

Shandong Molong Petroleum Machinery Company Limited



Articles of Association

July 2026

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Chapter I General Provisions

Article 1

To safeguard the legitimate rights and interests of the Company, shareholders, employees and creditors and standardize the organization and behavior of the Company, the Articles of Association are formulated pursuant to the *Company Law of the People's Republic of China* (hereinafter referred to as *Company Law*), the *Securities Law of the People's Republic of China* (hereinafter referred to as *Securities Law*), the *Rules Governing the Listing of Stocks on Shenzhen Stock Exchange*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (hereinafter referred to as *Listing Rules of Hong Kong*) and other relevant regulations.

Article 2

Shandong Molong Petroleum Machinery Company Limited (referred to as the "Company") is a foreign-invested joint share limited company established based on the *Company Law*, the *Securities Law*, the *Special Provisions of The State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies* (referred to as "Special Provisions") and other relevant national laws and administrative regulations.

The Company was approved by the *Reply on Agreeing to Establish Shandong Molong Petroleum Machinery Company Limited* (LTGH Zi [2001] No. 53) issued by the Economic System Reform Office of Shandong Province, People's Republic of China to be established by way of initiation on 27 December 2001 and registered at Shandong Provincial Administration for Industry and Commerce on 30 December 2001 and obtained a business license, with a unified social credit code: 91370000734705456P.

Article 3

The Company was approved by the Economic System Reform Office of Shandong Province on 27 December 2001 with the document of LTGH Zi [2001] No. 53 to be jointly initiated and established by Zhang Enrong, Lin Fulong, Zhang Yunsan, Xie Xincang, Liu Yunlong, Cui Huanyou, Liang Yongqiang, Shengli Oilfield Kaiyuan Petroleum Development Co., Ltd. and Gansu University of Technology Alloy Materials General Factory.

Approved by China Securities Regulatory Commission with the document of ZJGH Zi [2003] No. 50, the Company issued additional 134,998,000 foreign capital shares (H shares) listed overseas at an issue price of HKD 0.70 per share on 15 April 2004, with a par value per share of RMB 0.10, and they were listed via the Growth Enterprise Market of Hong Kong Exchanges and Clearing Limited (hereinafter referred to as "HKEX").

Approved by China Securities Regulatory Commission with the document of ZJGH Zi [2005] No. 13, the Company issued additional 108,000,000 foreign shares (H shares) listed overseas at an issue price of HKD 0.92 per share on 12 May 2005, with a par value per share of RMB 0.10.

Approved by the document of ZJGH Zi [2007] No. 2 issued by China Securities

Regulatory Commission on 26 January 2007 and the approval document issued by HKEX on 6 February 2007, the listing status of the Company's foreign shares (H shares) listed overseas via the Growth Enterprise Market of HKEX was revoked on 7 February 2007 and transferred to be listed via the Main-Board Market of HKEX.

Approved by China Securities Regulatory Commission with the document of ZJXX [2010] No. 1285, the Company issued 70,000,000 RMB ordinary shares (A shares) at an issue price of RMB 18 per share on 11 October 2010, with a par value per share: RMB 1 and the transaction started via Shenzhen Stock Exchange from 21 October 2010. The registered capital of the Company was changed to RMB 398,924,200.00, and the total number of shares was changed to 398,924,200.

According to the resolution of the 2011 Annual General Meeting held on 25 May 2012, the Company, based on the total shares: 398,924,200 shares on 31 December 2011, increased the share capital from the capital reserve at a ratio of one share for each additional share, 398,924,200 shares were increased from the capital reserve totally, and the date of increasing the share capital from the capital reserve was 19 July 2012. After increasing the share capital from the capital reserve, the registered capital of the Company was changed to RMB 797,848,400.00, and the total number of shares was changed to 797,848,400.

Pursuant to the general mandate granted to the Board of Directors by the 2025 Annual General Meeting, the Company issued 25,678,400 H shares. Following the issuance, the registered capital of the Company changed to RMB 823,526,800.00, and the total number of shares changed to 823,526,800.

Article 4

Registered name of the Company:

Full Chinese name: 山东墨龙石油机械股份有限公司

Full English name: Shandong Molong Petroleum Machinery Company Limited

Article 5

Company address: No. 99, Xingshang Road, Gucheng Street, Shouguang City, Shandong Province

Postal code: 262700

Article 6

The registered capital of the Company is RMB 823,526,800.

Article 7

The Company is a limited liability company with perpetual existence.

Article 8

The director who represents the Company in executing affairs is the Legal Representative, and the Chairman of the Company is the director who represents the Company in executing affairs. The resignation of a director who serves as a Legal Representative shall be deemed to resign as the legal representative at the same time.

If the Legal Representative resigns, the Company will appoint a new Legal

Representative within 30 days from the date of the Legal Representative's resignation.

Article 9

As for civil activities conducted by the Legal Representative in the name of the Company, legal consequences shall be borne by the Company.

Restrictions on the powers and functions of the Legal Representative by the Articles of Association or by the Shareholders' Meeting shall not be enforceable against a bona fide counterpart.

The Company shall bear the civil liability for any damage caused to others by the Legal Representative in the performance of duties. After the Company has undertaken civil liabilities, it may, in accordance with the provisions of the law or the Articles of Association, recover the compensation from the Legal Representative who is at fault.

Article 10

Shareholders are liable to the Company to the extent of the shares they have subscribed for, while the Company is liable for its debts with all its property.

Article 11

From the effective date, the Articles of Association become a legal binding document to standardize the Company's organization and behaviors and the relationship of rights and obligations between the Company and its shareholders or among the shareholders. It is binding to the Company, its shareholders, directors, supervisors and senior executives. Pursuant to these Articles of Association, shareholders may file lawsuits against other shareholders, the directors, senior executives as well as the Company, and the Company may file lawsuits against shareholders, directors and senior executives.

Article 12

Senior executives as referred to in the Articles of Association refer to the General Manager, Deputy General Manager, Financial Director, Board Secretary and other persons specified in the Articles of Association of the Company.

Article 13

The Communist Party organizations are established and Party activities are carried out in the Company in accordance with the provisions of the *Company Law* and the *Constitution of the Communist Party of China*. The Company shall provide the necessary conditions for the activities of the CPC organization.

Chapter II Operation Object and Scope

Article 14

Operation object of the Company: Make full use of the excellent mechanism of the shareholding economic organization form, give play to the advantages of each initiator, contribute to the national economic construction and create rich investment returns for all shareholders.

Article 15

After legal registration, the business scope of the Company is: oil pump, sucker rod, pumping unit, oil extraction pipe, petroleum machinery, textile machinery, steel rolling processing, manufacturing of special equipment, gear and gear reducer, transmission manufacturing, manufacturing of specialized equipment for oil drilling and production, valve and plug manufacturing, manufacturing of special equipment for metallurgy and production and sales of mechanical parts; development of petroleum machinery and related products; commodity information service (excluding intermediaries); technical promotion services; energy-saving technology promotion services; technology import and export; import and export of goods; testing services; measurement service; (For items subject to approval in accordance with the law, business activities can be carried out only with approval of relevant departments, and the valid period is subject to the license).

Chapter III Shares

Section 1 Share issuance

Article 16

The shares of the Company are issued in the form of share.

Article 17

The release of the Company's shares follows the policy of fairness and justice. Shares of the same kind shall all have the equal rights. For the same class of shares issued at the same time, each share shall be issued under the same conditions and price; as for the shares subscribed by the subscriber, the same price shall be paid per share.

Article 18

The par value shares issued by the Company are denominated in RMB.

Article 19

Domestic listed domestic shares issued by the Company are centrally deposited at China Securities Depository and Clearing Corporation Limited Shenzhen Branch. The H shares issued by the Company are mainly held in custody by the trustee company under Hong Kong Securities Clearing Company Limited and can also be held by shareholders in their personal names.

Article 20

With the approval of the department authorized by the State Council, the total number of ordinary shares that the Company could issue at the time of its establishment was 40,500,000 (domestic shares), with par value of each share: RMB 1.00. At the time of establishment, 40,500,000 shares were issued to the initiators, accounting for 100% of the total number of ordinary shares that the Company could issue.

Zhang Enrong subscribed 27,951,700 shares, accounting for 69.02% of the total number of ordinary shares that could be issued at the time of the Company's

establishment, with contribution of capital by assets. The contribution date was 30 November 2001.

Lin Fulong subscribed 3,421,600 shares, accounting for 8.45% of the total number of ordinary shares that could be issued at the time of the Company's establishment, with contribution of capital by assets. The contribution date was 30 November 2001.

Zhang Yunsan subscribed 3,060,800 shares, accounting for 7.56% of the total number of ordinary shares that could be issued at the time of the Company's establishment, with contribution of capital by assets. The contribution date was 30 November 2001.

Xie Xincang subscribed 2,141,000 shares, accounting for 5.29% of the total number of ordinary shares that could be issued at the time of the Company's establishment, with contribution of capital by assets. The contribution date was 30 November 2001.

Liu Yunlong subscribed 1,467,000 shares, accounting for 3.62% of the total number of ordinary shares that could be issued at the time of the Company's establishment, with contribution of capital by assets. The contribution date was 30 November 2001.

Cui Huanyou subscribed 923,800 shares, accounting for 2.28% of the total number of ordinary shares that could be issued at the time of the Company's establishment, with contribution of capital by assets. The contribution date was 30 November 2001.

Liang Yongqiang subscribed 681,900 shares, accounting for 1.68% of the total number of ordinary shares that could be issued at the time of the Company's establishment, with contribution of capital by assets. The contribution date was 30 November 2001.

Shengli Oilfield Kaiyuan Petroleum Development Co., Ltd. subscribed 524,400 shares in cash, accounting for 1.29% of the total number of ordinary shares available for issuance at the time of the Company's establishment. The contribution date was 30 November 2001.

Gansu University of Technology Alloy Materials General Factory subscribed 327,800 shares in cash, accounting for 0.81% of the total number of ordinary shares available for issuance at the time of the Company's establishment. The contribution date was 30 November 2001.

Article 21

The number of issued shares of the Company is 823,526,800. The share capital structure of the Company is: 823,526,800 ordinary shares (par value per share: RMB 1.00 per share). Domestic shareholders hold 541,722,000 shares and H share shareholders hold 281,804,800 shares.

Article 22

Except that the Company implements the employee share ownership plan, the Company or its subsidiaries (including affiliated enterprises) shall not provide

financial assistance to others for obtaining shares of the Company or its parent company in the form of gift, advance funds, guarantee, loan, etc.

For the benefit of the Company, upon the resolution of the Shareholders' Meeting or the resolution made by the Board of Directors in accordance with the Articles of Association or the authorization of the Shareholders' Meeting, the Company may provide financial assistance for others for obtaining the shares of the Company or its parent company, but the cumulative total of financial assistance shall not exceed 10% of the total issued share capital. The resolution of the Board of Directors shall be passed by more than two-thirds of all the directors.

If the Company or its subsidiaries (including the Company's affiliated enterprises) engage in the acts stipulated in this Article, they shall abide by the laws, administrative regulations as well as the provisions of the China Securities Regulatory Commission and the stock exchanges.

Section 2 Increase, decrease and repurchase of shares

Article 23

The Company may, based on its business and development needs and in accordance with laws and regulations, increase its capital after being approved by the resolution by the Shareholders' Meeting in the following manners:

- (I) Issue shares to unspecified objects;
- (II) Issue shares to specific objects;
- (III) Distribute bonus shares to existing shareholders;
- (IV) Increase the share capital by converting the reserve fund
- (V) Other methods stipulated by laws, administrative regulations and China Securities Regulatory Commission.

Article 24

The Company may reduce its registered capital. The Company may reduce its registered capital in accordance with the procedures as provided in the *Company Law*, other relevant regulations and the Articles of Association.

Article 25

The Company shall not purchase its own shares. Except for one of the following circumstances:

- (I) Reduce the Company's registered capital;
- (II) Merge with other company holding shares of the Company;
- (III) Use shares in employee share ownership plans or equity incentive;
- (IV) Shareholders who disagree with the resolution of the Company's merger and division made at the Shareholders' Meeting require the Company to purchase their shares;

(V) Use the shares to convert the corporate bonds issued by the Company that can be converted into shares;

(VI) Being necessary for the Company to protect its value and its shareholders' interests.

The situation referred to in the previous Subparagraph (6) shall meet one of the following conditions:

(I) The closing price of the Company's share is lower than the net asset value per share for the recent period;

(II) The closing price of the Company's share has fallen by an aggregate of 20% within 20 consecutive trading days;

(III) The closing price of the Company's share is lower than 50% of the highest closing price of the share in the recent year;

(IV) Other conditions stipulated by China Securities Regulatory Commission.

Article 26

The Company can purchase its own shares through open centralized trading or other methods approved by laws, administrative regulations and China Securities Regulatory Commission.

Such purchase of its shares by the Company under circumstances set forth in Subparagraph (3), (5) and (6), Paragraph 1, Article 25 of the Articles of Association shall be made by public centralized trading.

Article 27

If the Company purchases its own shares due to the situations specified in Subparagraph (1) and (2), Paragraph 1, Article 25 in the Articles of Association, it shall be subject to the resolution of the Shareholders' Meeting; If the Company acquires its own shares due to the circumstances stipulated in Subparagraph (3), (5) and (6), Paragraph 1, Article 25 in the Articles of Association, it may, in accordance with the provisions of the Articles of Association or the authorization of the Shareholders' Meeting, be resolved by a Board Meeting attended by more than two-thirds of the directors.

After the Company purchases its own shares in accordance with Paragraph 1, Article 25 in the Articles of Association, in case of falling under the situation of Subparagraph (1), it shall be cancelled within 10 days; in case of falling under the situation of Subparagraph (2) and (4), it shall be transferred or cancelled within 6 months; in case of falling under the circumstances of Subparagraph (3), (5) and (6), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company and such shares shall be transferred or cancelled within three years.

Section 3 Transfer of shares

Article 28

The shares of the Company may be transferred according to law.

Article 29

The Company does not accept its own shares as the subject matter of a pledge.

Article 30

The shares issued prior to the public issue by the Company shall not be transferred within one year from the date when the shares of the Company are listed and traded at the stock exchange.

The Company's directors and senior executives shall report the shares (including preferred shares) they hold in the Company and any changes in them to the Company. The number of shares transferred annually during the term of office shall not exceed 25% of the total number of shares of the same class held by him in the Company; the shares held by the Company's directors and senior executives shall not be transferred within one year from the date of listing and trading of the Company's shares. The above personnel shall not transfer the Company's shares held by them within half a year after their departure.

Article 31

If shareholders, directors, or senior executives who hold more than 5% of the Company's shares sell their shares of the Company or other securities in the nature of equity within six months of their purchase, or if they purchase equity again within six months of their sale, the proceeds therefrom shall belong to the Company, and the Board of Directors of the Company shall recover the proceeds therefrom, except for the circumstance where security companies hold more than 5% of the shares due to the purchase of the remaining shares after the package sale or other circumstances prescribed by China Securities Regulatory Commission.

The shares or other securities with the nature of equity held by directors, senior executives and natural person shareholders mentioned in the preceding paragraph include shares or other securities with the nature of equity held by their spouses, parents and children and held through others' accounts.

If the Board of Directors of the Company fails to implement the provisions of Paragraph 1 of this Article, the shareholders will be entitled request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails again within such period, the shareholder will be entitled directly file a lawsuit to the People's Court in its own name for the benefit of the Company.

If the Board of Directors of the Company fails to execute the provisions in Paragraph 1 of this Article, the responsible directors shall bear joint and several liability in accordance with the law.

Chapter IV Shareholder and Shareholders' Meeting

Section 1 General provisions for shareholders

Article 32

The Company shall, based upon the certificates provided by the securities registration and settlement authority, establish a register of shareholders which is the sufficient evidence for the holding of shares in the Company by a shareholder. Shareholders shall have rights and assume obligations as per the class of their shares; shareholders holding shares of the same class shall have the same rights and assume the same obligations.

Article 33

The Company shall establish a register of shareholders to register the following matters:

- (I) Name (designation), address (domicile), occupation or nature of each shareholder;
- (II) Class and number of shares held by each shareholder;
- (III) Paid or payable sum of the shares held by each shareholder;
- (IV) Number of the share held by each shareholder;
- (V) Date on which each shareholder is registered as a shareholder;
- (VI) Date on which each shareholder ceases to be a shareholder.

Article 34

The Company may, in accordance with the understandings and agreements reached between the securities regulatory authority of the State Council and the overseas securities regulatory authority, keep the register of shareholders of foreign capital shares listed overseas and entrust an overseas agency to manage it. The register of shareholders of overseas listed foreign capital shares is available for shareholders to consult. The original register of H share shareholders is kept in Hong Kong and available for shareholders to consult.

The Company shall keep a copy of the register of shareholders of foreign capital shares listed overseas at the Company's domicile. The commissioned overseas agent shall at all times ensure the consistency of the original and the copy of the register of shareholders of foreign capital shares listed overseas.

In the event of inconsistency between the original and the copy of the register of shareholders of foreign capital shares listed overseas, the original shall prevail.

Article 35

The Company shall keep a complete register of shareholders.

The register of shareholders shall include the following parts:

- (I) Register of shareholders deposited at the Company's domicile, except for those specified in Subparagraph (2) and (3) of this Paragraph;
- (II) Register of shareholders of the Company's foreign capital shares listed overseas deposited at the place where the overseas listing stock exchange is located;
- (III) Register of shareholders which is decided to be stored at other place by the

Board of Directors for the listing need of the Company shares.

Article 36

When the Company convenes a Shareholders' Meeting, distributes dividends, liquidates, or engages in other actions requiring confirmation of shareholders' identities, the Board of Directors or the conveners of the Shareholders' Meeting shall determine the record date. Shareholders registered on the record date after the market closes are those who enjoy the relevant rights and interests.

Article 37

Shareholders of the Company shall enjoy the following rights:

(I) Obtain dividends and other forms of interest distribution according to the shares held by them;

(II) Request, hold, convene, preside over, attend or appoint a shareholder agent to attend the Shareholders' Meeting according to law and exercise the right to speak and vote (unless individual shareholders are required by the listing rules of the place where the Company's shares are listed to waive their voting rights on individual matters);

(III) Supervise the Company's business and make suggestions or inquiries;

(IV) Transfer, gift or pledge all their shares according to the provisions of laws, administrative regulations and the Articles of Association;

(V) Review and copy the Articles of Association, the register of shareholders, the minutes of the Shareholders' Meeting, the resolutions of the Board Meeting and the financial accounting reports. Shareholders who meet the regulations may review the Company's accounting books and accounting vouchers;

(VI) Participate in the distribution of residual property of the Company based on the shares they hold in case of termination or liquidation;

(VII) Shareholders who object to the resolutions on company merger or division made at the Shareholders' Meeting request the Company to purchase their shares;

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

Article 38

Shareholders who request to review and copy relevant materials of the Company shall abide by the provisions of laws and administrative regulations (such as *Company Law* and *Securities Law*).

Article 39

If the resolutions of the Shareholders' Meeting or Board Meeting violate laws or administrative regulations, shareholders will have the right to request the People's Court to determine them to be invalid.

If the convening procedures or voting methods of the Shareholders' Meeting or the Board Meeting contravene the laws, administrative regulations or the Articles of Association, or the contents of the resolution contravene the Articles of Association,

the shareholders will be entitled to request the People's Court to cancel the resolution within 60 days from the date of the resolution, except that the convening procedures or voting methods of Shareholders' Meetings or Board Meetings have only minor flaws that do not have a substantive impact on the resolution.

If the Board of Directors, shareholders and other relevant parties have disputes over the validity of the resolution of the Shareholders' Meeting, they shall promptly file a lawsuit to the People's Court. Before the People's Court makes a judgment or ruling (such as revocation of resolution), the relevant parties shall implement the resolution of the Shareholders' Meeting. The Company and its directors and senior executives shall earnestly perform their duties to ensure the normal operation of the Company.

If the People's Court makes a judgment or ruling on relevant matters, the Company shall fulfill the obligation of information disclosure pursuant to laws, administrative regulations and provisions of China Securities Regulatory Commission and the stock exchange, fully explain the impact and actively cooperate for the enforcement after the judgment or ruling takes effect. If corrections of previous matters are involved, they will be handled timely and the corresponding information disclosure obligations shall be fulfilled.

Article 40

If any of the following circumstances occurs, the resolution of the Shareholders' Meeting or the Board of Directors of the Company shall not be established:

- (I) No Shareholders' Meeting or Board Meeting is held to make resolutions;
- (II) The resolution items were not voted at the Shareholders' Meeting or Board Meeting;
- (III) The number of people attending the meeting or the number of voting rights held does not reach the quorum or the number of voting rights held as stipulated in the *Company Law* or the Articles of Association;
- (IV) The number of people agreeing to the resolution matters or the number of voting rights held by them does not reach the number of people or the number of voting rights stipulated in the *Company Law* or the Articles of Association.

Article 41

If the Directors or Senior Executives other than members of the Audit Committee violate the provisions of the laws, administrative regulations or the Articles of Association when performing the Company's duties, causing losses to the Company, shareholders who hold more than 1% of Company shares for over 180 consecutive days individually or collectively will have the right to request in writing the Audit Committee to file a lawsuit to the People's Court; if the member of Audit Committee violates the provisions of the laws, administrative regulations or the Articles of Association when they perform their duties, causes losses to the Company, the aforementioned shareholders may request the Board of Directors in writing to file a lawsuit to the people's court.

If the Audit Committee and Board of Directors refuse to file a lawsuit after receipt of the written request of shareholders as mentioned in the preceding paragraph or fail to file a lawsuit within 30 days after receipt of the request, or the situation is urgent

and no immediate lawsuit filed would cause irreparable damage to the Company's interests, shareholders in the preceding paragraph will be entitled to file a lawsuit directly to the people's court in their own name for the benefit of the Company.

If others infringe upon the legitimate rights and interests of the Company, causing losses to the Company, the shareholders referred to in Paragraph 1 of this Article may file a lawsuit to the People's Court as per the provisions of the preceding two paragraphs.

If the directors, supervisors or senior executives of a wholly-owned subsidiary of the Company violate laws, administrative regulations or the provisions of the Articles of Association in the course of performing their duties, causing losses to the Company, or others infringe upon the legitimate rights and interests of the wholly-owned subsidiary of the Company, causing losses, shareholders who have held more than 1% of the company's shares for a continuous period of more than 180 consecutive days individually or collectively, may request in writing the Board of Supervisors or the Board of Directors of the wholly-owned subsidiary to file a lawsuit to the people's court or directly file a lawsuit to the people's court in their own names in terms of the provisions of the preceding three paragraphs of Article 189 of the *Company Law*.

If the wholly-owned subsidiary of the Company does not have a Board of Supervisors or supervisors, but has an Audit Committee, the provisions of Paragraph 1 and Paragraph 2 of this Article shall apply.

Article 42

If the Company's directors or senior executives violate the provisions of laws, administrative regulations or the Articles of Association, thereby damaging the interests of shareholders, the shareholders may file a lawsuit to the people's court.

Article 43

Shareholders of the Company shall assume the following obligations:

- (I) Abide by laws, administrative regulations and the Articles of Association;
- (II) Pay the share capital based on the shares subscribed by them and their investment mode;
- (III) Except for the circumstances stipulated by laws and regulations, do not withdraw its share capital;
- (IV) Do not abuse the rights of shareholders to damage the benefits of the Company and other shareholders; do not to abuse the independent legal person status of the Company and the limited liability of the shareholders to damage the interests of the Company's creditors;
- (VI) Other obligations that they shall undertake pursuant to laws, administrative regulations and the Articles of Association.

Article 44

Shareholders of the Company who abuse their shareholders' rights, causing losses to the Company or other shareholders shall bear the liability for compensation in accordance with the law. If the Company's shareholders abuse the independent legal status of the Company and the limited liability of shareholders to evade debts,

seriously damaging the interests of the Company's creditors, they shall bear joint and several liability for the Company's debts.

Section 2 Controlling shareholder and actual controller

Article 45

The controlling shareholders and actual controllers of the Company shall exercise their rights and fulfill their obligations as per laws, administrative regulations and the provisions of China Securities Regulatory Commission and the stock exchange and safeguard the interests of the Company.

Article 46

The controlling shareholders and actual controllers of the Company shall abide by the following provisions:

(I) Exercise shareholder rights according to law and do not abuse control rights or use the associated relations to damage the legitimate rights and interests of the Company or other shareholders;

(II) Strictly fulfill the public statements and all commitments made and do not change or exempt them without authorization;

(III) Fulfill the obligation of information disclosure in strict accordance with relevant regulations, actively and proactively cooperate with the Company to do a good job in information disclosure and promptly inform the Company of major events that have occurred or are about to occur;

(IV) Do not occupy the Company's funds in any way;

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

(VI) Do not take advantage of the Company's undisclosed major information to seek profits, disclose any undisclosed material information related to the Company in any way or engage in illegal and non-compliant activities, such as insider trading, short-term trading and market manipulation;

(VII) Do not damage the legitimate rights and interests of the Company and other shareholders through any means, such as non-fair related party transaction, profit distribution, asset reorganization or external investment;

(VIII) Ensure the integrity of the Company's assets and the independence of personnel, finance, institutions and business and do not influence the Company's independence in any way;

(IX) Other provisions of laws, administrative regulations, regulations of China Securities Regulatory Commission, operating rules of the stock exchange and the Articles of Association.

For controlling shareholder or actual controller of the Company who do not serve as a director of the Company but actually executes the Company's affairs, the provisions of the Articles of Association regarding the duties of loyalty and diligence

of directors shall apply.

If the controlling shareholder or actual controller of the Company instructs directors or senior executives to engage in acts that harm the interests of the Company or its shareholders, it shall bear joint and several liability with such directors or senior executives.

Article 47

If the controlling shareholder or actual controller pledges the Company's shares it holds or actually controls, it shall maintain the control of the Company and the stability of its production and operation.

Article 48

If the controlling shareholder or actual controller transfers the shares it holds in the Company, it shall abide by the restrictive provisions on share transfer stipulated in laws, administrative regulations, China Securities Regulatory Commission and the stock exchange as well as the commitments it has made in relation to the restriction of share transfer.

Section 3 General regulations of Shareholders' Meeting

Article 49

The Shareholders' Meeting of the Company is composed of all the shareholders. The Shareholders' Meeting is the organ of authority of the Company which exercises the following functions and powers in accordance with the law:

- (I) Elect and replace directors and determine the remuneration of director;
- (II) Deliberate and approve the report of the Board of Directors;
- (III) Deliberate and approve the Company's profit distribution plan and plan for making up for losses;
- (IV) Resolve on the increase or decrease in registered capital of the Company;
- (V) Resolve on the issuance of the corporate bonds;
- (VI) Resolve on the merger, division, dissolution, liquidation of the Company or the change of the Company form;
- (VII) Modify the Articles of Association;
- (VIII) Make resolutions on the appointment and dismissal of the accounting firm responsible for the Company's audit businesses.
- (IX) Deliberate and approve the guarantee specified in Article 47 of the Articles of Association;
- (X) Deliberate the Company's purchase or sale of major assets within one year exceeding 30% of the Company's latest audited total assets;

(XI) Deliberate and approve matters concerning the change of the purpose of the raised funds;

(XII) Review the equity incentive plan and the employee stock ownership plan;

(XIII) Review other matters that shall be decided by the Shareholders' Meeting as stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

The shareholders' meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

The Company may, upon the resolution of the Shareholders' Meeting, or upon the authorization of the Articles of Association and the Shareholders' Meeting and upon the resolution of the Board of Directors, issue shares or corporate bonds that can be converted into shares. The specific implementation shall comply with laws, administrative regulations and the provisions of China Securities Regulatory Commission and the stock exchanges.

Unless otherwise stipulated by laws, administrative regulations, the provisions of China Securities Regulatory Commission or the securities regulatory rules of the place where the Company's shares are listed, the powers and functions of the above-mentioned shareholders' meeting shall not be exercised by the Board of Directors or other institutions or individuals through authorization.

Article 50

If the Company provides a guarantee, in addition to being approved by more than half of all the directors, it shall also be approved by more than two-thirds of the directors present at the Board Meeting, with a resolution made and disclosure in a timely manner to the public.

If the guarantee provided by the Company falls under any of the following circumstances, it shall also be submitted to the Shareholders' Meeting for deliberation after being approved by the Board of Directors:

(I) Any guarantee provided after the total amount of external guarantee of the Company and controlling subsidiaries exceeds 50% of the audited total assets in the latest period;

(II) Any guarantee provided to external parties after the total amount of external guarantee of the Company exceeds 30% of the audited total assets in the latest period;

(III) Guarantees provided by the Company to others within one year that exceed 30% of the company's latest audited total assets;

(IV) Guarantees provided to the object with an asset-liability ratio: above 70%;

(V) Guarantee with the amount of one single guarantee exceeding 10% of the net assets of the Company audited in the latest period;

(VI) Guarantee provided for shareholders, actual controllers and their related parties;

(VII) Other circumstances stipulated in the securities regulatory rules of the place where the Company's shares are listed or in the Articles of Association.

When deliberating the guarantee matters in Subparagraph (III) of the preceding paragraph at the Shareholders' Meeting of the Company, they shall be passed by more than two-thirds of the voting rights held by the shareholders attending the meeting.

When the proposals for providing guarantees for shareholders, actual controllers and their related parties are deliberated at the Shareholders' Meeting, the shareholders or the shareholders controlled by the actual controller abstain from the voting on this matter and the vote shall be passed by more than half of the voting rights held by the other shareholders attending the Shareholders' Meeting.

If directors or senior executives of the Company fail to sign external guarantee contracts as per the approval authority and review procedures for external guarantees of the Company, causing damage to the Company, the relevant personnel shall be held accountable. Directors who are responsible for the decision-making of external guarantees in violation of regulations or with obviously inappropriate decisions shall bear joint and several liability for compensation of the losses caused to the Company by such guarantees.

Article 51

Shareholders' Meetings are divided into Annual General Meetings and Extraordinary General Meetings. The Annual General Meeting is held once a year, and shall be held within six months after the previous fiscal year ends.

Article 52

If any of the following circumstances occurs, the Company shall convene an Extraordinary Shareholders' Meeting within two months from the date of occurrence of the fact:

(I) The number of directors is less than two-thirds of the number stipulated in the *Company Law* or the number prescribed in the Articles of Association (i.e., the number of directors is less than six);

(II) The Company's losses which are not covered have reached one third of its total share capital;

(III) Shareholders who hold 10% or more of the Company's shares individually or collectively make a request;

(IV) The Board of Directors deems it necessary;

(V) The Audit Committee proposes to convene;

(VI) Other circumstances prescribed by laws, administrative regulations, departmental rules or the Articles of Association.

Article 53

The location where the Company holds the Shareholders' Meeting is: company's domicile or location specified in the notice of the Company's Shareholders' Meeting.

The Shareholders' Meeting will be held in a venue and in the form of on-site meeting and can also be held simultaneously through electronic communication. The selection of the time and place for the on-site meeting shall be convenient for shareholders to attend. After the notice of the Shareholders' Meeting is issued, the location of holding the on-site Shareholders' Meeting shall not be changed without justifiable reasons. If it is indeed necessary to change the place, the convener shall make an announcement and explain the specific reasons at least 2 working days before the on-site meeting is held. The Company will also offer a way of online voting to provide convenience for shareholders. Shareholders who attend the Shareholders' Meeting through the above-mentioned means shall be deemed to have attended.

Article 54

When convening a Shareholders' Meeting, the Company shall engage a lawyer to issue legal opinions on the following matters and announce them:

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

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

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

(IV) Legal opinions issued on other relevant issues as required by the Company.

Section 4 Convening of the Shareholders' Meeting

Article 55

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 are entitled to propose to the Board of Directors to convene an Extraordinary Shareholders' Meeting. As to the request of holding an Extraordinary Shareholders' Meeting provided by independent directors, the Board of Directors shall show approval or rejection in written form within 10 days after receiving the proposal in accordance with the laws, administrative regulations and the Articles of Association. If the Board of Directors agrees to convene an Extraordinary Shareholders' Meeting, the notice of convening the Shareholders' Meeting shall be issued within 5 days after making the resolution of the Board of Directors; if the Board of Directors does not agree to convene an Extraordinary Shareholders' Meeting, it shall explain the reasons and make an announcement.

Article 56

If the Audit Committee proposes to the Board of Directors to convene an Extraordinary Shareholders' Meeting, it shall submit the proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide a written feedback indicating whether it agrees or disagrees to convene an Extraordinary Shareholders' Meeting within 10 days after receiving the proposal. If the Board of Directors agrees to convene an Extraordinary Shareholders' Meeting, it shall issue a notice of the Shareholders' Meeting within 5 days after making the resolution of the Board of Directors. Any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee.

If the Board of Directors does not agree to hold an Extraordinary Shareholders' Meeting or fails to make a feedback within 10 days after receiving the proposal, the Board of Directors will be deemed to be unable to perform or fail to perform its duty of convening a Shareholders' Meeting and the Audit Committee may convene and preside over the meeting on its own.

Article 57

When Shareholders who individually or jointly hold more than 10% shares (including preferred shares with restored voting rights, etc.) of the Company request the Board of Directors to convene an Extraordinary Shareholders' Meeting, they shall make a written request to the Board of Directors. The Board of Directors shall provide a written feedback indicating whether it agrees or disagrees to convene an Extraordinary Shareholders' Meeting within 10 days upon the receipt of the request according to the laws, administrative regulations and the Articles of Association.

If the Board of Directors agrees to convene the Extraordinary Shareholders' Meeting, it shall send a notice of convening a Shareholders' Meeting within 5 days after the resolution of the Board of Directors is made and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Board of Directors does not agree to convene an Extraordinary Shareholders' Meeting or fails to respond within 10 days after receiving the request, shareholders holding more than 10% of the Company's shares (including preferred shares with restored voting rights, etc.) either individually or jointly who propose to the Audit Committee to convene an Extraordinary Shareholders' Meeting shall submit a written request to the Audit Committee.

If the Audit Committee agrees to convene an Extraordinary Shareholders' Meeting, it shall send a notice of convening the Shareholders' Meeting within 5 days after receiving the request. Any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Audit Committee fails to issue a notice of the Shareholders' Meeting within the prescribed period, the Audit Committee will be deemed not to convene and preside over the Shareholders' Meeting. Shareholders who individually or jointly have held more than 10% of the Company's shares (including preferred shares with restored voting rights, etc.) for more than 90 consecutive days may convene and preside over the Meeting on their own.

Article 58

If the Audit Committee or the shareholder decides to convene the Shareholders' Meeting, it shall notify the Board of Directors in writing and file with the stock exchange at the same time.

The Audit Committee or the convening shareholders shall submit relevant evidentiary materials to the stock exchange when issuing the notice of the Shareholders' Meeting and the announcement of the Shareholders' Meeting resolution

Before the resolutions of the Shareholders' Meeting is announced, the shareholding ratio of the convening shareholders shall not be less than 10%.

Article 59

For Shareholders' Meetings convened by the Audit Committee or shareholders, the Board of Directors and the secretary of the board shall cooperate. The Board of Directors shall provide a register of shareholders on the record date.

Article 60

The expenses necessary for the Shareholders' Meeting convened by the Audit Committee or the shareholders shall be borne by the Company.

Section 5 Proposals and notices of the Shareholders' Meeting

Article 61

The contents of the proposal shall be within the range of functions and powers of the Shareholders' Meeting, have clear issues and specific resolution matters and comply with the relevant provisions of laws, administrative regulations and the Articles of Association.

Article 62

If the Company holds a Shareholders' Meeting, the Board of Directors, the Audit Committee and shareholders who hold more than 1% of the Company's shares (including preferred shares with restored voting rights, etc.) individually or jointly will have the right to submit proposals to the Company.

Shareholders who individually or jointly hold more than 1% of the Company's (including preferred shares with restored voting rights, etc.) shares may issue temporary proposals and submit to the conveners in written form 10 days ahead of holding the Shareholders' Meeting. The convener shall issue a supplementary notice to the Shareholders' Meeting within 2 days after receiving the proposal, announce the content of the temporary proposal and submit the temporary proposal to the Shareholders' Meeting for deliberation. However, temporary proposals that violate laws, administrative regulations or the provisions of the articles of association or are not within the function and power of the Shareholders' Meeting are excluded.

Except for the circumstances specified in the preceding paragraph, after the

convener issues the notice and announcement of the Shareholders' Meeting, it shall not modify the proposal already listed in the notice or add new proposals.

Proposals not listed in the notice of the Shareholders' Meeting or not complying with the provisions of the Articles of Association shall not be voted on or resolved by the shareholders' meeting.

Article 63

The convener will notify all shareholders by announcement 21 days before the Annual General Meeting, and the Extraordinary Shareholders' Meeting will be notified to all shareholders by announcement 15 days before the meeting.

Article 64

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

- (I) Date, place and duration of the meeting;
- (II) Matters and proposals submitted to the meeting for deliberation;
- (III) Description with clear words: all shareholders of ordinary shares are entitled to attend the Shareholders' Meeting and may appoint an agent in writing to attend and vote. The agent does not need to be a shareholder of the Company;
- (IV) Record date for shareholders entitled to attend the Shareholders' Meeting;
- (V) Name and phone number of the permanent contact person for the meeting;
- (VI) Voting time and voting procedures on the Internet or by other means.

The notice of the Shareholders' Meeting and any supplementary notice shall fully and accurately disclose all the specific contents of all proposals.

The start time for voting at the Shareholders' Meeting through the Internet or other means shall not be earlier than 3:00 p.m. on the day before the on-site Shareholders' Meeting and shall not be later than 9:30 a.m. on the day of the on-site Shareholders' Meeting. Its end time shall not be earlier than 3:00 p.m. on the day when the on-site Shareholders' Meeting ends.

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

Article 65

If it is intended to discuss the election of directors at the Shareholders' Meeting, the detailed information of the director candidates will be fully disclosed in the Shareholders' Meeting notice, at least including the following contents:

- (I) Personal information, such as educational background, work experience and part-time job;
- (II) Whether there is any affiliated relationship with the Company or its controlling shareholder and actual controller;
- (III) Number of shares held in the Company;
- (IV) Whether it has been subject to punishment by China Securities Regulatory

Commission and other relevant departments or disciplinary action by the stock exchange.

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

Article 66

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. Once the meeting is delayed or cancelled, the convener shall make an announcement and explain the reasons at least 2 working days before the scheduled meeting date.

Section 6 Convening of the Shareholders' Meeting

Article 67

The Company's Board of Directors and other conveners will take necessary measures to ensure the normal order of Shareholders' Meeting. Measures shall be taken to stop any act of interfering with the Shareholders' Meeting, provoking troubles and infringing upon the legitimate rights and interests of shareholders, and the relevant departments will be informed timely for investigation and handling.

Article 68

All ordinary shareholders or their agents who are registered on the record date are entitled to attend the Shareholders' Meeting and exercise their voting rights in accordance with relevant laws, regulations and the Articles of Association.

Shareholders may attend the Shareholders' Meeting in person or entrust an agent to attend and vote on their behalf.

Article 69

Individual shareholders attending the meeting in person shall present their ID cards or other valid documents or certificates that can identify their identity.; Shareholders who appoint others to attend the meeting shall present their valid identification documents and power of attorney of shareholders.

As for corporate shareholders, the meeting shall be attended by the Legal Representative or the agent or authorized representative entrusted by the Legal Representative. Legal Representatives who attend the meeting shall present their ID cards and valid certificate that can prove their qualification as the Legal Representative; If the agent or authorized representative attends the meeting, such agent or authorized representative shall present its own ID card and a written power of attorney issued by the Legal Representative or authorizer of the legal person shareholder unit according to law.

If the shareholder is an approved clearing house or its agent as defined by the Hong Kong Laws (hereinafter referred to as "approved clearing house"), such shareholder may authorize one or more persons whom it deems appropriate to act as

its representative at any general meeting of shareholders or any Class Meeting; however, if more than one person is authorized, the authorization letter shall specify the number and type of shares involved in each of such persons' authorization. The person authorized in this way may exercise rights (including the right to speak and vote) on behalf of the recognized clearing house as if it were an individual shareholder of the Company.

Article 70

The power of attorney issued by a shareholder authorizing another person to attend the Shareholders' Meeting shall include the following content:

(I) Name or designation of the client as well as type and quantity of shares held in the Company;

(II) Name or designation of the agent;

(III) Specific instructions from shareholders, including instructions to vote in favor of, against or abstain from voting on each matter for deliberation listed on the agenda of the Shareholders' Meeting;

(IV) Date of issuance and valid period of the power of attorney;

(V) Signature (or seal) of the principal. If the principal is a corporate shareholder, the corporate seal shall be affixed.

Article 71

If the proxy voting power of attorney is signed by another person authorized by the principal, the authorization letter or other authorization documents authorized for signing shall be notarized. The notarized authorization letter or other authorization documents as well as the power of attorney for proxy voting shall be kept at the Company's domicile or other location specified in the notice of convening a meeting.

Article 72

The meeting register for attendees shall be prepared by the Company. The names (or entity names) and ID card numbers of participants present at the meeting, numbers of shares held or represented with voting rights and name (or entity name) of the principal shall be specified in the meeting register.

Article 73

The convener and the lawyer engaged by the Company shall verify the validity of the shareholder qualification jointly based on the register of shareholders provided by the securities registration and settlement institution and register the name (designation) of the shareholders and the number of shares with voting rights held by them. The registration of the meeting shall be terminated before the host of the meeting announces the number of shareholders and their agents attending the meeting and the total number of shares they hold with voting rights.

Article 74

If the directors and senior executives are required by the Shareholders' Meeting to attend the meeting, they shall attend the meeting and accept the shareholder's inquiry.

Article 75

The Shareholders' Meeting is presided over by the Chairman. If the Chairman cannot or refuses to fulfill its duties, the meeting shall be hosted by the Vice Chairman. If the Vice Chairman cannot or refuses to fulfill its duties, the meeting shall be hosted by a director elected by more than half of the directors.

The Shareholders' Meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. When the convener of the Audit Committee is unable to perform its duties or fails to perform its duties, a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee shall preside over the meeting.

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

With the consent of more than half of the shareholders with voting rights attending the Shareholders' Meeting, the Shareholders' Meeting may elect one person to serve as the host of the meeting and continue the Meeting if the host of the Meeting violates the Articles of Association or the rules of procedure of the Shareholders' Meeting, making it impossible for the Shareholders' Meeting to continue when holding a Shareholders' Meeting.

Article 76

The Company shall formulate rules of procedure for the Shareholders' Meeting and specify the procedures for convening, holding and voting at the Shareholders' Meeting in details, including notification, registration, deliberation of proposals, voting, vote counting, announcement of voting results, formation of meeting resolutions, minutes of the meeting and their signatures, announcements as well as the principles of authorization of the Board of Directors by the Shareholders' Meeting. The authorization content shall be clear and specific.

The rules of procedure for Shareholders' Meetings shall be an annex to the Articles of Association, drafted by the Board of Directors and approved by the Shareholders' Meeting.

Article 77

The Board of Directors shall report to the Shareholders' Meeting on its work in the past year at the Annual General Meeting. Each independent director shall also make a report on their duties.

Article 78

Directors and senior executives shall provide explanations and clarifications regarding shareholders' inquiries and suggestions at the Shareholders' Meeting.

Article 79

The meeting host shall announce the number of shareholders and agents present at the meeting and the total number of shares with voting rights they hold before voting takes place. The number of shareholders and agents present at the meeting and the total number of shares with voting rights they hold shall be subject to the meeting registration.

Article 80

The Shareholders' Meeting shall have minutes of the meeting that shall be in the charge of the Board Secretary.

The minutes of the meeting shall record the following content:

- (I) Time, place and agenda of the meeting and name of the convener;
- (II) Name of the host of the meeting and the directors and senior executives attending the meeting as observers;
- (III) Number of shareholders and agents attending the meeting, total number of shares with voting rights held and proportion in the total number of shares of the Company.
- (IV) Deliberation process, key points of the speech and voting results of each proposal;
- (V) Shareholders' inquiries or suggestions and corresponding answers or explanations;
- (VI) Names of the lawyers, vote counters and scrutineers;
- (VII) Other contents that shall be included in the minutes of the meeting as stipulated in the Articles of Association.

Article 81

The convener shall ensure that the content of the minutes of the meeting is true, accurate, and complete. Directors, the Board Secretary, the convener or its representative and the host of the meeting who attend or attend the meeting as observers shall sign on the minutes of the meeting. The minutes of the meeting shall be preserved together with the signature book of the shareholders present at the meeting, the power of attorney for proxy attending and valid materials related to voting online or via other methods, with a preservation period of at least ten years.

Article 82

The convener shall ensure that the Shareholders' Meeting is held continuously until a final resolution is formed. If the Shareholders' Meeting is suspended or no resolution is made at the Shareholders' Meeting 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 current Shareholders' Meeting and a timely

announcement shall be made. At the same time, the convener shall report to the China Securities Regulatory Commission dispatched institution and the stock exchange in the place where the Company is located.

Section 7 Voting and resolutions of the Shareholders' Meeting

Article 83

The resolutions of the Shareholders' Meeting are divided into ordinary resolutions and special resolutions.

The general resolution of the Shareholders' Meeting shall be passed by more than half of the voting rights held by the shareholders present at the Shareholders' Meeting.

The special resolution of the Shareholders' Meeting shall be passed by more than two-thirds of the voting rights held by the shareholders attending the Shareholders' Meeting.

Shareholders as referred to in this Article includes shareholders who entrust agents to attend the Shareholders' Meeting.

Article 84

The following matters shall be passed by the Shareholders' Meeting through ordinary resolutions:

- (I) Work report of the Board of Directors;
- (II) Profit distribution plan and loss recovery plan drawn up by the Board of Directors;
- (III) Appointment and dismissal of members of the Board of Directors as well as their salaries and compensations and payment methods;
- (IV) Other matters except for those that are required to be passed by special resolution as stipulated by laws, administrative regulations or the Articles of Association.

Article 85

The following matters shall be passed by the Shareholders' Meeting through special resolutions:

- (I) The Company increases or decreases the registered capital;
- (II) Division, spin-off, merger, dissolution and liquidation of the Company;
- (III) Amendment of the Articles of Association;
- (IV) The Company purchases or sells major assets within one year or the amount of guarantee provided to others exceeds 30% of the Company's latest audited total assets;
- (V) Equity incentive plan;
- (VI) Other matters that are stipulated by laws, administrative regulations or the

Articles of Association, are recognized by the Shareholders' Meeting as ordinary resolutions to have a significant impact on the Company and are needed to be approved through special resolutions.

Article 86

Shareholders exercise their voting rights in accordance with the number of voting shares they represent, and each share has one vote.

When the major matters that affect the interests of small and medium-sized investors are deliberated at the Shareholders' Meeting, the votes for small and medium-sized investors shall be counted separately. The results of the separate voting shall be disclosed timely.

The shares of the Company held by the Company itself have no voting rights, and such part of shares shall not be included in the total number of shares with voting rights of shareholders present at the Shareholders' Meeting.

If the shareholders buy the voting shares of the Company in violation of the provisions of Paragraph 1 and 2 of Article 63 of the *Securities Law*, the voting rights shall not be exercised against the shares exceeding the prescribed proportion within thirty six months after the purchase and they shall not be included in the total number of shares with voting rights of shareholders attending the Shareholders' Meeting.

The Company's Board of Directors, independent directors, shareholders holding more than 1% of the voting shares or an investor protection institution established in accordance with laws, administrative regulations or the provisions of China Securities Regulatory Commission may openly solicit the voting rights of shareholders. When soliciting the voting rights of shareholders, they shall fully disclose the specific voting intentions and other information to the person being solicited. It is prohibited to solicit the voting rights of shareholders in a paid or disguised paid manner. Except for the legal conditions, the Company shall not impose a minimum shareholding ratio limit on the solicitation of voting rights.

Shareholders as referred to in Paragraph 1 of this Article includes shareholders who entrust agents to attend the Shareholders' Meeting.

Article 87

When the matters on related party transactions are deliberated at the Shareholders' Meeting, related shareholders shall not participate in the voting, and the voting shares they represent 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 situation of the non-associated shareholders.

If any shareholder is required to abstain from voting on any specific resolution or can only vote for or against any specific resolution pursuant to any applicable laws and regulations, any vote cast by such shareholder or on behalf of such shareholder in violation of such requirement or restriction will not be included into the voting rights.

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

(I) If the matters to be deliberated at the Shareholders' Meeting are related to a shareholder, the shareholder shall explain the relationship to the Company's Board of Directors before the Shareholders' Meeting is held and voluntarily apply for recusal;

(II) When the matters related to related party transactions are deliberated at the Shareholders' Meeting, the host of the Meeting will announce the shareholders with associated relations as well as explain and clarify the associated relations between the related shareholder and the related party transaction;

(III) When the related party transactions are voted at the Shareholders' Meeting, the related shareholders shall recuse themselves. The related party transactions shall be deliberated and voted by the non-related shareholders present at the Meeting;

(IV) If a related shareholder fails to abstain from voting on related matters, the resolution related to such matters shall be invalid;

After the related shareholders recuse themselves, the other shareholders shall vote in light of the voting rights they hold and pass the corresponding resolutions pursuant to the provisions of the Articles of Association.

Article 88

Except for special circumstances (such as the Company being in crisis), without the approval of the Shareholders' Meeting through special resolutions, the Company will not enter into any contract with any person other than directors or senior executives that entrusts the management of all or important business of the Company to such person.

Article 89

The list of director candidates shall be submitted to the Shareholders' Meeting for voting in the form of a proposal.

When the election of directors is voted at the Shareholders' Meeting, the cumulative voting system may be implemented based on the provisions of the Articles of Association or the resolution of the Shareholders' Meeting.

If two or more independent directors are elected at the Shareholders' Meeting of the Company, the cumulative voting system shall be implemented. When the proportion of shares with rights and interests held by a single shareholder and its person acting in concert is 30% or more, the cumulative voting system shall be implemented.

The cumulative voting system mentioned above refers to the fact that when the directors are elected at the Shareholders' Meeting, each share has the same number of voting rights as the number of directors to be elected, and the voting rights held by shareholders can be used in a centralized manner. The Board of Directors shall announce the resumes and basic information of the candidate directors to shareholders.

The methods and procedures for nominating directors are:

(I) The Board of Directors and shareholders who hold more than 1% of the company's shares individually or jointly have the right to nominate non-independent directors. Non-independent director candidates shall make a written commitment before the Shareholders' Meeting is held for agreeing to accept the nomination (Employee Representative directors are excluded);

(II) Employee Representative directors are democratically nominated and elected by the Company's employees through the congress of workers and staff, the general

membership meeting or other forms;

(III) The Board of Directors and shareholders who hold more than 1% of the Company's shares individually or jointly have the right to nominate independent directors. The investor protection institutions established in accordance with the law may publicly request shareholders to entrust them to exercise the right to nominate independent directors on their behalf.

The nominators shall not nominate persons with whom there is an interest relationship or other closely related persons who may influence the independent performance of duties as independent director candidates. The nominators of independent directors shall obtain the consent of the nominees before nomination. The nominators for independent directors shall fully understand the nominee's occupation, educational background, professional title, detailed work experience, all part-time jobs, whether there are any bad records (such as major dishonesty) and other circumstances that shall be disclosed in accordance with the Company's Articles of Association and express their opinions on their compliance with independence and other conditions for serving as an independent director. The nominees shall make a public statement regarding their compliance with independence and other conditions for serving as an independent director.

Article 90

In addition to the cumulative voting system, all proposals will be voted at the Shareholders' Meeting one by one. If there are different proposals on the same matter, the voting will be performed in the order in which the proposals are put forward. Except that the Shareholders' Meeting is suspended or a resolution cannot be made at the Shareholders' Meeting due to force majeure or other special reasons, the proposal will not be put on hold, but the proposal will be voted at the Shareholders' Meeting.

Article 91

When the proposal is reviewed at the Shareholders' Meeting, no modifications will be made to the proposal. If there are any changes, they shall be regarded as a new proposal and cannot be voted on at the same Shareholders' Meeting.

Article 92

For the same voting right, only one of following means: on-site voting, online voting, etc. can be chosen. If there is a duplicate vote for the same voting right, the result of the first voting shall prevail.

Article 93

Voting shall be conducted by disclosed ballot will be adopted at the Shareholders' Meeting.

Article 94

Before voting on proposals, two shareholder representatives shall be elected at the Shareholders' Meeting for the counting and scrutinizing of votes. If any matter to be deliberated has any associated relationship with any shareholder, relevant shareholder and its agent shall not participate in the vote counting and scrutinizing.

At the time of voting on proposals at the Shareholders' Meeting, the counting and scrutinizing of votes shall be jointly conducted by the lawyers and shareholder representatives, the voting results shall be announced on the spot, and the results of the resolutions shall be recorded in the minutes of the meeting.

The Company's shareholders or their agents who vote through the Internet or other means are entitled to check the voting results through the corresponding voting system.

Article 95

The end time of the Shareholders' Meeting on the spot shall not be earlier than that of the Shareholders' Meeting through the Internet or other means. The meeting host shall announce the voting status and results of each proposal and declare whether the proposal has been approved based on the voting results.

Before the official announcement of the voting results, the companies, vote counters, scrutineers, shareholders, network service providers and other relevant parties involved in the site, network and other voting methods of Shareholders' Meeting have the obligation to keep the voting confidential.

Article 96

Shareholders attending the Shareholders' Meeting shall express one of the following opinions on the proposals submitted for voting: Agree, oppose or abstain. Except for the securities registration and settlement institution that is the nominal holder of the shares of the interconnection mechanism for transactions in the Chinese Mainland and Hong Kong stock markets and make a declaration according to the actual holder's intention.

Ballots that are not filled out, filled out incorrectly or illegible as well as uncast ballots shall be deemed as the waiver of their voting rights, and the voting result for the shares held shall be counted as "abstention".

Article 97

If the meeting host has any doubts regarding the results of the proposed resolutions, they may organize a counting of ballot; if the meeting host does not conduct counting of ballot, shareholders or their agents attending the meeting who have objections to the results announced by the meeting host shall have the right to immediately request a counting of ballot after the announcement of the voting results, and the meeting host shall promptly organize the counting of ballot.

Article 98

The resolutions of the Shareholders' Meeting shall be announced timely, and the announcement shall specify the number of shareholders and agents present at the meeting, the sum of voting shares and proportions in total number of the Company's voting shares as well as voting method, voting results for each proposal and detailed resolutions passed.

Article 99

If a proposal is not passed or the resolution of the previous Shareholders' Meeting is changed at the current Shareholders' Meeting, special notice shall be given in the announcement of the Shareholders' Meeting resolution.

Article 100

If the proposal on the election of directors is passed at the Shareholders' Meeting, the term of office of the new director shall be calculated from the date when the resolution is passed at the Shareholders' Meeting.

Article 101

If the proposal regarding cash dividend, share donation or conversion of capital reserve into share capital is passed at the Shareholders' Meeting, the Company will implement the specific plan within two months after the end of the Shareholders' Meeting.

Chapter V Directors and Board of Directors

Section I General provisions for directors

Article 102

A natural person who is a director of the Company shall not serve as a director of the Company under any of the following circumstances:

(I) Lack the capacity for civil conduct or limited capacity for civil conduct;

(II) The person has been sentenced to criminal punishment for embezzlement, bribery, misappropriation of property, diversion of property or disruption of the socialist market economic order, or has been deprived of the political rights for a crime and the period of execution has not exceeded five years or less than two years have passed since the expiration of the probation period if he/she has been pronounced on probation.

(III) Less than three years have passed since the completion date of the bankruptcy liquidation of the company or enterprise in case of serving as a director, factory manager or manager of the company or enterprise undergoing bankruptcy liquidation and bearing personal responsibility for the bankruptcy of the company or enterprise;

(IV) Less than three years have passed since the company or enterprise had its business license revoked or was ordered to close down when serving as the Legal Representative of a company or enterprise whose business license has been revoked due to violation of law and which is ordered to close down and bearing personal responsibility;

(V) The individual is listed by the People's Court as dishonest judgment defaulter subject to enforcement because of owing a relatively large amount of debt that has not

been settled upon maturity;

(VI) The person has been subject to securities market entry bans by China Securities Regulatory Commission and the ban period has not yet expired;

(VII) The person has been publicly identified by the stock exchange to be unfit to serve as directors, senior executives, etc. of listed companies, with terms having not yet expired;

(VIII) Other contents stipulated in laws, administrative regulations and departmental rules.

If directors are elected or appointed in violation of the provisions of this Article, such election, appointment or hiring shall be invalid. If the director falls under the circumstances stipulated in this Article during the tenure, the Company will remove him from office and suspend his performance of duties.

Article 103

Directors shall be elected or replaced by the Shareholders' Meeting and may be removed from office by the Shareholders' Meeting before the expiration of their term of office. The term of office of a director shall be three years. When the term of office expires, the re-election will be allowed.

The term of office for directors shall be calculated from the date of their assumption of office until the term of office of the Board of Directors has expired. In case of failure in re-election in time when the term of office of directors expires, before the newly elected director takes office, the original directors shall still perform the duties of a director pursuant to laws, administrative regulations, departmental rules, securities regulatory rules of the place where the company's shares are listed and the provisions of the Articles of Association.

Directors may be concurrently acting as senior executives, but directors who are concurrently senior executives and directors who are Employee Representatives shall not exceed half of the total number of directors of the Company.

There shall be one Employee Representative of the Company among the members of the Board of Directors. The Employee Representatives in the Board of Directors are democratically elected by the Company's employees through the congress of workers and staff, general membership meeting or other forms, without need to be submitted to the Shareholders' Meeting for deliberation.

Article 104

Directors shall abide by the provisions of laws, administrative regulations and the Articles of Association, have a duty of loyalty to the Company and take measures to avoid conflicts between their own interests and those of the Company and shall not use their positions to seek improper benefits.

Directors have the following duties of loyalty to the Company:

(I) Do not embezzle the Company's property or misappropriate the Company's funds;

(II) Do not deposit the Company funds into personal accounts or accounts opened in the name of other individuals;

(III) Do not use own position to offer bribes or accept other illegal income;

(IV) Do not directly or indirectly enter into contracts or conduct transactions with the Company without reporting to the Board of Directors or the Shareholders' Meeting and approval by the Board of Directors or the Shareholders' Meeting as per the provisions of the Articles of Association;

(V) Do not take advantage of the position to seek business opportunities belonging to the Company for oneself or others, except for reporting to the Board of Directors or the Shareholders' Meeting and being approved by the Shareholders' Meeting resolution or the Company failing to take advantage of the business opportunity pursuant to laws, administrative regulations or the provisions of the Articles of Association;

(VI) Do not engage in business of the same nature as that of the Company on their own or for others without reporting to the Board of Directors or the Shareholders' Meeting or being passed by the resolution of the Shareholders' Meeting;

(VII) Do not accept the commissions from transactions between others and the Company for own use;

(VIII) Do not disclose the secrets of the Company;

(IX) Do not take advantage of its associated relation to damage the interests of the Company;

(X) Other duties of loyalty prescribed by laws, administrative regulations, departmental rules and the Articles of Association.

The income obtained by directors in violation of this provision shall belong to the Company; In case of causing losses to the Company, the liability for compensation shall be born.

The provisions of Subparagraph (4), Paragraph 2 of this Article shall apply to the conclusion of contracts or transactions with the Company by near relatives of the directors or senior executives, enterprises directly or indirectly controlled by the directors or senior executives or their near relatives as well as affiliated persons who have other affiliated relationships with directors and senior executives.

Article 105

Directors shall abide by the provisions of laws, administrative regulations and the Articles of Association and be diligent to the Company. When performing their duties, they shall exercise the reasonable care that a manager usually has for the best interests of the Company.

Directors have the following duties of diligence to the Company:

(I) The directors shall cautiously, conscientiously and diligently exercise the rights granted by the Company to ensure that commercial activities of the Company meet requirements of national laws, administrative regulations and all economic policies of the state and commercial activities do not exceed the business scope stipulated in the business license;

(II) The directors shall treat all shareholders fairly;

(III) The directors shall learn about the business operation and management

status of the Company in time;

(IV) The directors shall sign a written confirmation opinion on the Company's regular reports to ensure that the information disclosed by the Company is true, accurate and complete.

(V) Truthfully provide relevant information and materials to the Audit Committee and do not obstruct the Audit Committee from exercising official powers;

(VI) Other duties of diligence prescribed by laws, administrative regulations, departmental rules and the Articles of Association.

Article 106

If the director fails to attend the Board Meeting twice successively or fails to entrust other directors to attend the Board Meeting, the director will be regarded to be unable to perform the duties. The Board of Directors shall recommend the Shareholders' Meeting to replace the director.

Article 107

The director may resign before the expiration of its term of office. When a director resigns, it shall submit a written resignation report to the Company. The resignation will take effect on the date when the Company receives the resignation report, and the Company will disclose the relevant situation within 2 trading days. If the resignation of a director causes the number of members in the Board of Directors of the Company is less than the statutory minimum quorum, the former director shall still perform the duties of a director in accordance with regulations of laws, administrative regulations, departmental rules and the Articles of Association before the newly elected director takes office.

Article 108

The Company has established the director resignation management system, clarifying the safeguard measures for accountability and compensation for unfulfilled public commitments and other unaccomplished matters. When the director's resignation takes effect or its term of office expires, it shall complete all handover procedures to the Board of Directors, and its duty of loyalty to the Company and shareholders shall remain valid for twelve months after the director's resignation takes effect or its term of office expires. Its obligation to keep confidential the Company's trade secrets (such as core technologies) remains valid until such trade secrets become public information, and it shall not use the Company's core technologies it possesses to engage in the same or similar business as the Company. The responsibilities that directors shall bear due to performance of duties during their tenure shall not be relieved or terminated upon their resignation.

Article 109

The Shareholders' Meeting may resolve to dismiss the director, and the dismissal shall take effect on the date when the resolution is made.

If the director is dismissed before the expiration without justifiable reasons, the director may request compensation from the Company.

Article 110

No director may act on behalf of the Company or the Board of Directors in its personal capacity without the provisions of the Articles of Association or legal authorization from the Board of Directors. When a director acts in a personal capacity, the director shall declare its position and identity in advance when a third party reasonably believes that the director is acting on behalf of the Company or the Board of Directors.

Article 111

If the director causes damage to others while performing its duties for the Company, the Company shall bear the liability for compensation; if the directors have intentional misconduct or gross negligence, they shall also bear the liability for compensation.

If directors, while performing their duties for the Company, violate the provisions of laws, administrative regulations, departmental rules or the Articles of Association, resulting in losses to the Company, they shall bear the liability for compensation.

Section 2 Board of Directors

Article 112

The Company has a Board of Directors which consists of nine directors, including one Chairman, one Vice Chairman and one Employee Representative director. The Chairman and Vice Chairman shall be elected by the Board of Directors upon the approval by more than half of all directors.

Article 113

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

(I) Convene the Shareholders' Meeting to report the work to the Shareholders' Meeting;

(II) Implement the resolutions of the Shareholders' Meeting;

(III) Determine the Company's business plans and investment plans;

(IV) Formulate the Company's profit distribution scheme and loss recovery scheme;

(V) Formulate schemes for the Company to increase or decrease registered capital and issue bonds, or other securities and listing schemes;

(VI) Draw up schemes for important acquisition of the Company, acquisition of company shares, mergers and acquisition, division, dissolution and change of corporation form;

(VII) Determine such matters as foreign investment, acquisition and selling of assets, asset mortgage, external guarantee, entrusted wealth management, related party transaction and external donations of the Company within the scope of authorization of the Shareholders' Meeting;

(VIII) Decide the establishment of the Company's internal management institutions;

(IX) Decide the appointment or dismissal of the manager, the Board Secretary and other senior executives of the Company as well as their remuneration matters and rewards and punishments; decide on the appointment or dismissal of senior executives (such as Deputy Manager and Financial Director) of the Company based on the nomination of the manager and determine their remuneration and rewards and punishments;

(X) Formulate the basic management system of the Company;

(XI) Formulate the revision scheme of the Articles of Association;

(XII) Manage information disclosure matters of the Company;

(XIII) Request the Shareholders' Meeting to engage or replace the accounting firm for the Company's audit;

(XIV) Review the Company manager's work report and check the work;

(XV) Other functions and powers granted by laws, administrative regulations, departmental rules, the Articles of Association or the Shareholders' Meeting.

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

Article 114

The Board of Directors of the Company shall explain to the Shareholders' Meeting the non-standard audit opinions issued by the certified public accountants on the Company's financial reports.

Article 115

The Board of Directors shall formulate its rules of procedure to ensure that the Board of Directors implements the resolutions of the Shareholders' Meeting, enhance work efficiency and ensure scientific decision-making.

The rules of procedure for the Board of Directors stipulate the convening and voting procedures of the Board Meeting and shall be attached as an annex to the Articles of Association, drafted by the Board of Directors and approved by the Shareholders' Meeting.

Article 116

The Board of Directors shall determine the permissions of foreign investment, assets acquisition and disposal, mortgage of assets, external guarantees, entrusted wealth management, related party transaction and external donations and establish strict censorship and decision-making procedures; major investment projects shall be reviewed by relevant experts and professionals and submitted to the Shareholders' Meeting for approval.

(I) If the transaction of the Company (except for providing the guarantee and financial assistance) meets any of the following standards, it shall be submitted to the Board of Directors for deliberation:

1. The total assets (higher of the book value and appraised value exist at the same time, the higher shall prevail) involved in transaction accounts for more than 10% of the audited total assets of the Company in the latest period;

2. The net assets involved in the transaction object (such as equity) (higher of the book value and appraised value, the higher shall prevail) account for more than 10% of the latest audited net assets of the Company, and the absolute amount exceeds RMB 10 million;

3. The relevant operation revenue of the transaction object (such as equity) in the latest accounting year accounts for over 10% of the Company's audited operation revenue for the most recent accounting year and the absolute amount exceeds RMB 10 million;

4. The net profit of the transaction object (such as equity) in the latest accounting year accounts for over 10% of the Company's audited net profit for the most recent accounting year and the absolute amount exceeds RMB 1 million;

5. The transaction amount (including assumed debts and expenses) accounts for more than 10% of the Company's latest audited net assets and the absolute amount exceeds RMB 10 million;

6. The transaction profits account for more than 10% of the Company's audited net profit for the most recent accounting year and the absolute amount exceeds RMB 1 million.

Except as provided for in Article 50 and Paragraph 4 of Article 116 of these Articles of Association, if any transaction of a listed company meets any of the following standards, it shall be disclosed in a timely manner and submitted to the shareholders' meeting for review after being approved by the board of directors:

1. Where the total assets involved in the transaction account for more than 50% of the total assets of the listed company as audited in the latest period, and the total assets involved in the transaction have both book value and appraised value, the higher one shall be adopted.

2. If the net assets involved in the transaction subject (such as equity) account for more than 50% of the latest audited net assets of the listed company and the absolute amount exceeds RMB 50 million, and the net assets involved in the transaction have both book value and appraised value, the higher one shall be adopted.

3. The revenue related to the transaction subject (such as equity) in the most recent accounting year accounts for more than 50% of the audited revenue of the listed company in the most recent accounting year, and the absolute amount exceeds RMB 50 million.

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

5. The transaction amount (including debts and expenses assumed) of the listed company accounts for more than 50% of the company's latest audited net assets, and the absolute amount exceeds RMB 50 million.

6. The profits generated from the transaction account for more than 50% of the audited net profit of the listed company in the most recent accounting year, and the absolute amount exceeds RMB 5 million.

If the data involved in the above index calculation is negative, take the absolute value in the calculation. For similar transactions related to the transaction subject that occur by the company within twelve months, the provisions of the preceding paragraph shall be applied in accordance with the principle of cumulative calculation. Those who have fulfilled the relevant obligations as prescribed in the preceding paragraph shall no longer be included in the cumulative calculation scope. Transactions where the company unilaterally gains benefits, including receiving cash assets as gifts and obtaining debt relief, etc., may be exempted from going through the shareholders' meeting review procedures as stipulated in this paragraph. If the transactions of the Company only reach the standards for shareholders' meeting review as stipulated in Article 4 or Article 6 of the preceding paragraph and the absolute value of the Company's earnings per share in the most recent accounting year is less than RMB 0.05, the Company may also be exempted from going through the shareholders' meeting review procedures.

(II) Providing guarantees: Other external guarantee matters other than those stipulated in Article 50.

(III) Related party transaction (except for providing guarantees):

1. Transactions with related natural persons with a transaction amount exceeding RMB 0.3 million;

2. Transactions with related legal persons (or other organizations) whose transaction amount exceeds RMB 3 million and accounts for 0.5% of the absolute value of the Company's latest audited net assets.

For related-party transactions between the company and related parties, if the transaction amount exceeds RMB 30 million and accounts for more than 5% of the absolute value of the Company's latest audited net assets, after being reviewed and approved by the board of directors, they should also be submitted to the shareholders' meeting for review.

(IV) Providing financial assistance:

All matters concerning the provision of financial assistance shall be deliberated by the Board of Directors. In addition to being approved by more than half of all directors, they shall also be deliberated and approved by more than two-thirds of the directors present at the Board Meeting, with a resolution made. The financial assistance shall be submitted to the Shareholders' Meeting for deliberation after being approved by the Board of Directors if it falls under one of the following circumstances:

1. The amount of a single financial assistance exceeds 10% of the Company's latest audited net assets;

2. The latest financial statement data of the funded object shows that the asset-liability ratio exceeds 70%;

3. The cumulative amount of financial assistance within the last twelve months exceeds 10% of the Company's latest audited net assets;

4. Other circumstances stipulated in the securities regulatory rules of the place where the Company's shares are listed or in the Articles of Association.

If the Company provides financial assistance to a subsidiary within the scope of its consolidated financial statements with a shareholding ratio exceeding 50% and the other shareholders of such holding subsidiary do not include the Company's controlling shareholder, actual controller or their related parties, the provisions of the preceding two paragraphs may be exempted.

Article 117

The Chairman shall exercise the following functions and powers:

(I) Host the Shareholders' Meeting and convene and preside over the Board Meeting;

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

(III) Other functions and powers conferred by the Board of Directors.

Article 118

The Vice Chairman of the Company shall assist the Chairman in the work. If the Chairman is unable or fails to perform the duties, the Vice Chairman shall perform his duties; If the Vice Chairman fails to or does not perform duties, a director shall be jointly elected by more than half of the directors to perform his duties.

Article 119

The Board of Directors shall hold at least four regular meetings each year that are convened by the Chairman. All directors shall be notified in writing 10 days before each meeting is held.

Article 120

Shareholders representing one tenth of the voting rights, one third of the directors or the Audit Committee may propose to convene an Interim Board Meeting. The Chairman shall convene and preside over the Interim Board Meeting within 10 days after receiving the proposal.

Article 121

The notification method of convening an Interim Board Meeting by the Board of Directors shall be: personal service, telephone, fax, e-mail, text message, WeChat and other recordable methods or other written forms. All directors shall be notified 5 days before the meeting. In case of an emergency, with the unanimous consent of all directors, the convening of an Extraordinary Board Meeting may not be subject to the aforementioned notice time limit, but it shall be recorded in the minutes of Board Meeting and signed by all directors attending the meeting.

The first meeting of the Board of Directors after the change of term may be held on the day of the change of term. The time of holding the meeting is not subject to the restrictions of the method and time of notification stipulated in Paragraph 1.

Article 122

The notice of the Board Meeting includes the following contents:

- (I) Date and place of the meeting;
- (II) Meeting duration;
- (III) Subject matter and topic;
- (IV) Date of notice.

Article 123

The Board Meeting shall be held only when more than half of the directors are present. The resolution made by the Board of Directors must be passed by more than half of all directors.

The "one vote for one person" shall be implemented for the voting of resolution of the Board of Directors.

Article 124

If the director has an associated relation with an enterprise or individual involved in the matters resolved at the Board Meeting, such director shall promptly submit a written report to the Board of Directors. Directors with an associated relation shall not exercise the right to vote on the resolution or exercise the right to vote on behalf of other directors. The Board Meeting can be held with the attendance of more than half of the unassociated directors, and resolutions made at the Board Meeting shall be passed by more than half of the unassociated directors. If the number of directors without associated relations attending the Board Meeting is less than three, the matter shall be submitted to the Shareholders' Meeting for deliberation.

Article 125

The board of directors shall hold meetings by appropriate means (such as on-site holding, electronic communication or combination of on-site holding and communication). The voting on resolutions shall be conducted by the disclosed ballot.

Article 126

All the directors shall attend the Board Meeting in person; If the director is unable to attend for some reason, it may entrust other director in writing to attend the meeting. The power of attorney shall specify the name of the agent, the matters to be handled, the scope of authorization and the valid period and be signed or sealed by the principal. The directors who attend meetings on behalf of others shall exercise their rights within the scope of authorization. If the directors don not attend the Board Meeting or entrust representatives to attend, they shall be deemed to have waived their voting rights at the meeting.

Article 127

The Board of Directors shall make minutes of the meeting for the resolutions of matters to be discussed and the directors present at the meeting shall sign on the minutes of the meeting.

The minutes of Board Meeting will be preserved as Company files, with a storage life not less than ten years.

Article 128

The minutes of Board Meeting shall include the following contents:

- (I) Date, place and name of the convener of the meeting;
- (II) Names of directors attending the meeting and names of directors (agents) attending the Board Meeting on behalf of others;
- (III) Agenda of the meeting;
- (IV) Key points of Directors' speeches;
- (V) Voting method and result of each resolution (number of votes for approval, opposition or waiver shall be clarified on the result).

Section 3 Independent director

Article 129

Independent directors shall, in accordance with the provisions of laws, administrative regulations, China Securities Regulatory Commission, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, conscientiously perform duties, play a role in participating in decision-making, supervision and check and balance and professional consultation in the Board of Directors, safeguard the overall interests of the Company and protect the legitimate rights and interests of medium and small shareholders.

Article 130

Independent directors must remain their independence. The following personnel shall not act as independent directors:

- (I) Persons working in the Company or its affiliated enterprises, and their spouses, parents, children and main social relations;
- (II) Natural person shareholders directly or indirectly holding more than 1% of the issued shares of the Company or among the top ten shareholders of the Company and their spouses, parents and children;
- (III) Shareholders directly or indirectly holding more than 5% of the issued shares of the Company or persons among the top five shareholders of the Company and their spouses, parents and children;
- (IV) Persons working in the affiliated enterprises of the controlling shareholders or actual controllers of the Company, and their spouses, parents and children;
- (V) Persons who have major business dealings with the Company and its controlling shareholders or actual controllers or their respective affiliated enterprises, or who work in units with major business dealings and their controlling shareholders or actual controllers;
- (VI) Persons who provide financial, legal, consulting and sponsorship services for the Company, its controlling shareholders, actual controllers or their respective affiliated enterprises, including but not limited to all project team members, review

persons at all levels, report signing persons, partners, directors, senior executives and main person in charge of the intermediary agency providing services;

(VII) Persons who have experienced any of the situations listed in Item I to VI within the last twelve months;

(VIII) Other personnel who is not dependent in accordance with laws, administrative regulations, regulations of China Securities Regulatory Commission, business rules of stock exchanges and the Articles of Association.

Affiliated enterprises of the controlling shareholders and actual controllers of the Company mentioned in Item IV to VI of the preceding paragraph do not include the enterprises that are controlled by the same state-owned asset management institution as the Company and that do not form an associated relationship with the Company according to relevant regulations.

Independent directors shall conduct annual self-examination for their independence and submit the self-examination information to the Board of Directors. The Board of Directors shall annually evaluate the independence of the independent directors and issue special opinions which shall be disclosed together with the annual report.

Article 131

A person to serve as an independent director of the Company shall meet the following conditions:

(I) Being qualified to serve as the director of listed companies in accordance with laws, administrative regulations and other relevant provisions;

(II) Comply with the independence requirements stipulated in the Articles of Association;

(III) Have basic knowledge of the operation of listed companies and be familiar with relevant laws, regulations and rules;

(IV) Have at least five years of legal, accounting or economic work experience necessary to perform the duties of an independent director;

(V) Have good personal morality, with no bad record, such as major breach of trust;

(VI) Other conditions prescribed in laws, administrative regulations, the provisions of China Securities Regulatory Commission, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 132

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

(I) Participate in the decisions of the Board of Directors and expressing clear opinions on the matters discussed;

(II) Supervise potential major conflicts of interest between the Company and its controlling shareholders, actual controllers, directors and senior executives and

protect the legitimate rights and interests of minority shareholders;

(III) Provide professional and objective suggestions on the operation and development of the Company and promote the improvement of the decision-making level of the Board of Directors;

(IV) Other duties as stipulated in laws, administrative regulations, provisions of China Securities Regulatory Commission, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 133

The independent directors shall exercise the following special functions and powers:

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

(II) Propose to the Board of Directors to convene an Extraordinary Shareholders' Meeting;

(III) Propose to hold the Board Meeting;

(IV) Publicly solicit the rights of shareholders from shareholders according to law;

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

(VI) Other functions and powers prescribed in laws, administrative regulations, the provisions of China Securities Regulatory Commission, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

When an independent director exercises the functions and powers listed in Item (I) to (III) of the preceding paragraph, it shall be subject to the consent of more than half of all independent directors.

Where an independent director exercises the functions and powers listed in the Paragraph 1, the Company shall disclose them in time. If the above functions and powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

Article 134

The following matters shall be submitted to the board of directors for deliberation after more than half of all independent directors of the Company agree:

(I) Related party transaction that shall be disclosed;

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

(III) Decisions and measures taken by the Board of Directors of the acquired company in regards to the acquisition;

(IV) Other matters prescribed in laws, administrative regulations, the provisions of China Securities Regulatory Commission, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 135

The Company has established a special meeting mechanism attended by all independent directors. If the related party transactions, etc. are deliberated by the Board of Directors, it shall be approved in advance by the special meeting of independent directors.

The Company shall regularly or irregularly convene a special meeting of independent directors. The matters listed in Paragraph 1, Items 1 to 3 of Article 133 and Article 134 of the Articles of Association shall be deliberated at a special meeting of independent directors.

Other matters of the Company may be studied and discussed at the special meeting of independent directors as needed.

The special meeting of independent directors shall be convened and presided over by an independent director recommended by more than half of the independent directors; if the convener fails or is unable to perform his/her duties, two or more independent directors may convene the meeting and recommend a representative to preside over the meeting.

The special meeting of independent directors shall make minutes of the meeting as stipulated and the opinions of independent directors shall be recorded in the minutes of the meeting. Independent directors shall sign on the minutes of the meeting for confirmation.

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

Section 4 Special Committee of the Board of Directors

Article 136

The Board of Directors of the Company set an Audit Committee to exercise the functions and powers of the Supervisory Board according to the provisions of the *Company Law*.

Article 137

The Audit Committee consists of three members. They are directors who do not hold the position of senior executives in the Company. There are three independent directors, and the convener is an accounting professional among the independent directors.

Article 138

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

(I) Disclose the financial information in financial accounting reports and periodic reports as well as internal control evaluation reports;

(II) Engage or dismiss the accounting firm that undertakes the Company's auditing business;

(III) Hire or dismiss the Finance Director of the Company;

(IV) Make corrections according to changes in accounting policies or accounting estimates and major accounting errors for reasons other than changes in accounting standards;

(V) Other matters as stipulated by laws, administrative regulations, the provisions of China Securities Regulatory Commission and the Articles of Association.

Article 139

The Audit Committee holds at least one meeting every quarter. A temporary meeting may be convened upon the proposal of two or more members or when the convener deems it necessary. An Audit Committee meeting may be held only if more than two-thirds of the members are present.

The resolution of the Audit Committee shall be passed by more than half of the members of the Audit Committee.

"One vote for one person" shall be implemented for the voting of resolutions of the Audit Committee.

As for the resolutions of the Audit Committee, the minutes of the meeting shall be made as prescribed. Members of the Audit Committee attending the meeting shall sign on the minutes of the meeting.

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

Article 140

The Board of Directors of the Company set a Strategic Committee, a Nomination Committee and a Remuneration and Appraisal Committee. They shall perform their duties pursuant to the Articles of Association and the authorization of the Board of Directors. The proposals of the Special Committee shall be submitted to the Board of Directors for deliberation and decision. The working procedures of the Special Committee shall be formulated by the Board of Directors.

More than half of the members of the Nomination Committee and the Remuneration and Appraisal Committee shall be independent directors who shall serve as conveners. However, if the relevant competent department under the State Council has other provisions on the conveners of Special Committee, such provisions shall prevail.

Article 141

The Nomination Committee shall be responsible for formulating the selection criteria and procedures for directors and senior executives, selecting and reviewing candidates for directors and senior executives and their qualifications and offering suggestions to the Board of directors on the following matters:

(I) Nominate or appoint or remove directors;

(II) Appoint or dismiss senior executives;

(III) Other matters specified by the laws, administrative regulations, the provisions of China Securities Regulatory Commission, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If the Board of Directors does not adopt or fully adopt the suggestions of the Nomination Committee, it shall record the opinions of the Nomination Committee and the specific reasons for non-adoption in the board resolution and make a disclosure.

Article 142

The Remuneration and Appraisal Committee shall be responsible for formulating the assessment standards for directors and senior executives and conducting evaluations, formulating and reviewing the compensation policies and plans for directors and senior executives (such as compensation determination mechanism, decision-making process and payment and payment recovery arrangement) and offering suggestions to the Board of Directors on the following matters:

(I) Remuneration of the directors and senior executives.

(II) Formulation or changes of share incentive plans and employee stock ownership plans and encouragement of objects to achieve the conditions for granting and exercising rights and interests;

(III) Arrangement of shareholding plans of directors and senior executives in subsidiaries to be split;

(IV) Other matters prescribed in laws, administrative regulations, the provisions of China Securities Regulatory Commission, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If the Board of Directors does not adopt or fully adopt the suggestions of the Remuneration and Assessment Committee, it shall record the opinions of the Remuneration and Assessment Committee and the specific reasons for non-adoption in the board resolution and make a disclosure.

The Company formulates the remuneration management system for directors and senior executives as per laws, administrative regulations and the provisions of relevant state departments to safeguard the legitimate rights and interests of employees and shareholders.

Article 143

The main responsibilities of the Strategic Committee include:

(I) Conduct research on the Company's long-term strategic development plan and offer suggestions;

(II) Research and offer suggestions on major investment and financing plans that

must be approved by the Board of Directors as per the provisions of the Articles of Association;

(III) Research and offer suggestions on major capital operation and asset management projects that require approval by the Board of Directors according to the provisions of the Articles of Association;

(IV) Research and offer suggestions on major matters that influence the Company's development, such as research and development of major products and technologies, major business plans or programs and important strategic cooperation arrangements.

(V) Inspect the implementation of the above matters;

(VI) Other matters authorized by the Board of Directors.

Chapter VI Senior Executives

Article 144

The Company shall have one General Manager who shall be appointed or dismissed by the Board of Directors.

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

Article 145

The provisions of the Articles of Association regarding the circumstances not allowing serving as a director and the resignation management system shall also apply to senior executives.

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

Article 146

Personnel holding other administrative positions than directors and supervisors in the controlling shareholder unit of the Company shall not serve as senior executives of the Company.

The Company's senior executives are only paid in the Company, not by the controlling shareholder.

Article 147

The General Manager can hold the post for three years in each tenure. If the General Manager is continuously employed, he/she can serve consecutive tenures.

Article 148

The General Manager shall be responsible to the Board of Directors and exercise the following functions and powers:

(I) Responsible for the production and operation management of the Company, organize to implement resolutions of the Board of Directors and report work to the Board of Directors;

(II) Organize the implementation of the Company's annual business plans and investment proposals;

(III) Draft plans for the establishment of the Company's internal management institutions;

(IV) Draft the basic management systems of the Company;

(V) Formulate the Company's specific rules and regulations;

(VI) Propose for appointment or dismissal of the Deputy General Manager and Financial Director of the Company to the Board of Directors;

(VII) Determine the appointment or dismissal of the Company's management personnel, other than those whose appointment or dismissal shall be determined by the Board of Directors;

(VIII) Other functions and powers specified by the Articles of Association or Board of Directors.

The General Manager shall attend the Board Meeting.

Article 149

The General Manager shall formulate the work rules of the General Manager that shall be implemented after approval by the Board of Directors.

The detailed working rules for the General Manager include the following contents:

(I) Conditions, procedures and participants of General Manager Meeting;

(II) Respective responsibilities and labor division of the General Manager and other senior executives;

(III) Authorization of the use of Company's funds and asset, permission for signing of vital contracts and reporting mechanism to the Board of Directors;

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

Article 150

The General Manager may submit resignation before the expiration of his term of office. Detailed procedures and methods related to the resignation of General Manager are subject to the service contract signed between the General Manager and the Company.

Article 151

Entrusted by the General Manager, the Deputy General Manager is in charge of assisting the General Manager in his work and is responsible to the General Manager. The Deputy General Manager exercises the following functions and powers:

(I) Execute decisions made by the General Manager in managing production, technology and quality, human resources and administrative finance, major project construction, product marketing, material operation management and other activities and be responsible to the General Manager;

(II) Decide, organize and implement the annual work plan for the business and be responsible for the decomposition, implementation and follow-up assessment of the planned targets for the business;

(III) Organize to draft the development plans and implementation plans for the business, draft the institutional setup plans and draft relevant management regulations;

(IV) Check the implementation of important contracts and agreements for the business;

(V) Sign and issue relevant business documents within the scope of duties;

(VI) Exercise the functions and powers of the General Manager on its behalf upon its entrustment when the General Manager is absent.

Article 152

The Company has a Board Secretary who shall be responsible for the preparation of the Shareholders' Meetings and the Board Meetings, the safekeeping of documents, the management of shareholder information and the handling of information disclosure matters.

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

Article 153

If the senior executives cause damage to others while performing their duties for the Company, the Company shall bear the liability for compensation; if the senior executives have intentional misconduct or gross negligence, they shall also bear the liability for compensation.

If senior executives, while performing their duties for the Company, violate the provisions of laws, administrative regulations, departmental rules or the Articles of Association, resulting in losses to the Company, they shall bear the liability for compensation.

Article 154

Senior executives of the Company shall faithfully perform their duties and safeguard the interests of the Company and all shareholders.

If the senior executives of the Company fail to faithfully perform their duties or violate the obligation of good faith, causing damage to the interests of the Company and the shareholders of public shares, they shall be liable for compensation in accordance with law.

Chapter VII Financial and Accounting System, Profit

Distribution and Audit

Section 1 Financial and accounting system

Article 155

The Company shall formulate its financial and accounting system in accordance with laws, administrative regulations and the provisions of relevant national departments.

Article 156

The Company shall submit and disclose the annual report to the dispatched agency of the China Securities Regulatory Commission and the stock exchange within four months from the end of each accounting year and submit and disclose the interim report to the dispatched agency of China Securities Regulatory Commission and the stock exchange within two months from the end of the first half of each accounting year.

The above-mentioned annual reports and interim reports are prepared pursuant to the provisions of relevant laws, administrative regulations, China Securities Regulatory Commission, securities regulatory rules of the place where the Company's stocks are listed and the stock exchange.

Article 157

Except for the legal accounting books, the Company shall not separately set other accounting books. The funds of the Company shall not be stored in any account opened in the name of any individual.

Article 158

When the Company distributes after-tax profits for the current year, 10% of the profits shall be extracted to be included in the Company's statutory reserve fund. If the accumulative amount of the Company's statutory reserve fund is more than 50% of the Company's registered capital, it may no longer be withdrawn.

If the Company's legal accumulation fund is not sufficient to make up for the losses of previous years, the Company shall first make up for the losses with the profits of the current year before drawing the statutory reserve fund according to the provisions of the preceding paragraph.

After withdrawing the statutory reserve funds from the after-tax profits, upon the resolution of the Shareholders' Meeting, the Company may also withdraw optional reserve funds from the after-tax profits.

Except as otherwise provided in the Articles of Association, the remaining after-tax profits of the Company after making up for losses and withdrawing the statutory reserve fund shall be distributed among shareholders as per the proportion of shares held by the shareholders.

Where the shareholders' meeting violates the Company Law by distributing

profits to shareholders, the shareholders shall return the profits distributed in violation of the regulations to the company. Where losses are caused to the Company, shareholders and directors and senior management personnel who are responsible shall bear the liability for compensation.

The shares of the Company held by the Company itself shall not be distributed as profits.

Article 159

Profit distribution policy of the Company:

(I) Principle of profit distribution

The Company attaches importance to providing reasonable investment returns to investors and also takes into account the sustainable development of the Company and a continued and stable profit distribution policy.

(II) Form of profit distribution

The Company can distribute profits in the form of cash, share, or combination of cash and share. Under the conditions of meeting the cash dividend requirements, the Company shall give priority to distributing profits in the form of cash dividends. The objective of the cash dividend policy is the residual dividend. When the Company's audit report for the most recent year is a modified audit report or contains an unqualified opinion with a paragraph of material uncertainty related to going concern or other circumstances prescribed by laws, regulations, and the securities regulatory rules of the place where the Company's shares are listed occur, profit distribution may not be carried out.

When the Company achieves profitability and has distributable profits in the current year, it shall carry out annual profit distribution. The interim profit distribution can be performed when conditions permit. The Company is encouraged to increase the frequency of cash dividends under the condition of meeting profit distribution requirements to stabilize investors' dividend expectations.

(III) Decision-making mechanism and procedure

1. The procedures and requirements that the Board of Directors needs to follow when deliberating the profit distribution: When the Company distributes profits, the Board of Directors of the Company shall first formulate a pre-distribution plan. When the specific plan for cash dividends is deliberated by the Board of Directors, the timing, conditions and minimum proportion of the Company's cash dividends shall be carefully studied and reviewed.

2. Procedures and requirements that the Shareholders' Meeting needs to follow when reviewing the profit distribution plan: The profit distribution plan of the Company approved by the Board of Directors of the Company shall be submitted to the Shareholders' Meeting of the Company for deliberation. When deliberating the specific cash dividend plan at the Shareholders' Meeting, it shall actively communicate and exchange with shareholders, especially minority shareholders through multiple channels, fully listen to the opinions and demands of medium and small shareholders and timely answer the questions of the minority shareholders.

3. When the Company holds the Annual General Meeting to deliberate the annual

profit distribution plan, the conditions, upper limit of the proportion, upper limit of the amount, etc. for the interim cash dividend of the next year can be deliberated and approved. The upper limit of the interim dividend for the next year deliberated at the Annual General Meeting shall not exceed the net profit attributable to the Company's shareholders during the corresponding period. A specific interim dividend plan is formulated by the Board of Directors in terms of the resolution of the Shareholders' Meeting and under the condition of meeting the profit distribution requirements. The Company shall strictly implement the cash dividend policy determined in the Articles of Association and the cash dividend plan deliberated and approved by the Shareholders' Meeting. If it is indeed necessary to adjust or change the cash dividend policy determined in the Articles of Association, the conditions prescribed in the Articles of Association shall be met. After detailed argumentation, the corresponding decision-making procedures shall be fulfilled and it shall be approved by more than two-thirds of the voting rights held by the shareholders attending the Shareholders' Meeting.

(IV) Specific conditions and proportion of the cash bonus:

When the Company implements cash dividends, the following conditions must be met simultaneously:

1. The distributable profit of the Company for the current year (namely after-tax profit remaining after the company makes up for losses and withdrawals the statutory reserve fund) is positive;
2. The audit institution issues a standard audit report with unqualified opinions for the annual financial report for that year of the Company.
3. The Company has no major investment plan or significant cash expenditure and other matters occurring in the next 12 months (except for fund raising);

Major investment plans or significant cash expenditures refer to one of the following situations:

(1) The Company's planned cumulative expenditure on foreign investment, asset acquisition or equipment purchase within the next 12 months reaches or exceeds 50% of the Company's latest audited net assets.

(2) The Company's planned cumulative expenditure on foreign investment, asset acquisition or equipment purchase within the next 12 months reaches or exceeds 30% of the Company's latest audited total assets.

(V) Cash dividend ratio: The accumulative profits distributed by the Company in recent three years in cash shall not be less than 30% of annual average distributable profits of the recent three years.

The Board of Directors of the Company shall comprehensively consider the characteristics of the industry, development stage, its business model and profitability level, whether there are significant capital expenditure arrangements and investor return, distinguish the following situations and propose differentiated cash dividend policies in accordance with the procedures specified in the Articles of Association:

1. If the Company is in the mature stage of development and has no significant capital expenditure arrangements, the proportion of cash dividends in the profit distribution shall be at least 80% when distributing profits;

2. If the Company is in the mature stage of development and has significant capital expenditure arrangements, the proportion of cash dividends in the profit distribution shall be at least 40% when distributing profits;

3. If the Company is in the growth stage of development and has significant capital expenditure arrangements, the proportion of cash dividends in the profit distribution shall be at least 20% when distributing profits;

If the development stage of the Company is difficult to distinguish, but there are significant capital expenditure arrangements, the provisions of Subparagraph 3 of the preceding paragraph can be followed.

(VI) Conditions for issuing dividends:

The Company may distribute profits by distributing dividends on the premise of guaranteeing sufficient cash dividends and a reasonable size of the Company's share capital based on the accumulated distributable profits, accumulation fund and cash flow state, and the specific distribution ratio shall be deliberated and approved by the Board of Directors of the Company and then submitted to the Shareholders' Meeting for deliberation and decision. In addition to the above reasons, when the company distributes profits through dividends, there shall be also genuine and reasonable factors (such as Company's growth potential and dilution of net asset value per share).

(VII) Supervision and restraint mechanism for profit distribution

The Audit Committee shall supervise the implementation of the Company's dividend policy and shareholder return plan by the Board of Directors and management as well as the decision-making procedures.

(VIII) Adjustment mechanism for profit distribution policies

1. If the Company needs to adjust the profit distribution policy according to the production and operation conditions, investment plans, long-term development needs or changes in the external business environment, the adjusted profit distribution policy must not violate the relevant regulations of China Securities Regulatory Commission and the stock exchange.

2. The proposal regarding the adjustment of the profit distribution policy shall be formulated by the Board of Directors.

3. The proposal to adjust the profit distribution policy shall be submitted to the Board of Directors and the Shareholders' Meeting for deliberation respectively. After being deliberated by the Board of Directors, it shall be submitted to the Shareholders' Meeting for approval. The Company may arrange to provide convenience for the public shareholders to attend the Shareholders' Meeting through online voting methods (such as stock exchange trading system and Internet voting system). The proposal to adjust the profit distribution policy by the Shareholders' Meeting shall be approved by more than two-thirds of the voting rights held by the shareholders attending the Shareholders' Meeting.

(IX) The distribution of the Company's profits shall not exceed the range of the accumulated distributable profits.

(X) If the Board of Directors fails to formulate a cash profit distribution plan, the Company shall disclose the reasons for not distributing dividends, the purposes and

usage plans of the funds not used for dividends that are retained by the Company and the measures to be taken in the next step to enhance the return level for investors in its regular reports as well as the implementation of the cash dividend policy during the reporting period.

(XI) If the shareholders illegally occupy the Company's funds, the Company will deduct the cash dividends distributed to such shareholders when implementing cash dividends to repay the funds they have occupied.

Article 160

After the Shareholders' Meeting of the Company makes a resolution on the profit distribution plan, or after the Board of Directors of the Company formulates a specific plan in light of the conditions and upper limits of the interim dividend for the next year approved by the Annual General Meeting, the distribution of dividends (or shares) shall be completed within two months.

The Company shall appoint one or more collection agents for H share shareholders in Hong Kong. The collection agent shall collect and keep on behalf of the H share shareholders the dividends distributed for H shares by the Company and other payable amounts to be paid to such H share shareholders. The collection agent appointed by the Company shall comply with the requirements of laws, regulations and the securities regulatory rules of the place where the Company's shares are listed.

Article 161

The statutory reserve fund of the Company is used to make up for its losses, expand its production and operations or for conversion into additional registered capital of the Company.

To make up for the Company's losses with the statutory reserve fund, the discretionary reserve fund and statutory reserve fund shall be used first; If they still cannot be made up for, the capital accumulation fund may be used in accordance with regulations.

When the statutory reserve funds are transferred to registered capital, the reserved accumulation funds shall not be less than 25% of the Company's registered capital before increase by transferring.

Section 2 Internal audit

Article 162

The Company implements an internal audit system, with the leadership system, responsibilities and authorities, personnel allocation, financial guarantee, application of audit results and accountability for internal audit work defined.

The internal audit system of the Company is implemented after being approved by the Board of Directors and disclosed to the public.

Article 163

The internal audit institution of the Company supervises and inspects such matters as business activities, risk management, internal control and financial

information of the Company.

The internal audit institution shall maintain its independence and be equipped with full-time auditors and must not be under the leadership of the Finance Department or work in the same office as the Finance Department.

Article 164

The internal audit institution is accountable to the Board of Directors.

The internal audit institution shall accept the supervision and guidance of the Audit Committee in the process of supervising and inspecting the Company's business activities, risk management, internal control and financial information. When discovering any major issues or clues, the internal audit institution shall immediately report them directly to the Audit Committee.

Article 165

The specific implementation and organization of the internal control evaluation of the Company shall be in charged by the internal audit institution. The Company issues the annual internal control evaluation report in terms of the evaluation report issued by the internal audit institution and deliberated by the Audit Committee as well as relevant materials.

Article 166

When the Audit Committee communicates with external auditing units (such as accounting firms and national auditing institutions), the internal audit institution shall actively cooperate and provide necessary support and collaboration.

Article 167

The Audit Committee participates in the assessment of the person in charge of internal audit.

Section 3 Appointment of the accounting firm

Article 168

The Company shall appoint the accounting firm complying with the *Securities Law* and the regulations of the stock exchange for the audit of accounting statements, verification of net assets and other relevant consultation services. The employment period is one year, and the employment can be renewed.

Article 169

The engagement or dismissal of accounting firms by the Company shall be decided by the Shareholders' Meeting. The Board of Directors shall not appoint an accounting firm before a decision is made at the Shareholders' Meeting.

The term of employment of the accounting firm by the Company shall last from the end of the Annual General Meeting with the employment of the accounting firm deliberated to the end of the next Annual General Meeting.

The Company must appoint an auditor at each Annual General Meeting, and the term of office shall last until the end of the next Annual General Meeting. The

Company may not remove the auditor before the expiration of the auditor's term of office without the prior approval of the shareholders at the Shareholders' Meeting.

Article 170

The Company guarantees to provide the appointed accounting firm with true and complete accounting proof, accounting books, financial and accounting reports and other accounting materials and shall not refuse, conceal or falsify them.

Article 171

The audit fees of accounting firms are determined by the Shareholders' Meeting.

Article 172

When the Company dismiss or does not renew the employment of the accounting firm, it shall inform the accounting firm 30 days in advance. When the dismissal of the accounting firm is voted at the Shareholders' Meeting of the Company, the accounting firm is allowed to present its opinions.

If the accounting firm proposes to resign, it shall explain to the Shareholders' Meeting if there are any improper situations in the Company.

Chapter VIII Notice and Announcement

Section 1 Notice

Article 173

The Company's notices shall be issued in the following forms:

- (I) Personal delivery;
- (II) By mail;
- (III) By announcement;
- (IV) Other forms stipulated in the Articles of Association.

Article 174

If the Company issues a notice by announcement, it shall be deemed that all relevant personnel have received the notice once announced.

Article 175

The notice of convening the shareholders' meeting by the Company shall be made through an announcement.

Article 176

The convening notices of the Board Meeting of the Company shall be delivered by the personal service, telephone, fax, mail or other means set out in the Articles of Association.

Article 177

If the Company's notice is delivered by personal service, the recipient shall sign (or seal) on the service receipt, and the date of receipt by the recipient shall be deemed as the date of service; If the Company notice is delivered by mail, the 5th working day since it was delivered to the post office is the date of service; in case of the Company notice delivered by an announcement, the 1st day of the publishing of the announcement is the date of service.

Article 178

If the meeting notice is not sent to a person who is entitled to receive the notice, or if such person does not receive the meeting notice for accidental omission, the meeting and the resolution made at the meeting shall not be invalid.

Section 2 Announcement

Article 179

The Company publishes its announcements and other information that needs to be disclosed through qualified media and HKEXnews website.

Unless otherwise specified in the context, the announcements issued to A share shareholders or announcements that must be issued within the territory of China as per relevant regulations and the Articles of Association refer to the publication of information on the website of Shenzhen Stock Exchange and in media that meet the conditions stipulated by China Securities Regulatory Commission; The announcements made to H share shareholders or the announcements that are required to be made in Hong Kong pursuant to relevant regulations and the Articles of Association must be published on the Company's website, the website of HKEX and other websites prescribed by the *Hong Kong Listing Rules* from time to time in line with the relevant requirements of the *Hong Kong Listing Rules*.

As for the manner in which the Company provides and/or distributes corporate communications to H share shareholders pursuant to the listing rules of the place where the shares are listed, under the premise of complying with the relevant listing rules of the place where the Company's shares are listed, the Company may also send or provide the Company's communications to its H share shareholders by electronic means or by releasing information on the Company's website or the website of the stock exchange where the Company's shares are listed to replace the delivery of Company communications to H share shareholders by personal delivery or by postpaid mail.

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

Section 1 Merger, division, capital increase and capital reduction

Article 180

The Company mergers can be subject to the form of merger by absorption or merger by consolidation.

The absorption of other companies by a company is called as merger by absorption and the absorbed company is dissolved. The combination of two or more companies to establish a new company is called as merger by consolidation, and the parties are dissolved after merger.

Article 181

Except as otherwise provided in the Articles of Association, if the price of combined payment by the Company does not exceed 10% of the Company's net assets, it may not be subject to the resolution of the Shareholders' Meeting.

If the Company merges based on the provisions of the preceding paragraph without the resolution of the Shareholders' Meeting, it shall be subject to the resolution of the Board of Directors.

Article 182

As for the company merger, the merging parties shall sign a merger agreement and prepare a balance sheet and a list of assets. The Company shall notify its creditors within 10 days from the date of making the resolution on merger and make an announcement on qualified media, the National Enterprise Credit Information Publicity System and the website of the HKEXnews website within 30 days.

The creditors may, within 30 days since the date of the receipt of the notice or within 45 days since the date of announcement if it fails to receive the notice, require the Company to pay off the debts or to provide corresponding guarantee.

Article 183

In the case of merger of the company, the creditor's rights and debts of the merged parties shall be succeeded by the company that exists after the merger or by the newly established company.

Article 184

When the Company is divided, its assets shall be divided accordingly.

As for the division of the Company, balance sheets and a property list shall be prepared. The Company shall notify its creditors within 10 days from the date of making the resolution of division and make an announcement on qualified media, the National Enterprise Credit Information Publicity System and the website of the HKEXnews website within 30 days.

Article 185

Unless otherwise agreed in a written agreement between the Company and its creditors regarding debt repayment prior to the division, the debts of the Company before its division shall be jointly and severally borne by the Company after its division.

Article 186

When the Company reduces the registered capital, balance sheets and a list of assets shall be prepared.

The Company shall notify its creditors within 10 days from the date of making the resolution to reduce the registered capital and make an announcement on qualified media, the National Enterprise Credit Information Publicity System and the website of the HKEXnews website within 30 days. The creditors has the right, within 30 days since the date of the receipt of the notice or within 45 days since the date of announcement if it fails to receive the notice, to require the Company to pay off the debts or to provide corresponding guarantee.

Except as otherwise provided by laws or the Articles of Association, if the Company reduces its registered capital, it shall reduce the amount of capital contribution or the shares held by the shareholders pursuant to the proportion of shares held by shareholders accordingly.

Article 187

If there are still losses after the Company has made up for its losses as per Paragraph 2 of Article 161 of the *Articles of Association*, the registered capital can be reduced to make up for the losses. If the registered capital is reduced to make up for losses, the Company shall not distribute it to the shareholders or relieve the shareholders of the obligation to pay the capital contribution or share capital.

If the registered capital is reduced according to the provisions of the preceding paragraph, the provisions of Paragraph 2 of Article 186 of the Articles of Association shall not apply, but an announcement shall be made within 30 days from the date when a resolution to reduce the registered capital is made at the Shareholders' Meeting on qualified media, the National Enterprise Credit Information Publicity System and the HKEXnews website.

After the Company reduces its registered capital based on the provisions of the preceding two paragraphs, it shall not distribute profits before the cumulative amount of the statutory reserve fund and the discretionary reserve fund reaches 50% of the Company's registered capital.

Article 188

If the registered capital is reduced in violation of the *Company Law* and other relevant regulations, the shareholders shall return the funds they have received. If the shareholders' capital contribution is reduced or exempted, the original state shall be restored. In case of causing losses to the Company, the shareholders and the responsible directors or senior executives shall be liable for compensation.

Article 189

Except as otherwise provided in the Articles of Association or except that it's determined by the resolution of the Shareholders' Meeting, shareholders will not have the pre-emptive right when the Company issues new shares to increase its registered capital.

Article 190

In case of merger or division of the Company and a change in registered items, the change registration shall be lawfully handled at the company registration authority; if the Company is dissolved, the cancellation registration shall be handled in accordance with the law; if the Company establishes a new company, the establishment registration shall be handled in accordance with the law.

When the Company increases or decreases its registered capital, the change registration shall be lawfully handled at the company registration authority.

Section 2 Dissolution and liquidation

Article 191

The Company is dissolved for the following reasons:

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

(II) The dissolution is decided at the Shareholders' Meeting;

(III) The dissolution is required due to the Company's merger or division;

(IV) The business license is legally revoked, or the Company is ordered to close down or cancelled;

(V) If the operation and management of the Company encounter serious difficulties and its continued existence will cause significant losses to the interests of shareholders, which cannot be resolved through other means, shareholders holding more than 10% of the voting rights of the Company may request the People's Court to dissolve the Company.

The Company shall, within 10 days of the occurrence of the reasons for dissolution stipulated in the preceding paragraph, publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System.

Article 192

If the Company falls under the circumstances prescribed in Subparagraph (1) and (2) of Article 191 of the Articles of Association and has not yet distributed its property to shareholders, it may exist by amending the Articles of Association or the resolution of the Shareholders' Meeting.

If any amendment to the Articles of Association or a resolution of the Shareholders' Meeting is made in terms of the provisions of the preceding paragraph, it shall be approved by more than two-thirds of the voting rights held by the shareholders attending the Shareholders' Meeting.

Article 193

If the Company is dissolved pursuant to Subparagraph (1), (2), (4) and (5) of Article 191 of the Articles of Association, it shall be liquidated. The directors shall be the obligors of the Company's liquidation and form a liquidation group to carry out liquidation within 15 days from the date when the cause of dissolution arises.

The liquidation group is composed of directors, except as otherwise provided in the Articles of Association or as resolved by the Shareholders' Meeting to elect another person.

The liquidation obligor shall be liable for compensation in case of failing to fulfill his/her liquidation obligations in a timely manner and causing losses to the Company or creditors.

Article 194

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

- (I) Liquidate the Company's assets and prepare a balance sheet and a list of property respectively;
- (II) Inform and announce creditors;
- (III) Dispose the Company's unsettled business related to liquidation;
- (IV) Pay off the taxes owed and the taxes incurred in the process of liquidation;
- (V) Liquidate the creditors' rights and debts;
- (VI) Distribute the remaining properties after the Company pays off its debts;
- (VII) Participate civil litigation activities on behalf of the Company.

Article 195

The liquidation group shall notify its creditors within 10 days from the date of establishment and make an announcement on qualified media, the National Enterprise Credit Information Publicity System and the website of the HKEXnews website within 60 days. The creditors shall declare their creditor's rights to the liquidation group within 30 days in case of receiving the notice or within 45 days from the date for announcement in the case of failing to receive the notice.

The creditors who declare their creditor's rights shall explain the relevant matters of their creditor's rights and provide evidentiary materials. The liquidation group shall register the creditor's rights.

During the declaration for creditors' rights, the liquidation group shall not make any repayment to the creditors.

Article 196

After settling the Company's property and preparing a balance sheet and the list of property, the liquidation group shall formulate a liquidation scheme and submit it to the Shareholders' Meeting or the People's Court for confirmation.

The remaining property of the Company after paying liquidation expenses, employee salaries, social insurance premiums, statutory compensation and outstanding taxes and settling company's debts shall be distributed by the Company according to the proportion of shares held by shareholders.

During the liquidation period, the Company shall exist, but shall not carry out business activities unrelated to liquidation. None of the properties of the Company may be distributed to any shareholder before they are used for the repayment as stated in the preceding paragraph.

Article 197

If the liquidation group discovers that the Company's assets are insufficient to pay off debts after liquidating the Company's assets and preparing a balance sheet and a list of property, an application for bankruptcy liquidation shall be made to the People's Court in accordance with the law.

The liquidation group shall transfer the liquidation affairs to the bankruptcy administrator appointed by the People's Court after the People's Court accepts the bankruptcy application.

Article 198

After the end of the liquidation, the liquidation group shall develop a liquidation report, send it to the Shareholders' Meeting or the People's Court for validation and submit it to the Company registration authority to apply for cancellation registration of the Company.

Article 199

Members of the liquidation group shall perform their liquidation duties and bear the duty of loyalty and diligence.

If members of the liquidation group fails to perform their liquidation duties, causing losses to the Company, they shall be liable for compensation; if members of the liquidation group by intentional misconduct or gross negligence causes losses to creditors, they shall bear the liability for compensation.

Article 200

If the Company is declared to be bankrupt in accordance with the law, the bankruptcy liquidation shall be carried out in accordance with the laws regarding enterprise bankruptcy.

Chapter X Amendment of Articles of Association

Article 201

The Company shall amend the Articles of Association under one of the following circumstances:

(I) The matters specified in the Articles of Association contravene the provisions of the revised laws and administrative regulations after any amendment to the *Company Law* or relevant laws and administrative regulations;

(II) The circumstances of the Company change and are inconsistent with the matters recorded in the Articles of Association;

(III) The Shareholders' Meeting decides to modify the Articles of Association.

Article 202

If the amendment to the Articles of Association approved by the resolution of the Shareholders' Meeting requires the approval from the competent authority, it shall be submitted to the competent authority for approval; For matters related to company registration, change registration shall be handled in accordance with the law.

Article 203

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the Shareholders' Meeting on amending the Articles of Association and the approval opinions of the relevant competent authorities.

Article 204

Any amendment to the Articles of Association that falls within the scope of information required to be disclosed by laws and regulations shall be announced in accordance with regulations.

Chapter XI Special Procedures for Voting by Class Shareholders

Article 205

Class shareholder refers to the shareholder holding different classes of shares.

According to the provisions of laws, administrative regulations and the Articles of Association, the class shareholder enjoy rights and undertake obligations.

Article 206

If the Company intends to change or abolish the rights of a class shareholder, it may be implemented only after being approved by a special resolution at the Shareholders' Meeting and by a special resolution of the affected class shareholders at a separate Shareholders' Meeting convened in accordance with the provisions of the Articles of Association.

Article 207

The following circumstances shall be deemed as changing or abolishing the rights of certain class shareholders:

(I) Increase or decrease the number of shares of such class or increase or decrease the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such category;

(II) Convert all or part of the shares of this class into shares of other class, convert all or part of the shares of another class into shares of this category or grant such conversion rights, except for the situation where domestic shareholders transfer their shares to overseas investors with the approval of the securities regulatory authority under the State Council and the shares are listed and traded overseas;

(III) Cancel or reduce the right of the shares of such class to receive dividends that have been generated or accumulated dividends;

(IV) Reduce or cancel the rights of the shares of such class to receive dividends first or to receive property distribution first during the Company liquidation;

(V) Increase, cancel or reduce the rights of the shares of such class in share conversion right, option right, voting right, transfer right, prior allocation right and the right to obtain the Company securities;

(VI) Cancel or reduce the right of shares of such class to receive the Company's payable payments in a specific currency;

(VII) Establish a new class that enjoys the same or more voting rights, distribution rights or other privileges as the shares of such category;

(VIII) Impose restrictions on the transfer or ownership of shares of such class or increase such restrictions;

(IX) Right to issue subscription rights for shares of such class or another class or to convert shares;

(X) Increase the rights and privileges of other classes of shares;

(XI) The Company's reorganization plan will result in different class shareholders not bearing responsibility proportionally during the reorganization.;

(XII) Amend or abolish the provisions stipulated in the Articles of Association.

Article 208

If the affected class shareholder, no matter whether it has the voting right at the Shareholders' Meeting originally, is involved with the matters in Subparagraph (2) to (8), (11) to (12) of Article 207, it shall have the voting right at the Class Shareholders' Meeting, but the interested shareholder have no voting right at the Class Shareholders' Meeting.

The meaning of the interested shareholder mentioned in the preceding paragraph is as follows:

(I) Where the Company issues a repurchase offer to all shareholders in the same proportion as stipulated in the Articles of Association or repurchases its own shares through public trading on the stock exchange, "interested shareholder" refers to the controlling shareholder as defined in the Articles of Association;

(II) If the Company repurchases its shares by agreement outside the stock exchange in accordance with the provisions of the Articles of Association, "interested shareholder" means a shareholder relating to the agreement;

(III) In the Company's reorganization scheme, "interested shareholder" refers to the shareholder who bears responsibility at a ratio lower than that of other shareholders in this class or the shareholder who has different interests from other shareholders in this class.

Article 209

The resolution of Class Shareholders' Meeting shall be passed by more than two-thirds of the voting shares of the shareholders present at the Class Shareholders' Meeting in accordance with the provisions of the Articles of Association before it can be made.

Article 210

When the Company convenes a Class Shareholders' Meeting, it shall issue a written notice 10 days before the meeting (excluding the day of the meeting) to inform all registered shareholders of the shares of this category of the matters to be deliberated at the meeting as well as the date and place of the meeting.

Article 211

The notice of Class Shareholders' Meeting needs only to be sent to the shareholder that is entitled to vote at the meeting.

The Class Shareholders' Meeting shall be held in the same procedure of the Shareholders' Meeting as much as possible, and the clauses about the procedures of holding Shareholders' Meetings in the Articles of Association are applicable to the Class Shareholders' Meeting. .

Article 212

In addition to shareholders of other classes of shares, shareholders of domestic shares and foreign capital shares listed overseas are deemed to be different class shareholders.

The special procedures for class shareholders' voting are not applicable in the following circumstances:

(I) With the approval of the Shareholders' Meeting by a special resolution, the Company shall issue domestic shares and foreign capital shares listed overseas separately or simultaneously every twelve months, and the quantity of domestic shares and foreign capital shares listed overseas to be issued shall not exceed 20% of the outstanding shares of such class respectively;

(II) The plan to issue domestic share and foreign capital shares listed overseas at the time of the Company's establishment is to be completed within fifteen months from the date of approval by the securities regulatory authority under the State Council.

Chapter XII Supplementary Provisions

Article 213

Explanation

(I) Controlling shareholder refers to a shareholder whose shares account for more than 50% of the total share capital of a limited liability company; or shareholder whose proportion of shares held does not exceed 50%, but the voting rights of the shares hold have been sufficient to have a significant impact on the resolutions of the Shareholders' Meeting.

(II) Actual controller refers to natural person, legal person or other organization that can actually control the Company's behavior through investment relationships, agreements or other arrangements.

(III) Associated relation refers to the relationship between the controlling shareholders, actual controllers, directors, senior executives of the Company and their directly or indirectly controlled enterprises, and other relationships that may make the interest of the Company transferring. However, the enterprises controlled by the state do not have an associated relation merely because they are controlled by the state.

Article 214

The meaning of "accounting firm" as referred to in the Articles of Association is consistent with the meaning of "auditor" in the *Hong Kong Listing Rules*.

Article 215

The Board of Directors may formulate the detailed regulations of the Articles of Association in accordance with the provisions of the Articles of Association. The detailed regulations of the Articles of Association shall not conflict with the provisions of the Articles of Association.

Article 216

The Articles of Association shall be written in Chinese. In case of any inconsistency between the Articles of Association and its any version in other language or any other versions, the Chinese version of the Articles of Association approved and registered by the Market Supervision Administration Bureau shall prevail.

Article 217

The "above" and "within" as referred to in the Articles of Association include this number; The "below", "beyond", "less than", and "more than" do not include this number.

Article 218

The interpretation of the Articles of Association shall be the responsibility of the Board of Directors of the Company.

Article 219

The annexes to the Articles of Association include the rules of procedure for Shareholders' Meetings and the rules of procedure for the Board of Directors.

Article 220

If the Articles of Association conflict with the provisions of laws, administrative regulations and normative documents promulgated from time to time and the securities regulatory rules of the place where the Company's shares are listed, the provisions of laws, administrative regulations and normative documents promulgated from time to time and the securities regulatory rules of the place where the Company's shares are listed shall prevail.

Article 221

The Articles of Association shall come into effect as of the date of being approved by the Shareholders' Meeting.

Shandong Molong Petroleum Machinery Company Limited

July 2026