in the total number of voting shares attending the Shareholders' Meeting.

Where a shareholder purchases voting shares of the Company in violation of the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law, the portion of shares exceeding the prescribed ratio shall not carry voting rights within 36 months after purchase, and shall not be included in the total number of voting shares attending the Shareholders' Meeting.

The Board of Directors of the Company, independent directors, shareholders holding 1% or more of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit voting rights from shareholders. When soliciting shareholders' voting rights, the solicitor shall fully disclose specific voting intentions and other information to the solicitees. Soliciting shareholders' voting rights by paid or disguised paid means is prohibited. Except for statutory conditions, the Company shall not impose minimum shareholding ratio restrictions on the solicitation of voting rights.

Where shareholder rights are solicited in accordance with the preceding paragraph, the solicitor shall disclose the solicitation documents, and the Company shall cooperate.

Where the public solicitation of shareholder rights violates laws, administrative regulations or the relevant provisions of the securities regulatory authority under the State Council and causes losses to the Company or its shareholders, the solicitor shall bear compensation liability in accordance with the law.

**Article 80** When the Shareholders' Meeting reviews matters involving related-party transactions, related shareholders shall not participate in the voting, and the voting shares represented by them shall not be included in the total number of valid votes; the announcement of the resolution of the Shareholders' Meeting shall fully disclose the voting status of non-related shareholders.

A related shareholder may voluntarily apply for recusal; other shareholders of the Company and the Board of Directors may recommend that the related shareholder recuse himself or herself. The above application or recommendation shall be submitted in writing before the Shareholders' Meeting is convened, and the Board of Directors shall immediately notify the relevant shareholder of the application or recommendation. The relevant shareholder may raise an objection to the application or recommendation; if no objection is raised before the voting, the shareholder subject to the application or recommendation for recusal shall recuse himself or herself. Where an objection is raised, the shareholder may request the Audit Committee to resolve the application or recommendation. The Audit Committee shall make a resolution before the Shareholders' Meeting is convened. A party disagreeing with the resolution may appeal to the relevant department, and the appeal shall not affect implementation of the Audit Committee's resolution.

When the Shareholders' Meeting reviews related-party transaction matters, the chair shall announce the list of related shareholders and briefly introduce the related matter. The chair shall announce the total number of voting shares held or represented by non-related shareholders attending the meeting and their proportion to the total shares of the Company before proceeding with the review and voting.

Resolutions of the Shareholders' Meeting on related-party transaction matters must be adopted by more than half of the voting rights held by non-related shareholders attending the Shareholders' Meeting to be valid. However, where the related-party transaction involves a matter that should be adopted by special resolution under these Articles of Association (Article 78), the resolution of the Shareholders' Meeting must be adopted by two-thirds or more of the voting rights held by non-related shareholders attending the Shareholders' Meeting to be valid.

**Article 81** While ensuring the legality and validity of the Shareholders' Meeting, the Company shall, through various means and channels, give priority to providing modern information technology means such as network-based voting platforms to facilitate shareholders' participation in the Shareholders' Meeting.

**Article 82** Except where the Company is in crisis or other special circumstances, without the approval of the Shareholders' Meeting by special resolution, the Company shall not enter into a contract with any person other than directors and senior management that entrusts the management of all or significant business of the Company to such person.

**Article 83** The list of candidates for directors shall be submitted to the Shareholders' Meeting for voting in the form of a proposal.

When the Board of Directors of the Company is re-elected or a by-election of directors is held, the Board of Directors, or shareholders individually or collectively holding 1% or more of the total number of outstanding voting shares of the Company, may propose candidates for directors, who shall be reviewed by the Board of Directors and then submitted to the Shareholders' Meeting for election.

Where laws, regulations and normative documents have other provisions regarding the nomination of independent directors, such provisions shall prevail.

Where shareholders holding or collectively holding 1% or more of the total number of outstanding voting shares of the Company propose a list of candidates for directors, the number of persons in each proposal shall be limited to the actual number of vacancies for directors at the time. The above proposals and the written commitments of the candidates for directors to serve as directors shall be submitted to the Board of Directors in writing within 10 days after the notice of the Shareholders' Meeting is issued. The Board of Directors shall verify their resumes and basic information as soon as possible and announce them to shareholders.

Candidates for directors shall, before the Shareholders' Meeting is convened, make a written commitment to accept the nomination, undertake that the publicly disclosed candidate information is true and complete, and guarantee the faithful performance of their duties upon election.

Where a single shareholder of the Company and its concerted action persons hold shares representing 30% or more of the rights and interests, the Shareholders' Meeting shall adopt the cumulative voting system when electing directors. When the Shareholders' Meeting elects two or more independent directors, it shall adopt the cumulative voting system.

**Article 84** Except for the cumulative voting system, the Shareholders' Meeting shall vote on all proposals item by item. Where there are different proposals on the same matter, voting shall be conducted in the chronological order in which the proposals are made. Except where the Shareholders' Meeting is suspended or unable to make a resolution due to force majeure or other special reasons, the Shareholders' Meeting shall not shelve or refuse to vote on proposals.

**Article 85** When the Shareholders' Meeting reviews a proposal, it shall not amend the proposal; otherwise, the relevant change shall be deemed a new proposal and may not be voted on at the current Shareholders' Meeting.

**Article 86** The same voting right may only be exercised through one of the on-site, network or other voting methods. Where the same voting right is exercised repeatedly, the result of the first vote shall prevail.

**Article 87** The Shareholders' Meeting shall adopt recorded voting by ballot.

**Article 88** Before voting on proposals at the Shareholders' Meeting, two shareholder representatives shall be elected to participate in vote counting and scrutineering. Where the matters under review involve a related relationship with a shareholder, the relevant shareholder and proxy agent shall not participate in vote counting or scrutineering.

When the Shareholders' Meeting votes on proposals, lawyers and shareholder representatives shall jointly be responsible for vote counting and scrutineering, the voting results shall be announced on the spot, and the voting results of the resolutions shall be recorded in the minutes.

Shareholders of the Company or their proxy agents who vote via network or other means have the right to verify their voting results through the corresponding voting system.

**Article 89** The end time of the on-site Shareholders' Meeting shall not be earlier than that of the network or other means. The chair of the meeting shall announce the voting status and results of each proposal, and announce whether the proposal has been adopted based on the voting results.

Before the official announcement of the voting results, the Company, vote counters, vote scrutineers, major shareholders, network service providers and other relevant parties involved in the on-site, network and other voting methods of the Shareholders' Meeting shall all be bound by confidentiality obligations regarding the voting status.

**Article 90** Shareholders attending the Shareholders' Meeting shall express one of the following opinions on the proposals submitted for voting: in favor, against or abstention.

Voting ballots that are unfilled, incorrectly filled, over-filled, unsigned, illegible or uncast shall be deemed as the voter waiving voting rights, and the voting result of the shares held by such voter shall be counted as "abstention."

**Article 91** Where the chair of the meeting has any doubt about the results of the resolution submitted for voting, the chair may organize a recount of the votes; where the chair does not organize a recount, shareholders or proxy agents attending the meeting who have objections to the results announced by the chair have the right to immediately request a recount after the announcement of the voting results, and the chair shall immediately organize a recount.

**Article 92** Resolutions of the Shareholders' Meeting shall be announced promptly, and the announcement shall state the number of shareholders and proxy agents attending the meeting, the total number of voting shares held by them and their proportion to the total number of voting shares of the Company, the voting method, the voting results of each proposal, and the detailed contents of the adopted resolutions.

**Article 93** Where a proposal is not adopted or the current Shareholders' Meeting changes the resolution of the previous Shareholders' Meeting, a special note shall be made in the announcement of the resolution of the Shareholders' Meeting.

**Article 94** Where the Shareholders' Meeting adopts a proposal regarding the election of directors, the newly elected director shall assume office immediately after the conclusion of the Shareholders' Meeting or upon the expiration of the term of the previous Board of Directors, and the specific time of assuming office shall be specified in the proposal of the Shareholders' Meeting.

**Article 95** Where the Shareholders' Meeting adopts a proposal regarding cash dividend distribution, bonus share issuance or conversion of capital reserve into share capital, the Company shall implement the specific plan within 2 months after the conclusion of the Shareholders' Meeting.

## Chapter V Board of Directors

Section 1 Directors

**Article 96** Directors of the Company shall be natural persons. A person with any of the following circumstances may not serve as a director of the Company:

(1) Without civil capacity or with limited civil capacity;

(2) Having been sentenced to criminal punishment for embezzlement, bribery, encroachment of property, misappropriation of property or disruption of the order of the socialist market economy, or having been deprived of political rights for a crime, with the execution period having expired less than 5 years; where a suspended sentence has been declared, less than 2 years have elapsed from the date on which the probation period for the suspended sentence expired;

(3) Having served as a director, factory manager or manager of a company or enterprise that was bankrupt and liquidated, and being personally responsible for the bankruptcy of such company or enterprise, with less than 3 years having elapsed since completion of the bankruptcy liquidation of such company or enterprise;

(4) Having served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close due to illegal acts, and being personally responsible, with less than 3 years having elapsed since the business license of such company or enterprise was revoked or it was ordered to close;

(5) Having significant unpaid personal debts that are due and having been listed by the People's Court as a dishonest judgment debtor;

(6) Being subject to a ban from the securities market imposed by the CSRC, where the ban period has not expired;

(7) Being publicly determined by a stock exchange to be unsuitable to serve as a director or senior management of a listed company or otherwise, where the applicable period has not expired;

(8) Other circumstances stipulated by laws, administrative regulations or departmental rules.

Any election, appointment or engagement of a director in violation of the provisions of this Article shall be invalid. Where a director falls under any of the circumstances specified in this Article during his or her term of office, the Company shall remove the director from office and suspend the director from performing duties.

**Article 97** Directors shall be elected or replaced by the Shareholders' Meeting, and may be removed by the Shareholders' Meeting before the expiration of their term. The term of office of directors is 3 years, and they may be re-elected upon expiration of their term.

The term of office of directors shall be calculated from the date of assumption of office and shall end upon the expiration of the term of the current Board of Directors. Where the term of office of directors has expired and timely re-election has not been conducted, the original directors shall, before the newly elected directors assume office, continue to perform their duties as directors in accordance with laws, administrative regulations, departmental rules and these Articles of Association.

Directors may concurrently serve as senior management; however, the total number of directors concurrently serving as senior management and directors serving as employee representatives shall not exceed 1/2 of the total number of directors of the Company. One employee representative shall serve as a director on the Company's Board of Directors. The employee representative director shall be democratically elected by the Company's employees through the employees' representative congress, employees' assembly or other forms, and need not be submitted to the Shareholders' Meeting for review.

Except as otherwise provided in these Articles of Association, the nomination methods and general election procedures for directors are as follows:

(1) Within the range of the number of persons stipulated in these Articles of Association and according to the number of persons to be elected, the Nomination Committee of the Board of Directors may propose a list of candidates for directors; shareholders individually or collectively holding 1% or more of the total number of voting shares issued by the Company may also propose candidates for directors to the Board of Directors;

(2) The Nomination Committee of the Board of Directors shall conduct a preliminary review of the qualifications and conditions of the candidates for directors. Those who pass the review shall be submitted to the Board of Directors for review and deliberation. After being reviewed and approved by the Board of Directors, the candidates for directors shall be submitted to the Shareholders' Meeting in the form of a written proposal;

(3) Candidates for directors shall, before the Shareholders' Meeting of the Company is convened, make a written commitment to accept the nomination, undertake that the publicly disclosed information is true and complete, and guarantee the faithful performance of their duties as directors upon election;

(4) Written notice of the intention to nominate candidates for directors and the nominee's expression of willingness to accept the nomination, as well as relevant written materials on the nominee's background, shall be sent to the convener of the Shareholders' Meeting of the Company no less than 10 days before the date of the Shareholders' Meeting. The nominator shall provide shareholders with the resume and basic information of the candidates for directors;

(5) The Board of Directors shall, before the Shareholders' Meeting is convened, disclose detailed information on the candidates for directors to shareholders in accordance with laws, regulations and these Articles of Association, to ensure that shareholders have sufficient understanding of the candidates when voting;

(6) The Shareholders' Meeting shall vote on each candidate for director individually, and the cumulative voting system shall be adopted in accordance with these Articles of Association;

(7) In the case of an interim by-election of a director, the Nomination Committee of the Board of Directors or a shareholder meeting the nomination qualifications shall propose and submit candidates to the Board of Directors for review, and the Shareholders' Meeting shall elect or replace the director.

**Article 98** Directors shall comply with laws, administrative regulations and these Articles of Association, owe a duty of loyalty to the Company, take measures to avoid conflicts between their own interests and the interests of the Company, and shall not use their authority to seek improper benefits. Directors owe the following duties of loyalty to the Company:

(1) Not to use their positions to accept bribes or other illegal income;

(2) Not to encroach on the Company's property or misappropriate the Company's funds;

(3) Not to open accounts in their own names or in the names of other individuals to deposit the Company's funds;

(4) Without reporting to the Board of Directors or the Shareholders' Meeting and approval by a resolution of the Shareholders' Meeting, not to operate for themselves or for others a business of the same type as the Company;

(5) Without reporting to the Board of Directors or the Shareholders' Meeting and approval by a resolution of the Board of Directors or the Shareholders' Meeting in accordance with these Articles of Association, not to directly or indirectly enter into a contract or conduct a transaction with the Company;

(6) Not to use the convenience of their positions to secure business opportunities belonging to the Company for themselves or others, except where the matter is reported to the Board of Directors or the Shareholders' Meeting and approved by a resolution of the Shareholders' Meeting, or where the Company cannot use the business opportunity in accordance with laws, administrative regulations or these Articles of Association;

(7) Not to accept commissions from transactions with the Company for personal gain;

(8) Not to disclose the Company's secrets without authorization;

(9) Not to use their related relationships to damage the interests of the Company;

(10) Other duties of loyalty stipulated by laws, administrative regulations, departmental rules and these Articles of Association.

Any income obtained by a director in violation of the provisions of this Article shall belong to the Company; where losses are caused to the Company, the director shall bear compensation liability.

The near relatives of directors or senior management, enterprises directly or indirectly controlled by directors or senior management or their near relatives, and related persons having other related relationships with directors or senior management, entering into contracts or conducting transactions with the Company, shall be subject to item (5) of the second paragraph of this Article.

Where a director or another enterprise in which the director serves has a related relationship, directly or indirectly, with the Company's existing or planned agreements, transactions or arrangements (excluding employment agreements), regardless of whether the relevant matter requires the approval or consent of the Board of Directors under normal circumstances, the director shall disclose to the Board of Directors the nature and extent of such related relationship.

Directors shall not serve concurrently as directors or senior management in other enterprises where conflicts of interest may arise.

**Article 99** Directors shall comply with laws, administrative regulations and these Articles of Association, owe a duty of diligence to the Company, and in performing their duties exercise the reasonable care ordinarily expected of a manager in the best interests of the Company. Directors owe the following duties of diligence to the Company:

(1) To exercise the rights granted by the Company with caution, care and diligence, so as to ensure that the Company's commercial conduct complies with the requirements of national laws, administrative regulations and national economic policies, and that commercial activities do not exceed the scope of business specified in the business license;

(2) To treat all shareholders fairly;

(3) To promptly understand the Company's business operations and management status;

(4) To sign written confirmation opinions on the Company's periodic reports to ensure that the information disclosed by the Company is true, accurate and complete;

(5) To truthfully provide the Audit Committee with relevant information and materials, and not to hinder the Audit Committee from exercising its functions and powers;

(6) To attend Board meetings with a conscientious and responsible attitude, and to express clear opinions independently, professionally and objectively on the matters discussed at Board meetings. Where a director is genuinely unable to attend a Board meeting in person, the director may entrust another director in writing to vote on his or her behalf according to the wishes of the entrusting party, and the entrusting party shall bear legal liability independently. A director who fails to attend a Board meeting in person and has not entrusted another director to attend on his or her behalf shall be deemed absent;

(7) Other duties of diligence stipulated by laws, administrative regulations, departmental rules and these Articles of Association.

**Article 100** Where a director fails to attend Board meetings in person for two consecutive times and has not entrusted another director to attend, the director shall be deemed unable to perform his or her duties, and the Board of Directors shall recommend to the Shareholders' Meeting that the director be removed.

**Article 101** A director may resign before the expiration of his or her term. A director resigning shall submit a written resignation report to the Company, and the resignation shall take effect on the date the Company receives the resignation report. The Company shall disclose the relevant circumstances within 2 trading days. Where the resignation of a director causes the Board of Directors of the Company to fall below the statutory minimum number, the original director shall, before the newly elected director assumes office, continue to perform his or her duties as a director in accordance with laws, administrative regulations, departmental rules and these Articles of Association.

**Article 102** The Company shall establish a director departure management system specifying safeguards for accountability and recovery in respect of unfulfilled public commitments and other outstanding matters. Upon the effectiveness of a director's resignation or the expiration of his or her term, the director shall complete all handover procedures with the Board of Directors. The director's duty of loyalty to the Company and shareholders shall not be automatically released upon the expiration of the term, and shall remain effective for a reasonable period stipulated in these Articles of Association. The responsibilities that a director should bear for performing duties during his or her term shall not be exempted or terminated by departure.

The director's duty to keep the Company's trade secrets confidential shall remain effective after the expiration of the term until such secrets become public information; the duration of other obligations shall be determined based on the principle of fairness, taking into account the length of time between the occurrence of the event and the departure and the circumstances and conditions under which the relationship with the Company ends.

**Article 103** The Shareholders' Meeting may resolve to remove a director, and the removal shall take effect on the date the resolution is made.

Where a director is removed before the expiration of his or her term without justifiable reason, the director may request compensation from the Company.

**Article 104** Without the provisions of these Articles of Association or the lawful authorization of the Board of Directors, no director shall act on behalf of the Company or the Board of Directors in his or her personal capacity. When a director acts in his or her personal capacity, and a third party would reasonably believe that the director is acting on behalf of the Company or the Board of Directors, the director shall declare his or her position and identity in advance.

**Article 105** Where a director causes losses to another person in performing duties for the Company, the Company shall bear compensation liability; where the director has acted intentionally or with gross negligence, the director shall also bear compensation liability.

Where a director violates laws, administrative regulations, departmental rules or these Articles of Association in performing duties for the Company and causes losses to the Company, the director shall bear compensation liability.

**Article 106** Independent directors shall act in accordance with the relevant provisions of laws, administrative regulations, the CSRC and the stock exchange.

Section 2 Board of Directors

**Article 107** The Company shall establish a Board of Directors, which shall be accountable to the Shareholders' Meeting.

**Article 108** The Board of Directors shall consist of 11 directors, of which independent directors shall account for no less than 1/3 of the total number of directors; the Board of Directors shall have one Chairman and one Vice Chairman.

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

(1) Convening the Shareholders' Meeting and reporting on its work to the Shareholders' Meeting;

(2) Executing the resolutions of the Shareholders' Meeting;

(3) Deciding on the Company's business plans and investment plans;

(4) Formulating or amending the Company's profit distribution policy, profit distribution plan and loss recovery plan;

(5) Formulating plans for the Company to increase or decrease its registered capital, issue bonds or other securities, and for listing;

(6) Formulating plans for major acquisitions of the Company, acquisition of the Company's own shares, or merger, division, dissolution and change of corporate form;

(7) Within the scope of authorization from the Shareholders' Meeting, deciding on matters such as outbound investment, acquisition and sale of assets, asset pledging, external guarantees, entrustment of wealth management, related-party transactions and external donations, with the specific types of matters listed in Article 112 of these Articles of Association;

(8) Reviewing related-party transactions with related natural persons with a transaction amount of RMB 300,000 or more (excluding guarantees provided by the Company), and related-party transactions with related legal persons with a transaction amount of RMB 3 million or more and accounting for 0.5% or more of the absolute value of the Company's net assets as audited in the most recent period (excluding guarantees provided by the Company); where transactions with the same related person or transactions related to subjects under the same transaction category with different

related persons reach the above standards within 12 consecutive months, they shall also be submitted to the Board of Directors for approval;

(9) Deciding on the establishment of the Company's internal management structure;

(10) Deciding on the engagement or dismissal of the Company's Chief Executive Officer, Co-Chief Executive Officers, President and secretary of the Board of Directors, and deciding on their remuneration and reward and punishment matters; based on the nomination of the Chief Executive Officer or Co-Chief Executive Officers, deciding on the engagement or dismissal of the Company's person in charge of finance, vice presidents and other senior management, and deciding on their remuneration and reward and punishment matters;

(11) Formulating the Company's basic management system;

(12) Formulating plans for amending these Articles of Association;

(13) Managing the Company's information disclosure matters;

(14) Submitting to the Shareholders' Meeting proposals for the engagement or replacement of the accounting firm that audits the Company;

(15) Listening to the work reports of the Company's President, inspecting the work of the President, supervising the performance of senior management, and ensuring that senior management effectively performs their management duties;

(16) Other functions and powers granted by laws, administrative regulations, departmental rules or these Articles of Association, as well as those granted by the Shareholders' Meeting.

The Board of Directors shall establish an Audit Committee and, as needed, establish relevant special committees such as the Nomination Committee, Remuneration and Appraisal Committee, and Strategy and ESG Committee (ESG means "Environmental, Social and Governance"). Special committees shall be accountable to the Board of Directors and perform their duties in accordance with these Articles of Association and the authorization of the Board of Directors, and their proposals shall be submitted to the Board of Directors for review and decision. The members of special committees shall all be directors, with independent directors constituting a majority and serving as conveners in the Nomination Committee, Audit Committee, and Remuneration and Appraisal Committee, and the convener of the Audit Committee being an accounting professional. The Board of Directors shall be responsible for formulating the working rules of the special committees to regulate their operations.

**Article 110** The Board of Directors of the Company shall provide an explanation to the Shareholders' Meeting regarding the non-standard audit opinions issued by certified public accountants on the Company's financial reports.

**Article 111** The Board of Directors shall formulate Rules of Procedure for the Board of Directors to ensure that the Board of Directors implements the resolutions of the Shareholders' Meeting, improves work efficiency and ensures scientific decision-making. The Rules of Procedure for the Board of Directors shall serve as an annex to these Articles of Association, and shall be formulated by the Board of Directors and approved by the Shareholders' Meeting.

**Article 112** Within the scope of authorization from the Shareholders' Meeting, the Board of Directors shall review and approve the following transactions, other than the Company's daily business activities:

(1) Purchase or sale of assets;

(2) Outbound investment, including entrustment of wealth management and investment in subsidiaries;

(3) Provision of financial assistance, including interest-bearing or interest-free loans and entrusted loans;

(4) Provision of guarantees, including guarantees for controlling subsidiaries;

(5) Leasing in or leasing out assets;

(6) Entrusting or accepting the entrustment of management of assets and businesses;

(7) Donation or receipt of donated assets;

(8) Restructuring of claims and debts;

(9) Entering into license use agreements;

(10) Transfer or receipt of transfer of research and development projects;

(11) Waiver of rights, including waiver of preemptive rights and preemptive subscription rights for capital contributions;

(12) Other transactions recognized by the Shanghai Stock Exchange.

The above purchase or sale of assets does not include the purchase of raw materials, fuels and power, and the sale of products and goods and other asset purchase or sale activities related to daily operations; however, such asset purchase or sale activities involved in asset exchanges are still included.

The Shareholders' Meeting, based on the principle of prudent authorization, authorizes the Board of Directors to approve the aforementioned transactions within the following limits:

(1) The total amount of assets involved in the transaction (where both book value and appraised value exist, the higher shall prevail) accounts for 10% or more of the total assets of the listed company as audited in the most recent period;

(2) The net amount of assets involved in the subject matter of the transaction (where both book value and appraised value exist, the higher shall prevail) accounts for 10% or more of the net assets of the listed company as audited in the most recent period, and the absolute amount exceeds RMB 10 million;

(3) The transaction amount (including debts and expenses assumed) accounts for 10% or more of the net assets of the listed company as audited in the most recent period, and the absolute amount exceeds RMB 10 million;

(4) The profit generated by the transaction accounts for 10% or more of the net profit of the listed company as audited in the most recent fiscal year, and the absolute amount exceeds RMB 1 million;

(5) The operating revenue related to the subject matter of the transaction (such as equity) in the most recent fiscal year accounts for 10% or more of the operating revenue of the listed company as audited in the most recent fiscal year, and the absolute amount exceeds RMB 10 million;

(6) The net profit related to the subject matter of the transaction (such as equity) in the most recent fiscal year accounts for 10% or more of the net profit of the listed company as audited in the most recent fiscal year, and the absolute amount exceeds RMB 1 million.

Where the data involved in the above indicators are negative, their absolute values shall be used.

Where the Company conducts transactions other than "provision of guarantees," "provision of financial assistance," and "entrustment of wealth management," it shall cumulatively calculate various transactions related to subjects under the same transaction category within 12 consecutive months.

Transactions that have already fulfilled relevant obligations in accordance with the preceding provisions shall not be included in the relevant cumulative calculation scope.

In addition to the provisions of the preceding paragraph, where the Company conducts "purchase or sale of assets" transactions, regardless of whether the subject matter of the transaction is related, if the total amount of assets involved or the transaction amount cumulatively calculated within 12 consecutive months exceeds 30% of the Company's total assets as audited in the most recent period, the matter shall also be submitted to the Shareholders' Meeting for review and adopted by two-thirds or more of the voting rights held by shareholders attending the meeting.

**Article 113** Where the Company undertakes a "financial assistance" transaction, in addition to being reviewed and approved by more than half of all directors, it shall also be reviewed and approved by two-thirds or more of the directors attending the Board meeting, and shall be promptly disclosed.

Where a financial assistance matter falls under any of the following circumstances, it shall, after being reviewed and approved by the Board of Directors, be submitted to the Shareholders' Meeting for review:

(1) The amount of a single financial assistance exceeds 10% of the Company's net assets as audited in the most recent period;

(2) The most recent financial statement data of the assisted party shows an asset-liability ratio exceeding 70%;

(3) The cumulative amount of financial assistance within the most recent 12 months exceeds 10% of the Company's net assets as audited in the most recent period;

(4) Other circumstances stipulated by the Shanghai Stock Exchange or these Articles of Association.

Where the assisted party is a controlling subsidiary within the scope of the Company's consolidated financial statements, and the other shareholders of such controlling subsidiary do not include the Company's controlling shareholder, actual controller or its related person, the preceding two paragraphs may not apply.

**Article 114** For other external guarantee matters of the Company that do not meet the standards for external guarantee matters requiring review and approval by the Shareholders' Meeting as stipulated in Article 42 of these Articles of Association, they shall be reviewed and approved by the Board of Directors; when the Board of Directors reviews and deliberates on external guarantee proposals, in addition to being approved by more than half of all directors, they shall also be approved by two-thirds or more of the directors attending the meeting.

**Article 115** The Chairman and Vice Chairman of the Company shall be elected or removed by the Board of Directors by a majority of all directors.

**Article 116** The Chairman of the Board of Directors shall exercise the following functions and powers:

(1) Presiding over the Shareholders' Meeting and convening and presiding over Board of Directors meetings;

(2) Supervising and inspecting the implementation of the resolutions of the Board of Directors;

(3) Exercising the functions and powers of the legal representative, including but not limited to signing the Company's shares, bonds or other securities, and signing important documents adopted by the

Board of Directors or other documents that should be signed by the Company's legal representative;

(4) In the event of emergency situations such as force majeure including severe natural disasters, exercising special disposition powers over the Company's affairs that comply with legal provisions and the Company's interests, and reporting to the Board of Directors and the Shareholders' Meeting afterwards;

(5) Other functions and powers stipulated by laws, regulations, rules, normative documents and these Articles of Association, as well as those granted by the Board of Directors.

**Article 117** The Vice Chairman of the Company shall assist the Chairman in his or her work. Where the Chairman is unable to perform his or her duties or fails to perform them, the Vice Chairman shall perform the duties; where the Vice Chairman is unable to perform his or her duties or fails to perform them, a director jointly elected by a majority of the directors shall perform the duties.

**Article 118** Board of Directors meetings shall be held at least twice a year, shall be convened by the Chairman, and written notice shall be given to all directors 10 days before the meeting.

**Article 119** Shareholders representing 1/10 or more of the voting rights, 1/3 or more of the directors, or the Audit Committee may propose the convening of an extraordinary Board of Directors meeting. The Chairman shall convene and preside over the Board of Directors meeting within 10 days after receiving the proposal.

To propose the convening of an extraordinary Board of Directors meeting in accordance with the above provisions, a written proposal signed or sealed by the proposer shall be submitted through the secretary of the Board of Directors or directly to the Chairman. The written proposal shall state the following:

(1) The name or title of the proposer;

(2) The reason for the proposal or the objective facts on which the proposal is based;

(3) The proposed time or time limit, place and method of the meeting;

(4) Clear and specific proposals;

(5) The contact information and proposal date of the proposer, etc.

The content of the proposal shall fall within the scope of the Board of Directors' functions and powers as stipulated in these Articles of Association, and materials related to the proposal shall be submitted together.

Upon receiving the above written proposal and relevant materials, the secretary of the Board of Directors shall forward them to the Chairman on the same day. Where the Chairman considers the content of the proposal unclear, unspecific or the relevant materials insufficient, the Chairman may request the proposer to modify or supplement them.

The Chairman shall, within 10 days after receiving the proposal or the request from the securities regulatory authority, convene the Board of Directors meeting and preside over the meeting.

**Article 120** The notice methods for the Board of Directors to convene an extraordinary Board of Directors meeting are telephone, fax, email or other written methods; the notice period shall be no less than 2 days before the Board of Directors meeting.

In special circumstances requiring the Board of Directors to make an immediate resolution, an emergency Board of Directors meeting may be convened with 1/2 or more of the directors present.

**Article 121** The notice of a Board of Directors meeting shall include the following:

(1) The date and place of the meeting;

(2) The duration of the meeting;

(3) The reason and agenda;

(4) The date of issuance of the notice.

**Article 122** A Board of Directors meeting shall be held with the attendance of a majority of the directors. A resolution of the Board of Directors must be adopted by a majority of all directors.

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

**Article 123** Where a director has a related relationship with the entity or individual involved in the matter being resolved at a Board of Directors meeting, the director shall not vote on the resolution and shall promptly report the matter to the Board of Directors in writing. A related director shall not vote on behalf of another director. Such Board of Directors meeting may be held with the attendance of a majority of non-related directors, and the resolution adopted at the meeting must be approved by a majority of non-related directors. Where the number of non-related directors attending the Board of Directors meeting is less than 3, the matter shall be submitted to the Shareholders' Meeting for review; when the Board of Directors submits the proposal to the Shareholders' Meeting for review, it shall explain the Board of Directors' review of the proposal and shall record the opinions of the directors without material interests on the proposal.

**Article 124** The voting methods for resolutions of the Board of Directors are show of hands, signing recorded voting ballots, electronic communications, or other voting methods permitted by laws, regulations, rules and normative documents.

**Article 125** A director shall attend Board of Directors meetings in person; where a director is unable to attend due to a legitimate reason, the director may entrust another director in writing to attend on his or her behalf. The power of attorney shall state the name of the proxy, the matters entrusted, the scope of authorization and the validity period, and shall be signed or sealed by the entrusting party. The director attending on behalf of another shall exercise the rights of a director within the scope of authorization. A director who fails to attend a Board of Directors meeting and has not entrusted a representative to attend shall be deemed absent from that Board meeting and to have waived the right to vote at that meeting.

A director shall sign the resolutions of the Board of Directors and shall be responsible for the resolutions of the Board of Directors. Where a resolution of the Board of Directors violates laws, administrative regulations or these Articles of Association, causing serious losses to the Company, the directors who participated in the resolution shall bear compensation liability to the Company. However, a director who is proven to have expressed objections during the voting and whose objections are recorded in the minutes may be exempted from liability.

**Article 126** The Board of Directors shall prepare minutes of the decisions made on the matters discussed at the meeting. Directors attending the meeting have the right to request that explanatory notes be made in the minutes regarding their speeches at the meeting. Directors attending the meeting shall sign the minutes. The minutes of Board of Directors meetings shall be kept as Company archives for a retention period of no less than 10 years.

**Article 127** The minutes of Board of Directors meetings shall include the following:

(1) The date, place and name of the convener of the meeting;

(2) The names of the directors attending and the names of the directors (proxies) attending on behalf of others;

(3) The agenda of the meeting;

(4) Key points of directors' speeches;

(5) The voting method and results for each matter resolved, including the number of votes in favor, against and abstaining.

## Chapter VI Senior Management

**Article 128** The Company may, as needed, establish one Chief Executive Officer or two Co-Chief Executive Officers, and one President, who shall be nominated by the Chairman and engaged or dismissed by the Board of Directors.

The Company may, as needed for operation and management, establish several vice presidents, who shall be nominated by the Chief Executive Officer or Co-Chief Executive Officers, reviewed by the Nomination Committee of the Board of Directors for their qualifications, and engaged or dismissed by the Board of Directors.

The Chief Executive Officer, Co-Chief Executive Officers, President, person in charge of finance (including the Chief Financial Officer, Financial Controller, etc.), vice presidents, secretary of the Board of Directors and other persons determined by the Board of Directors are the senior management of the Company.

Senior management shall conduct operation and management activities in accordance with these Articles of Association and the authorization of the Board of Directors, ensuring the execution and implementation of the development strategy, investment plan and other policies formulated and approved by the Board of Directors. Senior management shall be accountable to the Board of Directors.

Senior management shall, as required by the Board of Directors, promptly, accurately and completely report to the Board of Directors on matters such as the operating performance of the Company and its subsidiaries, important agreements, financial position, risk status and business prospects.

Senior management shall establish an information reporting system to the Board of Directors and its special committees, specifying the types, content, timing and methods of information to be reported, to ensure that directors can timely and accurately obtain various types of information.

Matters submitted by senior management that require approval by the Board of Directors shall be discussed and decided by the Board of Directors in a timely manner.

**Article 129** The provisions of these Articles of Association regarding circumstances in which a person may not serve as a director and the director departure management system shall also apply to senior management.

The provisions of these Articles of Association regarding the duties of loyalty and diligence of directors shall also apply to senior management.

**Article 130** A person serving in an administrative position other than director or supervisor in the entity of the Company's controlling shareholder shall not serve as senior management of the Company.

Senior management of the Company shall receive salaries only from the Company, and shall not have their salaries paid by the controlling shareholder on the Company's behalf.

**Article 131** The term of office of the Chief Executive Officer or Co-Chief Executive Officers and the President shall be 3 years for each term, which shall be the same as the term of the Board of Directors of the Company. The Chief Executive Officer or Co-Chief Executive Officers and the President may be re-engaged for consecutive terms.

The Chief Executive Officer or Co-Chief Executive Officers shall be accountable to the Board of Directors and shall exercise the following functions and powers:

(1) Responsible for organizing the formulation of the Company's strategic plans;

(2) Responsible for maintaining strategic alliances and important investment relationships;

(3) Organizing the formulation of the Company's annual investment plan;

(4) Organizing the formulation of the Company's organizational structure;

(5) Responsible for the Company's risk system development;

(6) Responsible for the equity management of the Company's subsidiaries;

(7) Convening operational decision-making meetings;

(8) Submitting to the Board of Directors proposals for the engagement or dismissal of senior management such as the person in charge of finance and vice presidents, and proposing remuneration, benefits, and reward and punishment plans for the aforementioned personnel;

(9) Other functions and powers granted by these Articles of Association or the Board of Directors of the Company.

**Article 132** The President shall be accountable to the Board of Directors and shall exercise the following functions and powers:

(1) Presiding over the Company's production and operation management work, organizing the implementation of the resolutions of the Board of Directors, and reporting on work to the Board of Directors;

(2) Organizing the implementation of the Company's annual business plan, budget and investment plan;

(3) Organizing the formulation of the Company's basic management system;

(4) Formulating the Company's specific rules and regulations;

(5) Convening and presiding over operational decision-making meetings;

(6) Deciding on the remuneration, benefits, and reward and punishment plans for management personnel other than those to be decided by the Board of Directors, Chief Executive Officer or Co-Chief Executive Officers;

(7) Deciding on the engagement or dismissal of management personnel other than those to be engaged or dismissed by the Board of Directors, Chief Executive Officer or Co-Chief Executive Officers;

(8) Reporting on work to the Board of Directors;

(9) Other functions and powers granted by these Articles of Association or the Board of Directors of the Company.

The President shall attend Board of Directors meetings as a non-voting participant.

**Article 133** The President shall formulate the President's Working Rules, which shall be implemented after approval by the Board of Directors. The President's Working Rules shall include the following:

(1) The conditions, procedures and attendees for the Company's operational decision-making meetings;

(2) The specific responsibilities and division of labor of the President and other senior management;

(3) The Company's authority over the use of funds and assets, the authority to sign major contracts, and the reporting system to the Board of Directors;

(4) Other matters deemed necessary by the Board of Directors.

**Article 134** The Chief Executive Officer or Co-Chief Executive Officers, President and other management may, when executing the Company's operation and management matters, convene operational decision-making meetings as needed. Attendees of operational decision-making meetings include the Chief Executive Officer or Co-Chief Executive Officers, President, person in charge of finance, vice presidents, secretary of the Board of Directors and other senior management, as well as other persons required to attend based on the matters to be decided at the meeting. Operational decision-making meetings shall be presided over by the President. When the President is unable to preside over the meeting, a vice president shall be designated to preside.

The scope of matters for discussion at operational decision-making meetings is as follows:

(1) Researching and formulating the Company's business development strategy, medium- and long-term plans, investment development plans and reform plans;

(2) Arranging the implementation of relevant resolutions and work arrangements of the Board of Directors;

(3) Researching and formulating major business contents such as annual business plans, financial budgets and final accounts reports;

(4) Researching and reviewing the adjustment and establishment of the Company's organizational structure;

(5) Reviewing the Company's basic management system and approving other systems or regulations beyond the basic management system;

(6) Deciding on important rewards, punishments and transfers of management personnel and core professionals other than the Chief Executive Officer or Co-Chief Executive Officers and the President;

(7) Discussing and making decisions on asset operation or transaction matters such as outbound investment, acquisitions, asset sales, asset pledging/mortgaging and entrustment of wealth management, with an amount of 10% or less of the Company's net assets as audited in the most recent period;

(8) Reviewing and approving related-party transaction matters with a total transaction amount of 0.5% or less of the absolute value of the Company's net assets as audited in the most recent period;

(9) Researching, reviewing and deciding on other major matters in accordance with these Articles of Association and the authority granted by the Board of Directors.

**Article 135** The Chief Executive Officer or Co-Chief Executive Officers and the President may resign before the expiration of their term. The specific procedures and methods for the resignation of the Chief Executive Officer and the President shall be governed by the labor contracts between them and the Company.

**Article 136** The person in charge of finance, vice presidents, secretary of the Board of Directors and other senior management shall serve a term of 3 years per term and may be re-elected for consecutive terms. The person in charge of finance, vice presidents and other senior management shall be proposed by the Chief Executive Officer or Co-Chief Executive Officers to the Board of Directors for engagement or dismissal. The person in charge of finance, vice presidents and other senior management shall assist the President in his or her work. When the President is unable to perform his or her duties for any reason, the matter shall be reported to the Chairman for approval, and a vice president shall be designated to act on his or her behalf.

**Article 137** The Company shall establish a secretary of the Board of Directors, who shall be responsible for handling the Company's information disclosure matters, organizing and coordinating the preparation of drafts of periodic reports and the disclosure of interim reports; preparing and organizing the Company's Shareholders' Meetings and Board of Directors meetings; organizing training for the Company's directors, senior management and other relevant persons on relevant laws and regulations and stock exchange requirements; assisting independent directors in performing their duties; being responsible for confidentiality relating to information disclosure; monitoring and handling market public opinion; organizing and coordinating the Company's investor relations management and ESG system development; managing matters relating to changes in the Company's shares and derivatives; managing the Company's register of shareholders; managing the identity information of the Company, directors, senior management and relevant persons; and performing other duties required by laws and regulations and the stock exchange.

The secretary of the Board of Directors shall comply with the relevant provisions of laws, administrative regulations, departmental rules and these Articles of Association.

**Article 138** Where senior management cause losses to another person in performing duties for the Company, the Company shall bear compensation liability; where senior management have acted intentionally or with gross negligence, they shall also bear compensation liability. Where senior management violate laws, administrative regulations, departmental rules or these Articles of Association in performing duties for the Company and cause losses to the Company, they shall bear compensation liability.

**Article 139** Senior management of the Company shall faithfully perform their duties and safeguard the maximum interests of the Company and all shareholders. Where senior management of the Company cause damage to the interests of the Company and public shareholders due to failure to faithfully perform their duties or breach of the duty of good faith, they shall bear compensation liability in accordance with the law.

## Chapter VII Financial Accounting System, Profit Distribution and Audit

Section 1 Financial Accounting System

**Article 140** The Company shall formulate its financial accounting system in accordance with laws, administrative regulations and the provisions of the relevant state authorities.

**Article 141** The Company shall, within 4 months from the end of each fiscal year, submit and disclose the annual report to the dispatched office of the CSRC and the stock exchange, and shall, within 2 months from the end of the first half of each fiscal year, submit and disclose the interim report to the dispatched office of the CSRC and the stock exchange.

The above annual report and interim report shall be prepared in accordance with the provisions of the relevant laws, administrative regulations, the CSRC and the Shanghai Stock Exchange.

**Article 142** Apart from the statutory accounting books, the Company shall not maintain separate accounting books. The Company's funds shall not be deposited in accounts opened in the name of any individual.

**Article 143** When distributing the after-tax profits of the current year, the Company shall appropriate 10% of the profits to the statutory reserve fund. Where the accumulated statutory reserve fund of the Company reaches 50% or more of the registered capital, the Company may cease further appropriation.

Where the statutory reserve fund of the Company is insufficient to make up for the losses of previous years, the Company shall first use the profits of the current year to make up for the losses before appropriating the statutory reserve fund in accordance with the provisions of the preceding paragraph.

After the Company appropriates the statutory reserve fund from the after-tax profits, it may, upon a resolution of the Shareholders' Meeting, appropriate a discretionary reserve fund from the after-tax profits.

The after-tax profits remaining after the Company makes up for losses and appropriates reserve funds shall be distributed in accordance with the proportion of shares held by shareholders.

Where the Shareholders' Meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return the profits distributed in violation of the provisions to the Company; where losses are caused to the Company, the shareholders and the responsible directors and senior management shall bear compensation liability.

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

**Article 144** The reserve funds of the Company shall be used to make up for the losses of the Company, expand the production and operation of the Company, or be converted into an increase in the registered capital of the Company.

In making up for the losses of the Company with reserve funds, the discretionary reserve fund and the statutory reserve fund shall be used first; where the losses cannot be fully made up, the capital reserve fund may be used in accordance with the relevant provisions.

Where the statutory reserve fund is converted into an increase in the registered capital, the retained portion of such reserve fund shall not be less than 25% of the registered capital of the Company before the conversion.

**Article 145** After the Shareholders' Meeting of the Company makes a resolution on the profit distribution plan, the Board of Directors of the Company shall complete the distribution of dividends (or shares) within 2 months after the Shareholders' Meeting is held.

**Article 146** The profit distribution policy of the Company is as follows: the Company shall implement an active profit distribution approach, attach importance to reasonable returns to investors, and may distribute dividends in cash or in shares, with cash dividends as the main form of dividend distribution. Where the Company distributes profits in cash, shares or other manners, the profit distribution shall not exceed the scope of the cumulative distributable profits and shall not damage the Company's ability to sustain operations.

When formulating the profit distribution policy, especially the cash dividend policy, the Company shall perform the necessary decision-making procedures. During the decision-making and deliberation process of the Board of Directors and the Shareholders' Meeting on the profit distribution policy, the opinions of small and medium shareholders shall be fully heard and considered through various channels.

(1) Principles of profit distribution: the Company shall implement an active, continuous and stable profit distribution policy, attach importance to reasonable returns to investors, and take into account the Company's actual operating conditions and long-term strategic development objectives.

(2) Methods of profit distribution: the Company may distribute dividends in cash, in shares, by a combination of cash and shares, or by other methods permitted by laws and regulations, with cash dividends as the main form of dividend distribution.

(3) Conditions and ratios of cash dividends:

1. The Company may refrain from distributing dividends under any of the following circumstances:

(1) The Company has not achieved profitability in the current year;

(2) The balance of distributable profits at the end of the period is negative or insufficient;

(3) The net cash flow from operating activities or the balance of cash and cash equivalents at the end of the current year is negative;

(4) The Company has a plan for major investment or cash expenditure within the foreseeable next twelve months, and the Company has explained the relevant plan in publicly disclosed documents, and cash dividend distribution may cause the Company's cash flow to fail to meet the needs of the Company's operations or investment.

2. Where the Company distributes profits by a combination of cash and stock dividends, and the capital needs of the Company's normal production and operation are satisfied, the Company shall implement a differentiated cash dividend policy:

(1) Where the Company has no major capital expenditure arrangement within the next twelve months, the proportion of cash dividends in the current profit distribution shall not be less than 80%;

(2) Where the Company has major capital expenditure arrangements within the next twelve months, the proportion of cash dividends in the current profit distribution shall not be less than 40%;

(3) Where the Company has major capital expenditure arrangements within the next twelve months and has major investment plans or capital expenditure arrangements in the following year, the proportion of cash dividends in the current profit distribution shall not be less than 20%.

3. Except where the Company may refrain from distributing dividends, the annual cash dividends of the Company shall not be less than 10% of the distributable profits realized in the current year, and the profits accumulated and distributed in cash by the Company in the most recent three years shall not be less than 30% of the average annual distributable profits realized in the most recent three years.

(4) Where the Company achieved profitability in the previous fiscal year but the Board of Directors did not propose an annual cash dividend plan, the Board of Directors of the Company shall disclose in the annual report the reasons for not distributing cash dividends and the purposes for which the funds not used for cash dividend distribution are retained in the Company.

(5) Where the Company truly needs to adjust its profit distribution policy based on production and operation conditions, investment planning and long-term development needs, the adjusted profit distribution policy shall not violate the relevant provisions of the CSRC and the stock exchange. A proposal to adjust the profit distribution policy shall be reviewed and approved by the Board of Directors of the Company before being submitted to the Shareholders' Meeting for approval.

(6) Interval of profit distribution: the Company mainly distributes dividends annually, and the Board of Directors may also propose interim profit distribution as appropriate.

(7) The decision-making mechanism and procedures for the Company's profit distribution policy are as follows:

Any modification to the Company's profit distribution policy shall be proposed by the Board of Directors to the Shareholders' Meeting. The profit distribution policy proposed by the Board of Directors shall be adopted by more than half of the members of the Board of Directors. Independent directors may solicit the opinions of small and medium shareholders, propose dividend proposals, and directly submit them to the Board of Directors for review. Before the Shareholders' Meeting reviews the specific plan for cash dividends, the Company shall proactively communicate and exchange with shareholders, especially small and medium shareholders, through various channels, fully listen to their opinions and demands, and promptly answer the questions of concern to small and medium shareholders.

Any modification to the Company's profit distribution policy shall be submitted to the Shareholders' Meeting for review and shall be adopted by two-thirds or more of the voting rights represented by the shareholders (including proxy agents) attending the Shareholders' Meeting, and the Company shall arrange to facilitate the participation of small and medium investors in the Shareholders' Meeting through the trading system of the stock exchange, the Internet voting system and other means.

Where the external operating environment of the Company undergoes major changes or the existing profit distribution policy affects the sustainable operation of the Company, the Company may adjust its profit distribution policy based on the internal and external environment. The adjusted profit distribution policy shall not violate the relevant provisions of the CSRC and the Shanghai Stock Exchange, and shall be oriented towards the interests of shareholders and pay attention to the protection of investors' interests. A proposal to adjust the profit distribution policy shall be reviewed and approved by the Board of Directors in advance before being submitted to the Shareholders' Meeting for approval.

(8) Where the Company conducts cash profit distribution, if any shareholder has illegally occupied the funds of the listed company, the Company shall deduct the cash dividends to be distributed to such shareholder to repay the funds occupied.

(9) When formulating the specific plan for cash dividends, the Board of Directors of the Company shall carefully study and demonstrate the timing, conditions and minimum ratios of the Company's cash dividends, the conditions for adjustment and the requirements for decision-making procedures.

Independent directors may solicit the opinions of small and medium shareholders, propose dividend proposals, and directly submit them to the Board of Directors for review.

Section 2 Internal Audit

**Article 147** The Company shall implement an internal audit system, specifying the leadership system, duties and powers, staffing, funding guarantee, application of audit results and accountability for internal audit work. The internal audit system of the Company shall be implemented after approval by the Board of Directors and shall be disclosed externally.

**Article 148** The internal audit institution of the Company shall conduct supervision and inspection over matters such as the business activities, risk management, internal control and financial information of the Company.

**Article 149** The internal audit institution shall be accountable to the Board of Directors. In the process of supervising and inspecting the business activities, risk management, internal control and financial information of the Company, the internal audit institution shall accept the supervision and guidance of the Audit Committee. Where the internal audit institution identifies major issues or clues, it shall directly report to the Audit Committee immediately.

**Article 150** The internal audit institution shall be responsible for the specific organization and implementation of the Company's internal control evaluation. The Company shall issue the annual internal control evaluation report based on the evaluation report issued by the internal audit institution and reviewed by the Audit Committee and the relevant materials.

**Article 151** When the Audit Committee communicates with accounting firms, national audit institutions and other external audit units, the internal audit institution shall actively cooperate and provide necessary support and collaboration.

**Article 152** The Audit Committee shall participate in the assessment of the head of internal audit.

Section 3 Engagement of Accounting Firms

**Article 153** The Company shall engage an accounting firm that meets the requirements of the Securities Law to undertake business such as audit of accounting statements, verification of net assets and other related consulting services, with an engagement term of one year and the possibility of renewal.

**Article 154** The engagement and dismissal of the accounting firm by the Company shall be decided by the Shareholders' Meeting, and the Board of Directors shall not appoint the accounting firm before the decision of the Shareholders' Meeting.

**Article 155** The Company shall ensure the provision of true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials to the engaged accounting firm, and shall not refuse, conceal or misreport.

**Article 156** The audit fees of the accounting firm shall be decided by the Shareholders' Meeting.

**Article 157** Where the Company dismisses or does not renew the engagement of the accounting firm, it shall notify the accounting firm 3 days in advance. When the Shareholders' Meeting of the Company votes on the dismissal of the accounting firm, the accounting firm shall be allowed to state its opinions.

Where the accounting firm proposes to resign, it shall explain to the Shareholders' Meeting whether the Company has any improper circumstances.

# Chapter VIII Notices and Announcements

Section 1 Notices

**Article 158** Notices of the Company shall be issued in the following forms:

(1) Delivered by a designated person;

(2) Delivered by mail;

(3) Issued by way of announcement;

(4) Delivered by email;

(5) Delivered by fax;

(6) Other forms stipulated in these Articles of Association.

**Article 159** Where a notice issued by the Company is made by way of announcement, once the announcement is made, all relevant persons shall be deemed to have received the notice.

**Article 160** The notice of a Shareholders' Meeting convened by the Company shall be made by way of announcement.

**Article 161** The notice of a Board of Directors meeting convened by the Company shall be made in writing, by telephone, fax or mail.

**Article 162** Where a notice of the Company is delivered by a designated person, the recipient shall sign (or seal) the delivery receipt, and the date of signing by the recipient shall be the date of delivery; where a notice of the Company is delivered by paper mail, the third working day from the date of delivery to the post office shall be the date of delivery; where a notice of the Company is delivered by email, the time when the email reaches the recipient's mail system shall be the date of delivery; where a notice of the Company is issued by way of announcement, the date of publication of the first announcement shall be the date of delivery; where a notice of the Company is delivered by fax, the date when the fax enters the receiving system designated by the recipient shall be the date of delivery.

**Article 163** Where a notice of a meeting is not delivered to a person entitled to receive the notice due to accidental omission, or such person fails to receive the notice of the meeting, the meeting and the resolutions made at the meeting shall not be invalid solely for this reason.

Section 2 Announcements

**Article 164** The Company shall designate media meeting the conditions prescribed by the CSRC and the website of the Shanghai Stock Exchange (www.sse.com.cn) as the media for publishing the Company's announcements and other information requiring disclosure.

# Chapter IX Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation

Section 1 Merger, Division, Capital Increase and Capital Reduction

**Article 165** The merger of the Company may take the form of merger by absorption or merger by consolidation.

Where one company absorbs other companies, it is a merger by absorption, and the absorbed companies shall be dissolved. Where two or more companies merge to establish a new company, it is a merger by consolidation, and all parties to the merger shall be dissolved.

**Article 166** Where the consideration paid for the merger of the Company does not exceed 10% of the Company's net assets, the merger may be conducted without a resolution of the Shareholders' Meeting, unless otherwise provided in these Articles of Association.

Where the Company merges without a resolution of the Shareholders' Meeting in accordance with the provisions of the preceding paragraph, a resolution of the Board of Directors shall be required.

**Article 167** In the merger of the Company, all parties to the merger shall sign a merger agreement and prepare a balance sheet and a list of assets. The Company shall notify creditors within 10 days from the date of making the merger resolution and make an announcement in a newspaper or the National Enterprise Credit Information Publicity System within 30 days. Creditors may, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if no notice was received, require the Company to settle the debts or provide corresponding guarantees.

**Article 168** In the merger of the Company, the claims and debts of all parties to the merger shall be assumed by the surviving company or the newly established company after the merger.

**Article 169** In the division of the Company, its property shall be divided accordingly.

In the division of the Company, a balance sheet and a list of assets shall be prepared. The Company shall notify creditors within 10 days from the date of making the division resolution and make an announcement in a newspaper or the National Enterprise Credit Information Publicity System within 30 days.

**Article 170** The debts of the Company before the division shall be borne by the companies after the division with joint and several liability. However, this shall not apply where the Company and the creditors have reached a written agreement on debt settlement before the division.

**Article 171** When the Company reduces its registered capital, it shall prepare a balance sheet and a list of assets.

The Company shall notify creditors within 10 days from the date of the resolution of the Shareholders' Meeting to reduce the registered capital and make an announcement in a newspaper or the National Enterprise Credit Information Publicity System within 30 days. Creditors have the right, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if no notice was received, to require the Company to settle the debts or provide corresponding guarantees.

In reducing the registered capital, the Company shall correspondingly reduce the amount of capital contributions or shares in accordance with the proportion of shares held by shareholders, unless otherwise provided by law or these Articles of Association.

**Article 172** Where the Company still has losses after making up for losses in accordance with the provisions of the second paragraph of Article 144 of these Articles of Association, it may reduce its registered capital to make up for the losses. Where the registered capital is reduced to make up for losses, the Company shall not distribute to shareholders, nor shall it exempt shareholders from the obligation to pay capital contributions or share subscription funds.

Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of the second paragraph of Article 171 of these Articles of Association shall not apply, but the Company shall make an announcement in a newspaper or the National Enterprise Credit Information Publicity System within 30 days from the date of the resolution of the Shareholders' Meeting 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 accumulated amount of the statutory reserve fund and the discretionary reserve fund reaches 50% of the registered capital of the Company.

**Article 173** Where the registered capital is reduced in violation of the Company Law and other relevant provisions, the shareholders shall return the funds received, and where the reduction exempts shareholders from capital contributions, the original state shall be restored; where losses are caused to the Company, the shareholders and the responsible directors and senior management shall bear compensation liability.

**Article 174** Where the Company issues new shares to increase its registered capital, shareholders shall not enjoy preemptive rights, unless otherwise provided in these Articles of Association or unless a resolution of the Shareholders' Meeting decides that shareholders enjoy preemptive rights.

**Article 175** Where the Company merges or divides and the registration items change, it shall, in accordance with the law, handle the change registration with the company registration authority; where the Company is dissolved, it shall, in accordance with the law, handle the deregistration; where a new company is established, it shall, in accordance with the law, handle the establishment registration.

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

Section 2 Dissolution and Liquidation

**Article 176** The Company shall be dissolved for any of the following reasons:

(1) The term of operation stipulated in these Articles of Association expires or other dissolution grounds stipulated in these Articles of Association occur;

(2) Resolution of the Shareholders' Meeting to dissolve;

(3) Dissolution required by the merger or division of the Company;

(4) Business license revoked, ordered to close or revoked in accordance with the law;

(5) Where serious difficulties occur in the operation and management of the Company, and the continued existence of the Company will cause major losses to the interests of shareholders and the difficulties cannot be resolved through other means, shareholders holding 10% or more of the voting rights may request the People's Court to dissolve the Company.

Where the Company experiences the dissolution grounds specified in the preceding paragraph, it shall publicize the dissolution grounds through the National Enterprise Credit Information Publicity System within 10 days.

**Article 177** Where the Company falls under items (1) and (2) of Article 176 of these Articles of Association and has not yet distributed property to shareholders, it may continue to exist by amending these Articles of Association or through a resolution of the Shareholders' Meeting.

Where these Articles of Association are amended or the Shareholders' Meeting makes a resolution in accordance with the provisions of the preceding paragraph, it shall be adopted by two-thirds or more of the voting rights held by shareholders attending the Shareholders' Meeting.

**Article 178** Where the Company is dissolved under items (1), (2), (4) and (5) of Article 176 of these Articles of Association, it shall be liquidated. The directors are the liquidation obligors of the Company and shall form a liquidation group within 15 days from the date of occurrence of the dissolution grounds. The liquidation group shall be composed of directors, unless otherwise provided in these Articles of Association or unless the Shareholders' Meeting resolves to select other persons. Where the liquidation obligors fail to perform the liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall bear compensation liability.

**Article 179** The liquidation group shall exercise the following functions and powers during the liquidation period:

(1) Clearing the Company's property and preparing a balance sheet and a list of property respectively;

(2) Notifying and announcing to creditors;

(3) Handling the uncompleted business of the Company related to the liquidation;

(4) Paying the taxes owed and the taxes arising in the course of liquidation;

(5) Clearing claims and debts;

(6) Distributing the remaining property after settling the Company's debts;

(7) Representing the Company in civil litigation activities.

**Article 180** The liquidation group shall notify creditors within 10 days from its establishment and make an announcement in a newspaper or the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if no notice was received.

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

During the period of claim declaration, the liquidation group shall not make settlements to creditors.

**Article 181** After clearing the Company's property and preparing the balance sheet and the list of property, the liquidation group shall formulate a liquidation plan and report it to the Shareholders' Meeting or the People's Court for confirmation.

After the Company's property separately pays the liquidation expenses, the wages of employees, social insurance premiums and statutory compensation, pays the taxes owed, and settles the Company's debts, the remaining property shall be distributed by the Company in accordance with the proportion of shares held by shareholders.

During the liquidation period, the Company shall continue to exist but shall not carry out business activities unrelated to the liquidation. The Company's property shall not be distributed to shareholders before it is settled in accordance with the provisions of the preceding paragraph.

**Article 182** Where the liquidation group, after clearing the Company's property and preparing the balance sheet and the list of property, finds that the Company's property is insufficient to settle the debts, it shall, in accordance with the law, apply to the People's Court for bankruptcy liquidation.

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

**Article 183** After the liquidation of the Company is completed, the liquidation group shall prepare a liquidation report, report it to the Shareholders' Meeting or the People's Court for confirmation, and submit it to the company registration authority to apply for deregistration of the Company.

**Article 184** Members of the liquidation group shall, in performing their liquidation duties, bear the duty of loyalty and the duty of diligence.

Where members of the liquidation group are negligent in performing their liquidation duties and cause losses to the Company, they shall bear compensation liability; where losses are caused to creditors due to intentional acts or gross negligence, they shall bear compensation liability.

**Article 185** Where the Company is declared bankrupt in accordance with the law, the bankruptcy liquidation shall be carried out in accordance with the laws on enterprise bankruptcy.

## Chapter X Amendment of Articles of Association

**Article 186** The Company shall amend these Articles of Association under any of the following circumstances:

(1) After the Company Law or relevant laws and administrative regulations are amended, the matters stipulated in these Articles of Association conflict with the amended laws and administrative regulations;

(2) The circumstances of the Company have changed and are inconsistent with the matters recorded in these Articles of Association;

(3) The Shareholders' Meeting decides to amend these Articles of Association.

**Article 187** Where the amendment of these Articles of Association adopted by a resolution of the Shareholders' Meeting requires approval by the competent authority, it shall be submitted to the competent authority for approval; where it involves the registration items of the Company, the change registration shall be handled in accordance with the law.

**Article 188** The Board of Directors shall amend these Articles of Association in accordance with the resolution of the Shareholders' Meeting to amend these Articles of Association and the approval opinions of the relevant competent authorities.

**Article 189** Where the amendment of these Articles of Association falls under the information required to be disclosed by laws and regulations, an announcement shall be made in accordance with the relevant provisions.

## Chapter XI Supplementary Provisions

**Article 190** Interpretation:

(1) "Controlling shareholder" means a shareholder whose shareholding accounts for more than 50% of the total share capital of the Company; or a shareholder whose shareholding ratio, although not exceeding 50%, is sufficient for the voting rights attached to the shares held by it to have a material

impact on the resolutions of the Shareholders' Meeting.

(2) "Actual controller" means a natural person, legal person or other organization that is able to actually control the conduct of the Company through investment relationships, agreements or other arrangements.

(3) "Related relationship" means the relationship between the controlling shareholder, actual controller, directors, senior management of the Company and the enterprises directly or indirectly controlled by them, as well as other relationships that may lead to the transfer of the Company's interests. However, state-controlled enterprises shall not be deemed to have a related relationship merely because they are both controlled by the state.

**Article 191** The Board of Directors may formulate implementation rules for these Articles of Association in accordance with the provisions of these Articles of Association. The implementation rules shall not conflict with the provisions of these Articles of Association.

Matters not covered in these Articles of Association and the implementation rules shall be handled in accordance with the relevant laws, regulations, rules and normative documents in light of the actual circumstances of the Company. Where these Articles of Association conflict with newly revised laws, regulations, rules and normative documents, the new laws, regulations, rules and normative documents shall prevail.

**Article 192** These Articles of Association are written in Chinese. Where there is any discrepancy between these Articles of Association in any other language or any different version and these Articles of Association, the Chinese version of these Articles of Association last approved and registered by the competent market supervision administration shall prevail.

**Article 193** The terms "above," "within" and "below" as used in these Articles of Association include the number itself; the terms "exceeding," "except," "lower than" and "more than" shall not include the number itself.

**Article 194** Unless otherwise provided by the relevant laws, regulations, rules and normative documents, these Articles of Association shall be interpreted by the Board of Directors of the Company.

**Article 195** The annexes to these Articles of Association include the Rules of Procedure for Shareholders' Meetings and the Rules of Procedure for the Board of Directors. Where the provisions of the Rules of Procedure for Shareholders' Meetings and the Rules of Procedure for the Board of Directors are inconsistent with these Articles of Association, these Articles of Association shall prevail.

**Article 196** These Articles of Association shall come into force as of the date they are reviewed and adopted by the Shareholders' Meeting.