WOER

沃尔核材

Shen Zhen Woe Hea -Sh inkable Ma e ial Co., L d.

深圳市沃爾核材股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(S ock Code: 9981)

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July 2026

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CHAPTER I GENERAL PROVISIONS

Article 1 In order to safeguard the legitimate rights and interests of the Company, shareholders, employees and creditors, and to regulate the organization and activities of the Company, the articles of association of the Company (the "**Article of Association**") has been formulated in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "**Company Law**"), the Securities Law of the People's Republic of China (hereinafter referred to as the "**Securities Law**"), the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises, the Guidelines on the Articles of Association of Listed Companies, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**Hong Kong Listing Rules**") and other relevant regulations.

Article 2 The Company is a joint stock company with limited liability established in accordance with the Company Law and other relevant regulations (hereafter known as the "**Company**"). The Company was approved by the People's Government of Shenzhen Municipality ([Shen Fu Gu [2004] No.31] "Approval on the reorganization and establishment of Shenzhen Woer Heat-Shrinkable Material Co., Ltd. by way of promotion" (《關於以發起方式改組設立深圳市沃爾核材股份有限公司的批覆》)) on September 8, 2004, and was established by the overall restructuring of the former Shenzhen Woer Heat-shrink Materials Co., Ltd. (深圳市沃爾熱縮材料有限公司). The Company was jointly established by 15 natural person shareholders: Zhou Heping (周和平), Qiu Limin (邱麗敏), Zhou Wenhe (周文河), Qiu Baojun (邱寶軍), Shi Xudong (石旭東), Peng Xiongxin (彭雄心), Lin Shuguang (林曙光), Song Boxue (宋伯學), Zhou Heli (周合理), Wang Fu (王福), Kang Shufeng (康樹峰), Zhou Hongqi (周紅旗), Chen Li (陳莉), Zhang Jucheng (張巨成) and Wang Zhiyong (王志勇). The Company was registered with Shenzhen Administration for Market Regulation and has obtained the Business License for Enterprise Legal Person (unified social credit code: [91440300708421097F]).

Article 3 The Company was approved by the China Securities Regulatory Commission (hereinafter referred to as the "**CSRC**") (Zheng Jian Fa Xing Zi [2007] No. 63) for the initial public offering of 14,000,000 ordinary shares denominated in RMB on March 28, 2007, and the Company's shares were listed on the Shenzhen Stock Exchange on April 20, 2007.

After filing with the CSRC on December 8, 2025 and approved by The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**Hong Kong Stock Exchange**") on February 12, 2026, the Company conducted the initial public offering of 139,988,800 overseas listed foreign shares and the aforementioned overseas listed foreign shares were listed on the Main Board of the Hong Kong Stock Exchange on February 13, 2026.

Shares issued by the Company and listed on the Shenzhen Stock Exchange are hereinafter referred to as "A shares"; shares issued by the Company and listed on the Main Board of the Hong Kong Stock Exchange are hereinafter referred to as "H shares".

Article 4 Registered name of the Company: 深圳市沃爾核材股份有限公司. Full name in English: SHENZHEN WOER HEAT-SHRINKABLE MATERIAL CO., LTD.

Article 5 Domicile of the Company: Woer Industrial Park, Lanjing North Road, Longtian Subdistrict, Pingshan District, Shenzhen (Postal Code: 518118).

Article 6 The registered capital of the Company is RMB1,399,887,362.

Article 7 The business term of the Company is a joint stock limited company with perpetual existence.

Article 8 The legal representative of the Company is a director or manager (that is, "**general manager**", same below) who represents the Company in conducting its affairs.

If the director or manager serving as the legal representative resigns, such resignation shall be deemed to simultaneously constitute resignation from the position of legal representative.

In the event of the legal representative's resignation, the Company will appoint a new legal representative within thirty days from the date of such resignation.

Article 9 Shareholders shall assume liability towards the Company to the extent of the shares subscribed by them, and the Company shall be liable for the Company's debts to the extent of all of its property.

Article 10 The Articles of Association shall, from the date of its coming into effect, constitute a legally binding document which regulates the Company's organization and acts, governs the rights and obligations between the Company and the shareholders, and amongst the shareholders themselves, and shall be legally binding documents for the Company, its shareholders, directors, and senior management. Pursuant to the Articles of Association, a shareholder may take legal action against other shareholders, and the shareholders may take legal action against the Company's directors, manager and other senior officers. Shareholders may take legal action against the Company, and the Company may take legal action against its shareholders, directors, manager and other senior management.

Article 11 Other senior management as referred to in the Articles of Association represents the deputy manager, secretary of the Board and financial controller of the Company.

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

CHAPTER II PURPOSE AND SCOPE OF BUSINESS

Article 13 The business purposes of the Company are: corporate success, employee happiness, and give back to society.

Article 14 Approved by the company registration authority, the Company's business scope is: General business scope: Purchase and sale of chemical products, high-voltage electrical equipment, copper-aluminum connecting tubes, battery separators, new rubber materials and raw and auxiliary materials, products and circuit protection components (the above does not include exclusive, specially-controlled, specialty goods and restricted items); Investment in wind power projects; Import and export business (except for items prohibited by laws, administrative regulations, or decisions of the State Council, and business for restricted items may only be conducted upon obtaining a license); R&D and integration of high-end control and automation equipment; Installation, maintenance and related technical consultation of the Company's products; Purchase and sale of high and low voltage power transmission and distribution equipment. Licensed business items: Technical development, production, purchase and sale of equipment heat-shrinkable materials, cold-shrinkable materials, flame resistant materials, insulation materials, high-temperature and corrosion-resistant new materials, sleeves, cable accessories, cable branch box, heat-shrinkable-material electronic wires and power connection cables, eco-friendly high-temperature radiation cable, organic silicone cables, organic fluorine cables, auxiliary equipment for heat-shrinkable material production, and communication products and equipment; Manufacturing of high and low voltage power transmission and distribution equipment, R&D, production and sales of electric power fittings. Manufacturing and sales of insulating waterproof packaging materials, electrical materials, waterproof coatings, panels, engineering plastics, plumbing equipment, and plastic pipes and fittings.

CHAPTER III SHARES

Section 1 Issuance of Shares

Article 15 The shares of the Company shall take the form of registered share certificates. If any H shareholder who is registered on or any party who requests to have his/her/its name registered on the register of members loses his/her/its share certificates (hereinafter, the "**original share certificate**"), he/she/it may apply to the Company for the issuance of new share certificates in respect of the shares concerned (the "**relevant shares**"). The Company's H shareholders who

have lost their share certificates and apply for replacement may be dealt with in accordance with the laws, rules of the stock exchange or other relevant regulations of the place where the original register of members of overseas-listed H shares is kept.

Article 16 Shares of the Company shall be issued on the basis of the principles of openness, fairness and impartiality, and each share of the same class ranks pari passu in all respects. Shares of the same class shall be issued under the same terms and at the same price in each issuance; and subscribers shall pay the same price per share for the shares they have subscribed.

Article 17 The par value of the shares issued by the Company is denominated in Renminbi, and the par value of each share is Renminbi one (RMB1.00).

Article 18 The A shares issued by the Company are centrally deposited with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The H shares issued by the Company may be deposited mainly with a trustee-custodian company under Hong Kong Securities Clearing Company Limited in accordance with the laws of the place of listing, the securities regulatory rules and the practice of securities registration and depository, or may be held by shareholders in their personal names.

Article 19 The Company's promoters, the number of shares subscribed, method of capital contribution, and time of capital contribution are as follows:

Promoter	Number of Shares (share)	Method of capital contribution	Time of capital contribution
Zhou Heping (周和平)	30,272,808.00	cash + intangible assets (27,120,660.85+ 3,152,147.20)	September 10, 2004
Qiu Limin (邱麗敏)	5,856,297.00	cash	September 10, 2004
Zhou Wenhe (周文河)	1,221,525 .00	cash	September 10, 2004
Qiu Baojun (邱寶軍)	644,805.00	cash	September 10, 2004
Shi Xudong (石旭東)	432,540.00	cash	September 10, 2004
Peng Xiongxin (彭雄心)	400,500.00	cash	September 10, 2004
Lin Shuguang (林曙光)	276,345.00	cash	September 10, 2004
Song Boxue (宋伯學)	232,290.00	cash	September 10, 2004
Zhou Heli (周合理)	232,290.00	cash	September 10, 2004
Wang Fu (王福)	184,230.00	cash	September 10, 2004
Kang Shufeng (康樹峰)	168,210.00	cash	September 10, 2004
Zhou Hongqi (周紅旗)	128,160.00	cash	September 10, 2004

Name	Number of Shares (share)	Method of capital contribution	Time of capital contribution
Chen Li (陳莉)	100,000.00	cash	September 10, 2004
Zhang Jucheng (張巨成)	100,000.00	cash	September 10, 2004
Wang Zhiyong (王志勇)	100,000.00	cash	September 10, 2004
Total	40,350,000.00		

Article 20 Upon the completion of the initial public offering of H shares, the total number of shares of the Company is 1,399,887,362, all of which are ordinary shares, of which 1,259,898,562 are A shares and 139,988,800 are H shares.

Article 21 The Company or its subsidiaries (including its affiliated companies) shall not provide any financial assistance to persons who purchase or intend to purchase the Company's shares in the form of gifts, advances, guarantees, compensation or loans etc.

Section 2 Increase, Decrease and Repurchase of Shares

Article 22 According to the operation and development needs of the Company, subject to the laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, the Company may increase the capital by the following ways upon approval of resolutions at the shareholders' meeting:

(I) Issuance of shares to non-particular targets;

(II) Issuance of shares to particular targets;

(III) Distribution of bonus shares to existing shareholders;

(IV) Converting the reserve funds into share capital;

(V) Other means required by the laws, administrative regulations, securities regulatory authority in the place where the Company's shares are listed or approved by the securities regulatory authority in the place where the Company's shares are listed.

Article 23 The Company may decrease its registered share capital. The Company's decrease of registered share capital shall comply with the procedures stipulated in the Company Law and other relevant provisions and the Articles of Association.

Article 24 The Company may, pursuant to requirements of laws, administrative regulations, departmental rules and the Articles of Association, repurchase its own shares in the following circumstances:

(I) Reduce the Company's registered capital;

(II) Merger with other companies which hold the Company's shares;

(III) Use the shares as an employee stock ownership plan or equity incentive;

(IV) Purchase its shares from shareholders, who have voted against the resolutions on the merger or division of the Company at a shareholders' meeting upon their request;

(V) Use of shares for conversion of corporate bonds convertible into shares issued by the listed company;

(VI) Necessary for the listed company to maintain its value and protect the interests of the shareholders.

Article 25 The acquisition of the Company's shares by the Company may be carried out

Article 26 Repurchase of the Company's shares by the Company under the circumstances stipulated in items (I) and (II) of Article 24 of the Articles of Association shall be subject to approval at a shareholders' meeting. Repurchase of the Company's shares by the Company under the circumstances stipulated in items (III), (V) and (VI) of Article 24 of the Articles of Association shall be approved at the Board meeting attended by more than two-thirds of the directors.

After the Company has repurchased its shares in accordance with Article 24 of the Articles of Association, such shares shall be cancelled within ten days from the date of repurchase under the circumstances of item (I); or shall be transferred or cancelled within six months under the circumstances of items (II) and (IV); and under the circumstances of items (III), (V) and (VI), the total number of the Company's shares held by the Company shall not exceed 10% of the Company's total issued shares, and shall be transferred or cancelled within three years.

Section 3 Transfer of Shares

Article 27 Shares of the Company shall be transferred in accordance with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the provisions of the Articles of Association.

After the A shares of the Company are delisted, the Company's shares will continue to be traded under the agency share transfer system.

All transfers of H shares shall be effected by an instrument of transfer in writing in the usual or common form or in any other form acceptable to the Board (including a standard form of transfer or transfer form prescribed by the Hong Kong Stock Exchange from time to time), and such instrument of transfer may be signed by hand only or stamped with a valid corporation seal (if the transferor or transferee is a corporation). If the transferor or transferee is a recognized clearing house within the meaning of the relevant ordinances from time to time in force under the laws of Hong Kong (hereinafter referred to as "**recognized clearing house**") or its nominee(s), the instrument of transfer may be executed by hand or by machine imprinted signature. All instruments of transfer shall be kept at the legal address of the Company or at such address as the Board may designate from time to time.

The Company shall not revise the provisions of the second paragraph of this article.

Article 28 The Company shall not accept its own shares as the subject matter of the pledge right.

Article 29 The shares of the Company issued prior to the public issue of shares shall not be transferred within one year from the date on which the Company's shares are listed for trading on a stock exchange.

Directors and senior management of the Company shall declare to the Company their holdings of the Company's shares of the same class and the changes therein, and shall not transfer more than 25% of the total number of shares of the same class of the Company held by them in each year of the period of service determined at the time of their assumption of their office; the Company's shares held by them shall not be transferred within one year from the date of listing and trading of the Company's shares. The shares of the Company held by the aforesaid persons may not be transferred within six months after their departure from office.

Article 30 If a Company's director, senior executive or a shareholder holding more than 5% of the shares of the Company sell his/her shares or other securities with the nature of equity of the Company within 6 months after buying them, or buys them within 6 months after selling them, all the gains arising thereof shall belong to the Company, and such gains shall be collected by the Board of the Company. However, a securities company which holds over 5% of the Company's shares as a result of its undertaking of the untaken shares in an offer or there are other circumstances stipulated by the CSRC, sale of such Company's shares shall not be subject to the 6-month time limit.

Shares or other securities with the nature of equity held by directors, senior executives or individual shareholders as mentioned in the preceding paragraph include shares or other securities with the nature of equity held by their spouses, parents or children, or held by them by using other people's accounts.

If the Board of Directors of the Company fails to implement the provisions of preceding paragraph, the shareholders have the right to request the Board to do so within 30 days. If the Board of Directors of the Company fails to do so within the said period, the shareholders shall have the right to file a lawsuit directly with the people's court on their own behalf in the interests of the Company.

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

CHAPTER IV SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Section 1 General Provisions of Shareholders

Article 31 The Company shall make a register of shareholders on the basis of the certificates provided by the securities registrar of the place where the Company's shares are listed. The register of shareholders shall be the sufficient evidence proving the holding of the shares of the Company by the shareholders. The original register of shareholders of H Shares listed in Hong Kong is kept in Hong Kong and is available for inspection by shareholders. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

Article 32 When the Company holds a shareholders' meeting, distributes dividends, engages in liquidation and engages in other acts requiring the confirmation of shareholder identities, the Board of Directors or the convener of the shareholders' meeting shall determine the date of the shareholding registration, and the shareholders whose names appear on the register after the market closes on the date of the shareholding registration shall be the shareholders entitled to relevant rights and interests.

If the Hong Kong Listing Rules have provisions on the period of closure of the register of members prior to the convening of a shareholders' meeting or prior to the record date on which the Company decides to distribute dividends, such provisions shall prevail.

Article 33 The shareholders of the Company shall have the following rights:

(I) to receive dividends and other forms of distribution of benefits in proportion to the number of shares they hold;

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

(III) to supervise the operations of the Company, and to make recommendations or raise enquiries;

(IV) to transfer, gift or pledge the shares they hold in accordance with the provisions of laws, administrative regulations and the Articles of Association;

(V) to inspect the Articles of Association, register of members, corporate bond counterfoils, minutes of shareholders' meeting, resolutions of Board meetings, and financial accounting reports;

(VI) in the event of the termination or liquidation of the Company, to participate in the distribution of the remaining property of the Company in proportion to the number of shares held by them;

(VII) with respect to shareholders who object to any resolution of the shareholders' meeting regarding the merger or division of the Company, the right to request the Company to acquire the shares held by them;

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

Article 34 If a shareholder requests to inspect the relevant information referred to in the preceding Article or requests for information, he/she shall provide the Company with written documents proving the type and quantity of shares of the Company held by him/her, and the Company, after verifying the identity of the shareholder, shall provide the requested information at such shareholders' request.

Article 35 Where the content of a resolution of a shareholders' meeting or Board meeting of the Company violates the laws or administrative regulations, the shareholders shall have the right to request the people's court to invalidate the said resolution.

If the procedures for convening a shareholders' meeting or Board meeting or the manner of voting thereat violate the laws, administrative regulations or the Articles of Association, or if the content of a resolution violates the Articles of Association, the shareholders shall have the right to request the people's court to revoke it within 60 days from the date on which the resolution is made. However, it does not apply if the procedures for convening a shareholders' meeting or Board meeting or the manner of voting thereat have only minor flaws which have no substantial impact on the resolution.

Article 36 In the event that violation of the laws, administrative regulations or the provisions of the Articles of Association by a Director or a senior management other than members of the Audit Committee in performing his/her duties for the Company results in losses to the Company, the shareholders that solely or collectively hold 1% or more of shares of the Company more than 180 consecutive days shall have the right to make a written request to the Audit Committee to institute legal proceedings in the people's court. In the event of violation of the laws, administrative regulations or the provisions of the Articles of Association by the members of

the Audit Committee in performing its duties for the Company, resulting in losses to the Company, the aforesaid shareholders may request the Board in writing to institute legal proceedings in the people's court.

If the Audit Committee or the Board refuses to initiate legal proceedings upon receipt of a written request from shareholders as stipulated in the preceding paragraph, or fails to initiate legal proceedings within 30 days from the date of receipt of such request, or if the situation is so urgent that failure to initiate legal proceedings immediately will result in irreparable damage to the interests of the Company, the shareholders as stipulated in the preceding paragraph shall have the right to initiate legal proceedings in their own names and directly in the people's courts for the interests of the Company.

If any person infringes the legal interests of the Company and causes losses to the Company, the shareholders specified in the first paragraph of this article may initiate legal proceedings in the people's court in accordance with the provisions of the preceding two paragraphs.

Article 37 If a Director or senior management violates the provisions of laws, administrative regulations or the Articles of Association to the detriment of the interests of the shareholders, the shareholders may initiate legal proceedings with the people's court.

Article 38 The shareholders of the Company shall assume the following obligations:

(I) to comply with the laws, administrative regulations and the Articles of Association;

(II) to pay capital contributions in accordance with the shares they subscribed for and the manner in which they have been subscribed for;

(III) shall not withdraw capital contribution, except in the cases prescribed by the laws and regulations;

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

Any shareholder of the Company who abuses the rights of shareholders to cause losses to the Company or other shareholders shall be liable for making compensation in accordance with the law.

Any shareholder of the Company who abuses the independent legal person status of the Company and the limited liability of the shareholders to evade debts and severely harm the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

(V) to assume other obligations under the laws, administrative regulations and the Articles of Association.

Article 39 Shareholders holding more than 5% of the Company's voting shares who pledge any shares in his/her possession shall make a written report to the Company from the date when such pledge is made.

Article 40 The controlling shareholders and de facto controllers of the Company shall not take advantage of their associated relationship to act in detriment to the Company's interests. They shall be liable for indemnifying the Company for the losses caused to the Company as a result of such violation.

The controlling shareholders and de facto controllers of the Company shall bear fiduciary duties towards the Company and the general public shareholders. The controlling shareholders shall exercise its rights as a contributor in strict compliance with the laws. The controlling shareholders shall not damage the legitimate rights and interests of the Company and the general public shareholders by means of profit distribution, asset restructuring, outbound investment, capital occupation, loan guarantee, etc., and shall not damage the interests of the Company and the general public shareholders by means of its controlling position.

Section 2 General Principles of Shareholders' Meeting

Article 41 The Company's Shareholders' meeting is comprised of all shareholders. The shareholders' meeting is the source of authority of the Company and shall exercise the following functions and power in accordance with the law:

(I) to elect and replace directors who are not staff representatives, and to decide on matters relating to the directors' remuneration;

(II) to consider and approve the reports of the Board;

(III) to consider and approve the profit distribution plans and the loss recovery plans of the Company;

(IV) to make resolutions on the increase or reduction of the Company's registered capital;

(V) to make resolutions on the issuance of corporate bonds;

(VI) to make resolutions on the merger, division, dissolution, liquidation or change in the corporate form of the Company;

(VII) to amend the Articles of Association;

(VIII) to make resolutions on the engagement or dismissal of the accounting firm that undertakes the Company's auditing business;

(IX) to consider and approve the guarantees provided for in Article 42 of the Articles of Association;

(X) to consider the purchase or sale of material assets by the Company within one year that exceeds 30% of the Company's total audited assets for the most recent period;

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

(XII) to consider the share incentive scheme and employee stock ownership plan;

(XIII) to consider other matters that should be decided by the Shareholders' meeting as stipulated by the laws, administrative regulations, departmental rules or the Articles of Association.

The general meeting may authorize the Board to make resolutions on the issuance of corporate bonds.

Unless otherwise provided by the laws, administrative regulations, CSRC's regulations or securities regulatory rules of the place where the Company's shares are listed, the above powers and functions of the Shareholders' meeting shall not be exercised by the Board or other institutions and individuals on behalf of the Board by way of authorization.

A ¿ic e 42 The following acts of external guarantee and acts of providing external financial assistance of the Company shall be considered and approved by the Shareholders' meeting.

(I) Acts of external guarantee

1. the total amount of external guarantees provided by the Company and the Company's controlled subsidiaries exceeds any guarantee provided by the Company after 50% of the Company's latest audited net assets;

2. the total amount of external guarantees provided by the Company and the Company's controlled subsidiaries exceeds any guarantee provided by the Company after 30% of the Company's latest audited total assets;

3. any guarantee provided for guarantee recipients whose gearing ratios exceeding 70% as shown in the latest financial statement data;

4. individual guarantees exceeding 10%t of the latest audited net assets;

5. guarantees provided to shareholders, de facto controllers and their related parties;

6. the cumulative amount of guarantees in the last twelve months exceeds 30% of the Company's latest audited total assets;

7. other guarantees that meet the requirements of the laws, CSRC, the stock exchange or the Company's Articles of Association.

(II) Acts of providing external financial assistance

1. any financial assistance provided to recipients whose gearing ratios exceeding 70% as shown in the latest financial statement data;

2. the provision of financial assistance in one single transaction or cumulatively within twelve consecutive months exceeds 10% of the Company's latest audited net assets;

3. Other circumstances as stipulated by the Shenzhen Stock Exchange or the Articles of Association.

The Company shall not provide financial assistance to directors, senior management, controlling shareholders, de facto controllers and other related parties.

If the Company provides financial assistance to other related parties, it shall be submitted to the Shareholders' meeting for consideration, and the related shareholders shall abstain from voting when the matter is being considered at the Shareholders' meeting.

A ic e 43 Shareholders' meetings shall include annual general meetings and extraordinary general meetings. The annual general meeting shall be held once a year and shall be held within six months after the end of the previous accounting year.

Article 44 The Company shall convene an extraordinary general meeting within two months from the date of occurrence of any of the following circumstances:

(I) when the number of directors is less than the number specified in the Company Law or two-thirds of the number required by the Articles of Association;

(II) the uncovered loss of the Company reaches one-third of the total share capital;

(III) upon request by shareholders who individually or collectively hold more than 10% of the Company's shares;

(IV) when the Board considers necessary;

(V) when the Audit Committee proposes to convene;

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

Article 45 The place where the Company convenes the Shareholders' meetings is: the place of the Company's domicile or at the place specified in the notice of the Shareholders' meetings. In addition to holding an on-site meeting at a venue, Shareholders' meetings can also be held by electronic means at the same time. The Company will also provide network or other means to facilitate shareholders' participation in the Shareholders' meeting in accordance with the securities regulatory rules and regulations of the place where the Company's shares are listed. Shareholders participating in the Shareholders' meetings by the above means shall be deemed to be present.

After the notice of the Shareholders' meeting is issued, the venue of the on-site Shareholders' meeting shall not be changed without justifiable reasons. If a change is necessary, the convenor shall make an announcement at least two working days prior to the date of the on-site meeting and explain the reasons.

Article 46 The Company will engage a lawyer to issue a legal opinion on the following issues and make an announcement when the Shareholders' meeting is convened:

(I) whether the convening and convening procedures of the meeting are in compliance with the provisions of laws, administrative regulations and the Articles of Association;

(II) whether the qualifications of the persons attending the meeting and the qualifications of the convenor are legal and valid;

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

(IV) the legal opinions on other related issues at the request of the Company.

Section 3 Convening of Shareholders' Meeting

Article 47 The independent directors shall have the right to propose to the Board to convene an extraordinary general meeting. The exercise of such power by the independent directors shall have the consent of a majority of all independent directors. With respect to the proposal of the independent directors requesting to convene an extraordinary general meeting, the Board shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of the extraordinary general meeting within 10 days after receiving the proposal.

If the Board agrees to convene an extraordinary general meeting, it will issue a notice of convening the Shareholders' meeting within 5 days after making a Board resolution; if the Board does not agree to convene an extraordinary general meeting, it shall state the reasons and make an announcement.

Article 48 The Audit Committee shall have the right to propose to the Board to convene an extraordinary general meeting, which shall be submitted in writing to the Board. The Board shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of the extraordinary general meeting within 10 days after receiving the proposal.

If the Board agrees to convene an extraordinary general meeting, it will issue a notice of the convening of the Shareholders' meeting within 5 days after the Board's resolution is made, and any changes to the original proposal contained in the notice shall be subject to the consent of the Audit Committee.

If the Board does not agree to convene an extraordinary general meeting or fails to provide feedback within 10 days after the receiving the proposal, it is deemed that the Board is unable to perform or fails to perform its duty to convene a Shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

Article 49 Shareholders who individually or collectively hold more than 10% of the Company's shares shall have the right to request the Board to convene an extraordinary general meeting, and shall submit their request in writing to the Board. The Board shall, in accordance

with the provisions of laws, administrative regulations and the Articles of Association, provide written feedback on whether it agrees or disagrees to convene an extraordinary general meeting within 10 days after the receipt of the request.

If the Board agrees to convene an extraordinary general meeting, it shall issue a notice of the convening of a shareholders' meeting within 5 days after the Board's resolution is made. Any changes to the original request contained in the notice shall be subject to the consent of relevant shareholders.

If the Board does not agree to convene an extraordinary general meeting or fails to provide feedback within 10 days after the receipt of the request, shareholders who individually or collectively hold more than 10% of the Company's shares have the right to propose to the Audit Committee that an extraordinary general meeting be convened and shall submit their request in writing to the Audit Committee.

If the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice of the convening of a shareholders' meeting within 5 days of the receipt of the request. Any changes to the original request contained in the notice shall be subject to the consent of relevant shareholders.

If the Audit Committee fails to give notice of shareholders' meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the shareholders' meeting, in which case, shareholders who individually or collectively hold more than 10% of the Company's shares for more than 90 consecutive days may do so on their own.

A ic e 50 If the Audit Committee or shareholders decide to convene a shareholders' meeting on its/their own, it/they shall notify the Board in writing and at the same time file a record with the stock exchange.

The shareholding of the convening shareholders shall not be less than 10% before the announcement of the resolution of the shareholders' meeting.

The Audit Committee or the convening shareholders shall submit the relevant supporting materials to the stock exchange when issuing the notice of the shareholders' meeting and the announcement of the resolution of the shareholders' meeting.

A ic e 51 The Board and the secretary of the Board shall co-operate with any shareholders' meeting convened by the Audit Committee or by the shareholders themselves. The Board shall provide the register of shareholders as at the date of the shareholding registration.

Article 52 In the case of a shareholders' meeting convened by the Audit Committee or by the shareholders themselves, the expenses necessary for the meeting shall be borne by the Company.

Section 4 Proposal and Notice of Shareholders' Meeting

Article 53 The contents of the proposals shall fall within the terms of reference of the shareholders' meeting, have a clear topic and specific matters for resolution, and be in compliance with the relevant provisions of laws, administrative regulations, and the Articles of Association.

Article 54 When the Company holds a shareholders' meeting, the Board, the Audit Committee and shareholders who individually or collectively hold more than 1% of the Company's shares shall have the right to submit proposals to the Company.

Shareholders who individually or collectively hold more than 1% of the Company's shares may put forward a provisional proposal and submit it in writing to the convenor 10 days before the shareholders' meeting. The convenor shall issue a supplementary notice of the shareholders' meeting within 2 days after the receipt of the proposal, announcing the contents of the provisional proposal and submitting such provisional proposal to the shareholders' meeting for consideration, unless the provisional proposal violates the provisions of laws, administrative regulations, the securities regulatory rules for the place where the Company's shares are listed or the Articles of Association, or does not fall within the terms of reference of the shareholders' meeting.

Except for the cases stipulated in the preceding paragraph, the convenor shall not amend the proposals already set out in the notice of shareholders' meeting or add new proposals after the announcement of the notice of shareholders' meeting has been issued.

No vote shall be taken, and no resolution shall be made at a shareholders' meeting on a proposal that is not set forth in the notice of the shareholders' meeting or that does not comply with the provisions of the Articles of Association.

Article 55 The convener shall notify shareholders by way of an announcement 21 days prior to an annual general meeting, and notify shareholders by way of an announcement 15 days prior to an extraordinary general meeting.

When calculating the starting period, the date of the meeting shall not be included.

Article 56 The notice of the shareholders' meeting shall include the following:

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

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

(III) a prominent written statement as follows: all common shareholders have the right to attend the shareholders' meeting, and may authorize in written form a proxy, who need not necessarily be a company shareholder, to attend and vote at the meeting;

(IV) the date of shareholding registration of shareholders entitled to attend the shareholders' meeting;

(V) the name and contact number of the regular contact person for the meeting.

The notice and supplementary notice of the shareholders' meeting shall fully and completely disclose all the specific contents of all proposals.

If a shareholders' meeting is to be held online or by other means, the timing and procedures for voting online or by other means shall be expressly stated in the notice of the shareholders' meeting. Online voting or voting by other means at the shareholders' meeting shall commence no earlier than 3:00 p.m. on the day before the on-site shareholders' meeting, and no later than 9:30 a.m. on the date of the on-site shareholders' meeting, and shall not end earlier than 3:00 p.m. on the date of the conclusion of the on-site shareholders' meeting.

The interval between the shareholding registration date and the date of the meeting shall not exceed 7 working days. The shareholding registration date shall not be changed once confirmed.

A ic e 57 If the shareholders' meeting intends to discuss the election of directors, the notice of the shareholders' meeting will fully disclose the details of the candidates for directors, including at least the following:

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

(II) whether there is any connection with the Company or the controlling shareholders and de facto controllers of the Company;

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

(IV) whether he/she has been punished by the CSRC and other relevant authorities and disciplined by the stock exchange.

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

Article 58 After giving notice of the shareholders' meeting, the meeting shall not be postponed or cancelled without a justifiable reason, and the proposals set out in the notice of the shareholders' meeting shall not be cancelled. In the event of postponement or cancellation, the convenor shall make an announcement at least 2 trading days prior to the scheduled date of the meeting and explain the reasons.

Section 5 Holding of Shareholders' Meeting

Article 59 The Board and other convenors of the Company shall take necessary measures to ensure the normal order of the shareholders' meeting. With respect to acts of interference with shareholders' meeting, provocation and infringement of the legitimate rights and interests of shareholders, measures shall be taken to stop and promptly report to the relevant authorities for investigation and handling.

Article 60 All shareholders or their proxies registered on the shareholding registration date are entitled to attend the shareholders' meeting and exercise their voting rights in accordance with the relevant laws and regulations and the Articles of Association.

The shareholders may attend the shareholders' meeting in person or appoint proxies to attend and vote on their behalf.

Article 61 Individual shareholders who attend the meeting in person shall present their own identity cards or other valid documents or certificates that can indicate their identity; proxies who attend the meeting on behalf of others shall present their own valid identity cards and shareholder proxy statements.

The corporate shareholders shall be represented at the meeting by the legal representative or the proxy entrusted by the legal representative. If the legal representative attends the meeting, he/she shall present his/her identity card, a valid certificate proving his/her qualification as the legal representative, a copy of business license (official seal required) and valid share certificates; proxies who attend the meeting on behalf of shareholders shall present his/her identity card, a written power of attorney issued by the legal representative of the corporate shareholder entity in accordance with the law, a copy of business license (official seal required) and valid share certificates (except for shareholders of a recognized clearing house and its nominees).

If the shareholder is a recognized clearing house defined by relevant laws or regulations of the place where the shares of the Company are listed (or an agent thereof), the shareholder may authorize one or more persons or company representative it deems fit to act as its representative at any meetings (including but not limited to shareholders' meeting and meeting of creditors); however, if more than one person is so authorized, the proxy statement shall specify the number and class of shares in respect of which each such person is so authorized. The proxy statement shall be signed by an authorized officer of the recognized clearing house. A person so authorized may attend meetings (without presenting proof of shareholding, notarized authorization and/or further evidence to prove they have obtained official authorization), exercise rights on behalf of the recognized clearing house (or its agent), and to speak and exercise rights at the meeting (including but not limited to voting rights), as if such person is an individual shareholder of the Company.

Article 62 The power of attorney issued by a shareholder to appoint another person to attend a shareholders' meeting shall contain the following information:

(I) name of the principal, the class and number of shares held in the Company;

(II) name of the proxy;

(III) specific instructions from shareholders, including instructions to vote in favor of, against or abstain from voting on each matter to be considered on the agenda of the shareholders' meeting;

(IV) date of issue and period of validity of the power of attorney;

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

Article 63 The proxy statement for proxy voting shall be deposited at the domicile of the Company or such other places designated in the notice of the meeting 24 hours before the meeting at which the proxy is authorized to vote or 24 hours before the specified voting time. If the proxy statement for proxy voting of A-share shareholders is signed by the authorized person of the principal, the letter of authority for signing or other authorization documents shall be notarized. The notarized letter of authority or other authorization documents and the proxy statement for proxy voting shall be maintained at the domicile of the Company or other places specified in the notice of the meeting.

If the principal is a legal person, its legal representative or a person authorized by a resolution of the Board or other decision-making body shall attend the Company's shareholders' meeting as a proxy.

Article 64 The Company shall be responsible for the production of the meeting register of persons attending the meeting. The meeting register contains (among others) the names (or names of entities), identity card numbers, residential addresses, numbers of shares held or represented by voting rights, and names (or names of entities) of proxies of the persons attending the meeting.

Article 65 The convener and the lawyers engaged by the Company will jointly verify the legitimacy of the shareholders' qualifications based on the register of shareholders provided by the securities registration and settlement institution, and register the names of the shareholders and the number of shares for which they hold voting rights. The registration of the meeting shall be terminated before the presiding officer of the meeting announces the number of shareholders and proxies attending the on-site meeting and the total number of shares holding voting rights.

Article 66 When a shareholders' meeting is convened, the directors and members of the senior management may be required to be present at the meeting.

Article 67 The Chairperson of the Board shall preside over the shareholders' meeting. In the event that the Chairperson of the Board is unable to perform his/her duties or fails to perform his/ her duties, the vice Chairperson shall preside, and in the event that the vice Chairperson is unable to perform his/her duties or fails to perform his/her duties, a majority of the directors shall jointly elect a director to preside.

The convener of the Audit Committee shall preside at any shareholders' meeting convened by the Audit Committee itself. In the event that the convener of the Audit Committee is unable to perform his/her duties or fails to perform his/her duties, a member of the Audit Committee shall be jointly elected by a majority of the members of the Audit Committee to preside over the meeting.

A shareholders' meeting convened by the shareholders themselves shall be presided over by the convenor or a representative elected by the convenors.

If the presiding officer of a shareholders' meeting violates the rules of procedure and makes it impossible for the meeting to continue, the shareholders' meeting may elect a person to act as the presiding officer and continue the meeting with the consent of the shareholders present on-site at the shareholders' meeting and having the right to vote in the majority of the shareholders' meeting.

Article 68 The Company shall formulate rules of procedure for shareholders' meetings, stipulating in detail the convening, holding and voting procedures for shareholders' meetings, including notification, registration, deliberation of proposals, voting, counting of votes, announcement of voting results, formation of resolutions of meeting, minutes of the meeting and

(VII) other contents that should be included in the minutes of the meeting as stipulated in the Articles of Association.

A ¿ic e 73 The convenor shall ensure that the contents of the minutes are true, accurate and

(IV) the Company's annual report;

(V) matters other than those stipulated by the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, which shall be passed by special resolution.

Article 77 The following matters shall be passed by special resolutions at the shareholders' meeting:

(I) increases or decreases its registered capital of the Company;

(II) separation, division, merger, dissolution and liquidation of the Company;

(III) amendments to the Articles of Association;

(IV) amount of the company's purchase or sale of significant assets or provision of guarantees to others within one year exceeding 30% of the Company's total audited assets for the most recent period;

(V) equity incentive plans;

(VI) other matters required to be passed by special resolution as prescribed by laws, administrative regulations or the Articles of Association, and as determined by the shareholders' meeting by an ordinary resolution to have a significant impact on the Company.

Article 78 Shareholders (including shareholders' proxies) exercise their voting rights by the number of voting shares they represent, with each share entitled to one vote, unless individual shareholders are required to abstain from voting on specific matters in accordance with the provisions of the securities regulatory rules of the place where the Company's shares are listed. On a poll taken at a meeting, a shareholder (including shareholders' proxies) entitled to two or more votes need not cast all his/her votes in the same way.

When the shareholders' meeting considers major matters affecting the interests of small and medium-sized investors, the votes of small and medium-sized investors shall be counted separately. The results of the separate vote counting shall be publicly disclosed in a timely manner.

Shares of the Company held by the Company do not have voting rights and such shares are not counted in the total number of shares with voting rights present at the shareholders' meeting.

In the event that a shareholder's purchase of voting shares of the Company violates the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law, such shares in excess of the prescribed percentage shall not be allowed to exercise voting rights for a period of 36 months after the purchase and shall not be counted towards the total number of voting shares present at the shareholders' meeting.

In accordance with the applicable laws and regulations and the Hong Kong Listing Rules, if any shareholder is required to abstain from voting on a certain resolution, or if any shareholder is restricted to only vote in favor (or against) certain resolution, any votes cast by or on behalf of such shareholders in contravention of the relevant provisions or restrictions shall not be counted in the total number of voting shares.

The Board, independent directors, shareholders holding more than 1% of the Company's voting shares, or an investor protection agency established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit shareholders' voting rights. The solicitation of shareholders' voting rights shall fully disclose specific voting intentions and other information to the person being solicited. Solicitation of shareholders' voting rights by way of compensation or disguised compensation is prohibited. In addition to the statutory conditions, the Company shall not impose minimum shareholding restrictions on the solicitation of voting rights.

Article 79 When connected transactions are considered at a shareholders' meeting, connected shareholders shall not participate in voting. The total number of shares with voting rights represented by them shall not be counted in the total number of valid votes. The voting of non-connected shareholders shall be disclosed fully in the announcement on the resolutions of a shareholders' meeting.

When a shareholders' meeting considers and votes on connected transactions, the chairman of the meeting shall require connected shareholders to abstain from voting. Connected transactions involving the Company and connected parties with a transaction value exceeding RMB30 million and representing more than 5% of the absolute value of the Company's latest audited net assets shall be implemented upon approval by a majority of the voting rights held by non-connected shareholders (including shareholder proxies) present at the shareholders' meeting. Where laws, regulations, or securities regulatory rules of the place in which the shares of the Company are listed provide otherwise, such provisions shall prevail.

Article 80 Except when the Company is under a special circumstance such as a crisis, the Company will not, without an approval by a special resolution at a shareholders' meeting, enter into a contract to handover all or material business management of the Company to a person other than to a director or senior management.

Article 81 The list of candidates for non-employee representative directors shall be submitted to the shareholders' meeting for voting in the form of proposal. Directors serving as employee representatives shall be directly elected through democratic election by the employees of the Company, without requiring deliberation by the Board of Directors or the shareholders' meeting. The Board of Directors shall inform the shareholders of the brief biographies and basic information of the candidates for non-employee representative directors.

When two or more non-employee representative directors are elected at a shareholders' meeting, an accumulative voting system will be adopted.

Accumulative voting system referred to in the preceding paragraph represents that each share shall be entitled to the number of votes equivalent to the number of non-employee representative directors to be elected at the shareholders' meeting, and each shareholder may cast all his/her votes to a single candidate.

The Board of Directors and shareholders severally or jointly holding more than 3% of the total outstanding voting shares of the Company shall have the right to nominate candidates for non-employee representative directors (excluding independent directors).

The Board of Directors and shareholders severally or jointly holding more than 1% of the total outstanding voting shares of the Company shall have the right to nominate candidates for independent directors. The nominator shall not nominate any person who has an interest in the nominator or other closely related person who may affect the independent performance of duties as a candidate for independent Director. An investor protection agency established by law may publicly request shareholders to entrust it to exercise the right to nominate independent directors on their behalf.

Proposals for nominating candidates for non-employee representative directors, along with their resumes, shall be specified in the notice of the shareholders' meeting, including detailed information about the candidates, to ensure that shareholders have sufficient understanding of the candidates when voting.

Prior to the convening of the shareholders' meeting, candidates for non-employee representative directors shall issue a written undertaking in which he/she agrees to accept the nomination, and undertakes that the information of the candidates disclosed by the nominator is

(1) each shareholder attending the meeting shall be entitled to a number of votes equal to the number of seats for non-employee representative directors to be elected at the shareholders' meeting and the total number of votes entitled to each shareholder is calculated as follows: total number of votes entitled to a shareholder = total number of shares held by the shareholder × number of non-employee representative directors to be elected.

(2) shareholders have complete autonomy in voting, as they can choose to cast all their votes for one candidate or distribute them among multiple candidates. They can also use all of their voting rights for voting or allocate a portion of them for voting.

(3) the election of candidates for non-employee representative directors shall be determined based on the number of votes in favor obtained, provided that the number of votes in favor obtained by each elected non-employee representative directors shall not be less than the lowest number of votes obtained (inclusive) calculated with the following formula. The lowest number of votes obtained = a majority of the total number of shares represented by all shareholders attending the meeting.

(4) if the results of the first round of voting indicate that, the number of candidates for non-employee representative director obtaining votes in favor not lower than the minimum required is less than the number of seats for non-employee representative directors to be elected at the shareholders' meeting, a second round of election shall be conducted for the remaining seats. The procedures for the second round of election shall follow the provisions set forth in the preceding paragraphs of this Article. Under the accumulative voting system, where the number of candidates for non-employee representative directors to be nominated exceeds the number of non-employee representative directors to be elected, the election of non-employee representative directors may be conducted on a competitive basis. Under the accumulative voting system, independent directors shall be elected separately from other members of the Board of Directors.

Article 82 Save for the accumulative voting system, all proposals shall be voted item by item at a shareholders' meeting. When different proposals are made on the same matter, votes shall be cast in the time sequence of the proposals presented. Unless the shareholders' meeting is suspended or no resolution can be passed for a force majeure or any other exceptional reason, the shareholders' meeting shall not postpone any proposal or refuse to vote.

Article 83 When a proposal is being considered at a shareholders' meeting, no modification shall be made to the proposal. Otherwise, the modification shall be deemed a new proposal, but may not be voted on at that shareholders' meeting.

Article 84 The same voting right may be exercised only in one manner of voting: on-site meeting, online voting, or by another manner of voting. In the event that the same voting right is repeatedly exercised, the result of the first voting shall prevail.

Article 85 Voting by registered ballots shall be adopted at a shareholders' meeting.

Article 86 Before proposals are voted at a shareholders' meeting, two shareholders' representatives shall be elected to count and scrutinize the votes. In the event that a shareholder is interested in any matter to be considered, the shareholder and his/her proxy shall not participate in vote counting and scrutinization.

When proposals are voted on at a shareholders' meeting, lawyers and representatives of shareholders shall be jointly responsible for counting and scrutinizing the votes, and shall announce the voting results on the spot, and record them in the meeting minutes.

Shareholders of the Company or their proxies voting online or in any other manner shall have the right to check their own voting results through the corresponding voting system .

Article 87 The closing time of the on-site voting of a shareholders' meeting shall not be earlier than that of online or any other manner of voting. The chairman of the meeting shall announce the voting and the voting results of each proposal, and announce whether a proposal is passed based on the voting results.

Before the voting results are officially announced, the Company, vote counters, vote scrutineers, shareholders, network service providers, and other parties involved in the on-site, online and other manner of voting of the shareholders' meeting shall all be obligated to keep the voting confidential.

Article 88 Shareholders present at a shareholders' meeting shall express one of the following opinions on a proposal submitted for voting: for, against or abstain, save for the circumstance under which securities registration and clearing institution, acting as the nominee holder of shares under the Mainland-Hong Kong Stock Connect, makes a declaration according to the intentions of the actual holders.

The voters of blank ballots, incorrectly completed ballots, illegible ballots and uncast ballots shall be deemed to have waived their voting rights. The voting results of their shares shall be counted as "abstention".

Article 89 In the event that the chairman of the meeting has any doubt about the voting results of a resolution, he/she may arrange for a recount of the votes; where the chairman fails to recount the votes, and any shareholder or their proxies attending the meeting raises any objection to the result announced by the chairman, he/she shall have the right to require a recount immediately after the voting result is announced, and the chairman shall immediately arrange for a recount.

Article 90 The resolutions of a shareholders' meeting shall be announced in a timely manner, and the announcement shall state the number of shareholders (and proxies thereof) attending the meeting, the total number of voting shares held by them, and their aggregate proportion to the total number of voting shares of the Company, the voting method, the voting result of each proposal and the details of each proposal passed.

Article 91 Where a proposal is not passed, or a resolution passed at a previous shareholders' meeting is modified at the current shareholders' meeting, a special note shall be made in the announcement of the resolutions made at the current shareholders' meeting.

Article 92 Where a proposal on the election of directors is passed at a shareholders' meeting, the new appointed director shall commence his/her term of office immediately after the conclusion of the shareholders' meeting.

Article 93 Where a proposal on the distribution of cash dividends or bonus shares or capitalization of capital reserves is passed at a shareholders' meeting, the Company shall implement a specific plan thereon within 2 months upon the conclusion of the shareholders' meeting.

CHAPTER V DIRECTORS AND BOARD OF DIRECTORS

Section 1 General Provisions of Directors

Article 94 Directors of the Company include executive directors, non-executive directors and independent directors. Directors of the Company shall be natural persons. Under any of the following circumstances, anyone may not act as a director of the Company:

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

(II) a person who has been sentenced to a term of imprisonment for embezzlement, bribery, conversion of property, misappropriation of property, or sabotaging the socialist economic order; or has been deprived of his/her political rights as a result of a criminal

conviction and 5 years have not elapsed since the date on which execution of the sentence was completed, or who has been sentenced to probation and 2 years have not elapsed since the date of expiration of the probation period;

(III) a person who has served as a director, the factory chief, or the manager of an insolvent and liquidated company or enterprise and is held personally liable for such bankruptcy, and 3 years have not elapsed since the date when the bankruptcy and liquidation of the company or enterprise are completed;

(IV) a person who has served as the legal representative of a company or enterprise whose business license was revoked or which is ordered to close down due to any violation of laws, and is held personally liable for the revocation, and 3 years have not elapsed since the date when the revocation or closure occurs;

(V) a person who has a relatively large sum of debt, which was not paid at maturity, resulting in such person being listed and enforced by the People's Court as a dishonest person;

(VI) a person who has been prohibited from entering the securities market by the CSRC for a period which has not been expired yet;

(VII) a person who has been publicly declared by any stock exchange to be unsuitable for serving as the directors and senior management of any listed company for a period which has not been expired yet;

(VIII) any contents stipulated by laws, administrative regulations, and the securities regulatory rules for the place where the Company's shares are listed.

Where the election or appointment of any director violates the preceding paragraph, it shall be invalidated. If the directors fall into the above situations as mentioned in the preceding paragraphs during their term of office, they would be dismissed and their performance of their duties would be suspended by the Company.

Article 95 The Board of the Company shall have 3 directors assumed by employee representative.

Non-employee representative directors shall be elected or replaced at the shareholders' meeting, and employee representative directors shall be democratically elected by the employees of the Company through the employee representative congress, the employee congress, or any

other means, with a term of 3 years. Upon expiry of the term, a director shall be eligible for re-election and re-appointment. Non-employee representative directors can be removed by the shareholders' meeting before the term of office expires.

The term of office of a director shall commence from the date of taking the position until the expiry of the term of office of the current session of the Board of Directors. A director shall continue to perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules for the place where the Company's shares are listed, and the Articles of Association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.

A director may concurrently serve as senior management personnel, but the total number of directors concurrently serving as senior management personnel and directors served by employee representatives shall not exceed one-half of the total number of directors of the Company.

A ¸ic e 96 The directors shall abide by laws, administrative regulations, and the Articles of Association, and bear the following fiduciary obligations to the Company, and take measures to avoid the conflict between their own interests and those of the Company, and shall not seek any improper interests by taking advantage of their powers.

The directors bear the following fiduciary obligations to the Company:

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

(II) not to open accounts in his/her own name or in the name of any other person for the deposit of the Company's funds;

(III) not to take advantage of their powers to bribe or accept other illegal income;

(IV) not to enter into any contract or conduct any transaction, directly or indirectly, with the Company without reporting to the Board of Directors or the shareholders' meeting and obtaining approval through resolutions by the Board of Directors or the shareholders' meeting as stipulated in the Articles of Association;

(V) not to use the advantages provided by their own positions to pursue business opportunities that belong to the Company for their own account or for the account of any other person, unless reported to the Board of Directors or the shareholders' meeting and obtained approval through resolutions by the shareholders' meeting, or the Company cannot use the business opportunities according to laws, administrative regulations, or the Articles of Association;

(VI) not to engage in the same business as the Company either for their own account or for the account of any other person without reporting to the Board of Directors or the shareholders' meeting and obtaining approval through resolutions by the shareholders' meeting;

(VII) not to accept commissions paid by others for transactions conducted with the Company as their own;

(VIII) not to disclose the confidential information of the Company without authorization;

(IX) not to abuse their connected relationships to damage the Company's interests;

(X) other fiduciary obligations stipulated in laws, administrative regulations, departmental rules, and the Articles of Association.

The income obtained by the director in violation of this article shall belong to the Company. If losses are caused to the Company because of such violation, such director shall be liable for compensation.

Article 97 The directors shall abide by laws, administrative regulations, and the Articles of Association, and bear duty of diligence to the Company. They shall perform their duties for the best interests of the Company and exercise the reasonable care that shall be generally possessed by a manager.

The directors bear the following duty of diligence to the Company:

(I) to exercise the rights granted by the Company in a prudent, serious and diligent manner to ensure that the Company's business activities comply with the requirements of laws, administrative regulations and various national economic policies, and that the business activities do not exceed the business scope specified in the business license;

(II) to treat all shareholders fairly;

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

(IV) sign a written confirmation on the Company's regular reports. Ensure that the information disclosed is true, accurate and complete;

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

Section 2 Board of Directors

Article 104 The Company has established a Board of Directors, which shall be accountable to the shareholders' meeting.

Article 105 The Board of Directors of the Company shall consist of nine directors, of which three of them shall be non-employee representative directors, and three of them shall be independent directors. The number of independent directors must include at least one accounting professional who meets the relevant requirements. The Board of Directors shall have one Chairperson and one vice Chairperson of the Board.

Article 106 The Board shall exercise the following powers:

(I) to convene the shareholders' meeting and report to the shareholders' meeting;

(II) to implement the resolutions of the shareholders' meeting;

(III) to decide on the company's business plan and investment plan;

(IV) to formulate the Company's profit distribution plan and loss recovery plan;

(V) to formulate plans for the increase or reduction of the registered capital, the issuance of bonds or other securities and the listing of the Company;

(VI) to draw up proposals for major acquisitions of the Company, acquisition of the Company's shares or mergers, divisions, dissolutions and changes in the form of the Company;

(VII) to decide to repurchase the Company's shares when the shares are used for employee stock ownership plan or equity incentives; when the shares are used for converting corporate bonds convertible into shares issued by the listed company, or when it is necessary for the listed company to preserve its value and shareholders' rights and interests, in accordance with the Company's articles of association;

(VIII) to decide on the Company's foreign investment, acquisition and sale of assets, asset mortgages, external guarantee matters, entrusted wealth management, connected transactions, external donations and other matters within the scope of authorization by the shareholders' meeting;

(IX) to decide on the establishment of internal management bodies of the Company;

(X) the appointment or dismissal of the manager, Secretary of the Board of Directors and other senior management members of the Company, and decide on matters of remuneration, rewards and punishments thereof; based on the nomination of the manager, decide on the appointment or dismissal of the deputy manager, the person in charge of finance and other senior management members of the Company;

(XI) to develop the basic management system of the Company;

(XII) to establish a plan for the revision of the Articles of Association;

(XIII) to manage corporate disclosure matters;

(XIV) to propose to the shareholders' meeting the appointment or replacement of the accounting firm that audits the Company;

(XV) to receive reports on the work of the manager of the Company and to inspect the work of the manager;

(XVI) other powers and functions conferred by laws, administrative regulations, departmental rules, the Articles of Association or the shareholders' meeting. Matters exceeding the scope of authorization by the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

Article 107 The Board of the Company shall give an explanation to the shareholders' meeting on the non-standard audit opinion issued by the certified public accountant on the financial reports of the Company.

Article 108 The Board has formulated the rules of procedure of the Board to ensure that the Board implements the resolutions of the shareholders' meeting, improves work efficiency and ensures scientific decision-making.

The rules of procedure of the Board shall be annexed to the Articles of Association and shall be drafted by the Board and submitted to the shareholders' meeting for approval.

Article 109 The Board shall determine the authority of foreign investment, acquisition and sale of assets, asset mortgages, external guarantee matters, entrusted wealth management, connected transactions, external financial assistance, external donations, etc., and establish strict review and decision-making procedures; major investment projects shall be organized to be

evaluated by relevant experts and professionals and reported to the shareholders' meeting for approval. Unless otherwise provided for by the securities regulatory rules in the place where the Company's shares are listed, the Board of Directors has the authority to decide:

(I) The investment and financing rights of the Board of Directors:

(1) The board of directors is responsible for investment projects where the investment funds required do not exceed 30% (inclusive) of the Company's latest audited net asset value. If the amount exceeds the above limit, it shall be reported to the shareholders' meeting for approval.

(2) The shareholders' meeting grants the Board of Directors the authority to borrow from banks in a single transaction not exceeding 30% of the Company's latest audited net asset value, provided that the Company's asset to liability ratio does not exceed 70%.

(3) The Board of Directors has the right to decide on investment plans not exceeding 30% (inclusive) of the Company's latest audited net assets, as well as the right to adjust the investment amount within 30% of the Company's latest audited net assets.

(4) The risk investment scope that the Board of Directors has the right to determine includes securities, bonds, property rights, futures, market investment.

(5) The shareholders' meeting authorizes the Board of Directors to decide on the auction amount which shall not exceed 30% (inclusive) of the Company's latest audited net assets, and to bid for the state-owned land use rights or equity related to major business through bidding, auction or listing and tender.

(II) The right to dispose of property of the Board of Directors

(1) The Board of Directors has the right to decide on asset mortgages/pledges within 10% (inclusive) of the Company's latest audited net assets;

(2) When the Company's acquisition, sale, or replacement of assets meets one of the following criteria, the Board of Directors shall review and submit the matter to the shareholders' meeting for approval. If the following criteria are not met, the Board of Directors shall review and approve the matter:

(2.1) The total assets purchased, sold, or replaced account for more than 30% of the total assets in the Company's latest audited consolidated financial statements;

(2.2) The net assets purchased, sold, or replaced (assets minus liabilities assumed) account for more than 50% of the net assets in the Company's latest audited consolidated financial statements;

(2.3) The main business income generated by the assets purchased, sold or replaced in the latest accounting year accounts for more than 50% of the main business income in the Company's audited consolidated financial statements for the most recent accounting year. If a Company purchases, sells or replaces the same or related assets in batches within 12 months, the purchase, sale or replacement amount shall be calculated based on the cumulative amount. The Company shall also engage an accounting firm or asset appraisal agency that complies with the provisions of the Securities Law to audit or appraise the assets to be acquired or sold. The audit reference date shall not be more than six months from the date of the shareholders' meeting to review the relevant transaction matter; the appraisal reference date shall not be more than one year from the date of shareholders' meeting to review the relevant transaction matter. The acquisition or sale of assets by a subsidiary in which the Company directly or indirectly holds more than 50% of its shares shall be deemed as an act of the Company and shall be subject to this article.

(3) External financial assistance: the amount of financial assistance provided in a single transaction shall not exceed 10% of the Company's latest audited net assets, and the amount of financial assistance provided within twelve consecutive months shall not exceed 30% of the Company's latest audited total assets. The Company's Board of Directors, when considering the provision of external financial assistance, must obtain the consent and resolution of more than two-thirds of the directors present at the board meeting, and the related directors must abstain from voting. When the number of voters is less than three, the matter shall be submitted directly to the shareholders' meeting for consideration.

(III) The Board of Directors shall have the authority to decide on the entering, modification, discharge, and termination of any major production, sales, or procurement contract (including entrusted operation, being entrusted to manage, entrusted financial management, short-term investment, contracting, and leasing) with an amount not exceeding 50% (inclusive) of the Company's latest audited net asset value. Material contracts exceeding 50% of the Company's latest audited net asset value must be submitted to the shareholders' meeting for approval.

(IV) Connected transactions

Unless otherwise provided by the securities regulatory rules in the place where the Company's shares are listed, the connected transactions between the Company and connected natural persons with transaction amount exceeding RMB0.3 million; the connected transactions between the Company and connected legal persons with transaction amount exceeding RMB3 million, and accounts for more than 0.5% of the absolute value of the Company's latest audited net assets.

The transaction amount of connected transactions shall be calculated based on the cumulative amount of connected transactions with the same connected party or with different connected parties with the same transaction subject matter within 12 consecutive months.

(V) External donations

Donations made by the Company and its subsidiaries in each accounting year totaling more than RMB5 million must be considered and approved by the Company's Board of Directors before implementation. Donations exceeding RMB10 million must be considered by the Board of Directors and then submitted to the shareholders' meeting for consideration and approval. External donations that do not meet the criteria for consideration by the Board of Directors must be approved by the Chairperson of the Board before implementation.

If the Company's external donations are subject to consideration by the Board of Directors or shareholders' meeting during the accounting year due to the principle of cumulative calculation, only the current donation shall be submitted to the Board of Directors or shareholders' meeting for consideration, and the external donations made during the accounting year shall also be disclosed in the announcement of the current external donations. If relevant approval procedures have been completed in accordance with the provisions of this article, such external donations will no longer be included in the relevant cumulative calculation scope.

The "cumulative donation amount" mentioned in this article includes the amount of external donations made by the Company and its subsidiaries, which shall be calculated and managed uniformly by the Company.

Article 110 The Board shall have a Chairperson and a vice Chairperson. The Chairperson and vice Chairperson shall be elected by the Board of Directors by a majority of all directors.

Article 111 The Chairman of the Board shall exercise the following duties and powers:

(I) to preside over shareholders' meetings, convene and preside over the Board meetings;

(II) to monitor and check the implementation of the resolutions of the Board;

(III) In accordance with the principles of scientific, efficient and prudent decision-making, and within the scope of authority by the shareholders' meeting, the following matters are hereby resolved:

1. principal business investments, as well as asset disposal and investment decision-making matters such as sale, purchase, lease, rent-in, and write-off, where the single amount account for less than 10% of the latest total audited net assets, or the cumulative amount of a single business within one year account for less than 20% of the latest total audited net assets;

2. loan agreements where the single amount account for less than 10% of the latest total audited net assets, or the cumulative amount of a single contract within one year is below RMB50 million or account for less than 20% of the latest total audited net assets, and various contracts such as purchase and sales agreements where the single amount account for less than 10% of the latest total audited net assets;

3. asset mortgages/pledges where the single amount or cumulative amount within one year account for less than 5% of the latest audited net assets;

4. non-principal business investments (including securities, futures, other financial derivatives, real estate, and other corporate venture investments) where the single amount account for less than 5% of the latest total audited net assets, or the cumulative amount of a single business within one year account for less than 10% of the latest total audited net assets.

5. any connected transaction between the Company and the connected natural person involving an amount less than RMB0.3 million and any connected transaction between the Company and the connected legal person involving an amount less than RMB3 million or account for less than 0.5% of the absolute value of the latest audited net assets of the Company.

   When making decisions for the aforementioned contract, the Chairman should conduct a thorough investigation on the contract background and may also seek advisory opinions from professional institutions regarding his/her decisions.

(IV) other duties and powers as conferred by the Board.

Article 112 The Vice Chairman of the Company shall assist the Chairman of the Board in his/her work; where the Chairman of the Board is unable to perform his/her duties, the Vice Chairman shall carry out such duties; where the Vice Chairman of the Board is unable to perform his/her duties, a director shall be elected by more than one half of the directors to perform such duties.

Article 113 A meeting of the Board shall be convened at least four times each year and convened by the Chairman of the Board, and written notice shall be given to all directors 14 days before the meeting.

Article 114 Extraordinary Board meetings may be proposed to be convened by shareholders representing more than one-tenth of the voting rights, more than one-third of the directors, or the audit committee. The Chairman shall convene the meeting within 10 days of receiving such proposal, and preside over the Board meeting.

Article 115 A notice of extraordinary Board meeting to be convened by the Board shall be served in writing (including personal delivery, mail, fax, email and other means) to all directors three days prior to the date of the meeting, and be served at any time in oral form, telephone or otherwise in the event of emergencies.

Article 116 The notice of a meeting of the Board shall include the following:

(I) date and place of the meeting;

(II) duration of the meeting;

(III) reasons for holding the meeting and proposals to be considered;

(IV) date of serving the notice.

Article 117 Meetings of the Board of Directors shall be held only if more than half of the directors are present. Except otherwise specified in laws, administrative regulations, department rules and the securities regulatory rules for the place where the Company's shares are listed, resolutions of the Board shall be passed by more than half of all directors.

Each director shall have one vote for a resolution to be approved by the Board.

Article 118 If a director is connected to the enterprise involved in a resolution to be made at a Board meeting, the director shall not vote on the aforesaid resolution, or vote on behalf of other directors. The aforesaid Board meeting may be held with the attendance of over half of the non-connected directors. Resolutions made by the Board meeting shall be adopted by over half of non-connected directors. If the number of non-connected directors attending the Board meeting is below three, the matter shall be submitted to the shareholders' meeting for consideration.

Article 119 Board meetings may be convened either in person or via electronic communication. When convened in person, voting of the resolutions shall be conducted by a show of hands. When convened via electronic communication, resolutions may be voted and adopted by electronic communication, provided that directors can fully express their opinions, and such resolutions shall be signed by the attending directors.

Article 120 Directors shall attend Board meetings in person. If a director is unable to attend for any reason, he/she may appoint another director to attend the meeting on his/her behalf by a written power of attorney specifying the name of the proxy, issues under authorization, scope of authorization and valid period, which will be signed or affixed with a seal by the appointing director. A director appointed as a proxy for another director to attend the meeting shall exercise the rights of a director within the scope of authority conferred by the appointing director. Where a director is unable to attend the Board meeting and has not appointed a representative to attend the meeting on his/her behalf, he/she shall be deemed to have waived his/her right to vote at the meeting.

Article 121 The Board of Directors shall keep minutes of resolutions passed at Board meetings. The minutes shall be signed by the attending directors.

The minutes of Board meetings shall be kept as archives of the Company for at least 10 years.

Article 122 The minutes of the meetings of the Board of Directors shall include the following:

(I) date and place of the meeting and name of the convener;

(II) names of the attending directors and names of the directors (proxies) appointed by others to attend the Board meeting;

(III) agenda of the meeting;

(IV) main points of directors' speeches;

(V) method and result of the voting for each proposal (the voting result should specify the number of votes for and against the proposal and abstained).

Section 3 Special Committee under the Board of Directors

Article 123 The Company's Board of Directors shall establish an audit committee to exercise the duties and powers of the supervisory committee as stipulated in the Company Law.

Article 124 The audit committee shall comprise of three members, who are non-executive directors not serving as senior management of the Company, among which a majority shall be independent directors. The committee shall include accounting professionals meeting relevant requirement, and the accounting professionals among the independent non-executive directors shall serve as the convener.

Article 125 The audit committee is responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating the internal and external auditing work and internal control, and the following matters shall be submitted to the Board of Directors for consideration after being approved by a majority of all members of the audit committee:

(I) disclosure of financial information in the financial accounting report and periodic report, as well as the internal control and evaluation report;

(II) engagement or dismissal of the accounting firm performing audit of the Company;

(III) appointment or dismissal of the officer in charge of finance of the Company;

(IV) change of accounting policies, accounting estimates or correction of material accounting errors for reasons other than changes in accounting standards;

(V) other matters as stipulated by laws, administrative regulations, regulations of the regulatory authorities and stock exchanges where the Company's shares are listed, and the Articles of Association.

Article 126 The audit committee shall convene at least one meeting every quarter. An extraordinary meeting may be convened upon the proposal of two or more members or when the convener considers it necessary. The quorum of a meeting of the audit committee shall be not less than two-thirds of the members.

Resolutions made by the audit committee shall be passed by a majority of the members of the audit committee.

Resolutions of the audit committee shall be decided on a one-person, one-vote basis.

The audit committee shall prepare meeting minutes for its resolutions in accordance with the regulations, and the members of the audit committee attending the meeting shall sign on the meeting minutes.

The rules of procedure for the audit committee shall be formulated by the Board of Directors.

Article 127 The Board of Directors of the Company shall establish strategy and ESG committee, remuneration and appraisal committee, nomination committee and other special committees. The special committees perform their duties in accordance with the Articles of Association and the authorization of the Board, and their proposals shall be submitted to the Board for consideration and approval. The rules of procedure for the special committees shall be formulated by the Board of Directors. The majority of the members of the remuneration and appraisal committee and nomination committee of the Board are independent directors who are also the conveners.

Article 128 The primary duties of the strategy and ESG committee, the remuneration and appraisal committee and the nomination committee are as follows:

The strategy and ESG committee of the Board is responsible for studying and making recommendations on the long-term development strategy, major investment decisions, sustainable development and ESG-related matters of the Company; the remuneration and appraisal committee is responsible for formulating the evaluation criteria for directors and senior management personnel and conducting the evaluation, and formulating and reviewing the remuneration policies and programs for directors and senior management personnel, and making recommendations to the Board on related matters; the nomination committee is responsible for formulating the criteria and procedures for the selection of directors and senior management personnel, and selecting and

reviewing the candidates for directors and senior management personnel and their qualifications, and making recommendations to the Board on related matters. The specific duties and powers of each of the special committees of the Board shall be specified by the corresponding rules of procedure formulated by the Board of Directors. For the recommendations of the remuneration and appraisal committee and nomination committee that are not adopted or not fully adopted by the Board of Directors, opinions of such special committee and specific reasons for not adopting shall be recorded in the resolution of the Board of Directors and disclose.

CHAPTER VI SENIOR MANAGEMENT

Article 129 The Company shall have one general manager, who shall be nominated by the Chairman, and appointed or dismissed by the Board.

The Company shall have several deputy general managers, who shall be appointed or dismissed by the Board.

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

Article 130 The circumstances in which a person may not act as a director as set forth hereof shall also apply to senior management.

The provisions hereof on obligations of the fiduciary and diligence of directors shall also apply to senior management.

Article 131 Persons who hold administrative posts other than directors and supervisors in the controlling shareholder of the Company shall not serve as senior management of the Company.

Article 132 The general manager shall serve for a term of three years and may serve consecutive terms if re-appointed.

Article 133 The general manager shall report to the Board and exercise the following duties and powers:

(I) to be in charge of the production, operation and management of the Company, organize the implementation of the resolutions of the Board, and report his/her work to the Board;

(II) to organize the implementation of annual operation plans and investment schemes of the Company, and possess the right to decide on investment projects within the investment plan approved by the Board of Directors, with the total amount of external investment not exceeding 5% of the latest audited net assets;

(III) to draft the plans for the establishment of the internal management organization of the Company;

(IV) to draft the basic management system of the Company;

(V) to formulate the rules and regulations of the Company;

(VI) to propose to the Board the appointment or dismissal of the deputy general manager and chief financial officer of the Company;

(VII) to decide on the appointment or dismissal of management personnel other than those who should be appointed or dismissed by the Board;

(VIII) other duties and powers as conferred by the Articles of Association or by the Board.

Article 134 The general manager shall formulate the working rules of the general manager, which shall be implemented upon approval by the Board.

Article 135 The working rules of the general manager include the following:

(I) conditions and procedures for convening the general manager's meeting, and its participants;

(II) the specific duties and division of responsibilities of the general manager and other senior management personnel;

Article 137 According to the requirements of the Company, the Company shall determine the procedures for the appointment and dismissal of the deputy general manager, the relationship between the deputy general manager and the general manager and the responsibilities and authorities of the deputy general manager in the Article of Association.

Article 138 The Company shall have a secretary to the Board, who is responsible for preparing for shareholders' meetings and Board meetings of the Company, maintaining documents and managing shareholders information of the Company, as well as handling information disclosure matters. The secretary to the Board of the Company shall comply with the laws, administrative regulations, departmental rules and the relevant provisions of the Articles of Association.

Article 139 If the senior management violates laws, administrative regulations, or the provisions of the Articles of Association when performing their duties in the Company, they shall be liable for compensation for any loss caused to the Company.

Article 140 The senior management of the Company shall perform their duties faithfully and safeguard the best interests of the Company and all shareholders.

CHAPTER VII FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Section 1 Financial Accounting, Profit Distribution and Supervision

Article 141 The Company shall formulate its financial accounting system in accordance with laws, administrative regulations, and the requirements of relevant departments of the state.

Article 142 The Company shall submit and disclose its annual report to the securities regulatory authority and stock exchange where its shares are listed within 4 months after the end of each financial year, and shall submit and disclose its interim report to the securities regulatory authority and stock exchange where its shares are listed within 2 months after the end of the first 6 months of each financial year.

The aforementioned annual reports and interim reports are prepared in accordance with relevant laws, administrative regulations, and regulations of CSRC and stock exchange.

Article 143 The Company shall not keep accounts other than those provided by law. Any assets of the Company shall not be kept under any account opened in the name of any individual.

Article 144 When distributing after-tax profits of the year, the Company shall set aside 10% of its after-tax profits for the Company's statutory reserve fund. When the aggregate balance in the statutory reserve fund has reached 50% or more of the Company's registered capital, the Company needs not to make any further allocations to that fund.

Where the Company's statutory reserve fund is not enough to make up losses of the Company for the preceding years, the current year's profits shall be applied first to make up the losses before being allocated to the statutory reserve fund in accordance with the preceding provisions.

Subject to a resolution passed at a shareholders' meeting, after allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund.

Except for the portion not to be distributed in proportion to shareholdings as stipulated in the Articles of Association, the remaining after-tax profits, after recovery of losses and appropriation of the statutory reserve fund, shall be distributed to shareholders in proportion to their shareholdings.

Where the Company distributes its profits before recovery of losses and appropriation of statutory reserve fund to the shareholders in breach of the preceding provisions, shareholders must refund to the Company the profits distributed in violation of the provisions.

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

The Company shall appoint one or more receiving agents in Hong Kong for H Share shareholders to receive and keep on behalf of such H Share shareholders dividends declared and other monies owing by the Company in respect of H shares, for payment to such H Share shareholders. The receiving agents appointed by the Company shall satisfy the requirements of the laws and regulations, and the securities regulatory rules of the place where the Company's shares are listed.

Article 145 The surplus reserves of the Company shall be used to make up for the Company's losses, expand the production and operations of the Company or increase the Company's capital.

The discretionary reserve fund and statutory reserve fund shall be used first to make up for the Company's losses; if the losses cannot be covered, the capital reserve fund can be used in accordance with the regulations.

Where the statutory reserve fund is converted into registered capital, the amount of such reserve fund retained shall be no less than 25% of the Company's registered capital prior to the conversion.

A ¿ic e 146 The formulation and revision of the Company's profit distribution plan:

(I) The profit distribution plan of the Company shall be formulated by the Board of Directors in accordance with the provisions of the Articles of Association, and in view of the Company profitability, capital requirements, and plans for shareholders' returns. The profit distribution plan is subject to the consideration and approval by the Board of Directors before submission to the shareholders' meeting for approval. The Company shall consult and fully consider the opinions of the independent directors.

Before the shareholders' meeting considers the specific cash dividend plan, it shall actively communicate and exchange with small and medium-sized shareholders through several channels such as the Shenzhen Stock Exchange's investor relations management platform and by collecting letters and phone calls from small and medium-sized shareholders, fully listen to these shareholders' opinions and demands, and promptly respond to their issues of concern.

(II) If the Company needs to adjust or change its profit distribution policy and plan for shareholders' dividend return based on its production and operation conditions, investment plans and long-term development needs, it shall meet the conditions stipulated in the Articles of Association. After the proposal to amend the profit distribution policy has been considered by the Board of Directors, it must be approved by more than two-thirds of the shareholders attending the shareholders' meeting wit.8(needs)-5orep'

The Company may distribute profits in cash, in shares, in a combination of both cash and shares, or by other methods permitted by laws and regulations. The Company shall actively promote the dividend distribution in cash, and subject to the full distribution of cash dividends and a reasonable equity size and shareholding structure of the Company, the Company may make profit distribution by allocating dividend in shares in order to align the equity size with performance growth.

(II) Conditions of distribution of cash dividends

1. the distributable profit (i.e. the after-tax profit of the Company after making up for losses and allocation to the common reserve fund) realized by the Company for the year is positive in value, and the Company has sufficient cash flow, and distribution of cash dividends will not affect the Company's subsequent continuous operations;

2. the Company's accumulated distributable profit is positive in value;

3. the audit firm issues a standard unqualified audited report on the Company's financial report for the year;

4. the Company has no material investment plans or material cash expenditures (except for fundraising projects). Material investment plans or material cash expenditures refer to: the proposed external investment, acquisition of assets or purchase of equipment by the Company in the coming twelve months with accumulated expenses amounting to or exceeding 30% of the Company's latest audited net assets.

(III) Timing and ratio of cash dividends

Under the circumstances that the conditions of the above-mentioned cash dividend are met at the same time, the Company will actively distribute dividends in cash and pay cash dividends once a year. The Board of Directors of the Company may propose that the Company pays interim cash dividends based on the Company's profitability and capital requirements. The Company shall maintain the sustainability and stability of the profit distribution policies, and the profit distributed in cash each year shall be no less than 10% of the distributable profit realized in that year, and the cumulative profit distributed in cash in the last three years shall be no less than 30% of the average annual distributable profit realized in the last three years.

(IV) Conditions for distributing dividends in shares

The Company may distribute profits in the form of share dividends based on the accumulated distributable profits, reserve fund and cash flow, subject to ensuring the minimum cash dividend ratio and a reasonable equity size of the Company, and in order to align the equity size with performance growth.

(V) After the Company's shareholders' meeting resolves on the profit distribution plan, or after the Company's Board of Directors formulates a specific plan based on the conditions and upper limit of interim dividends for next year considered and approved by the annual shareholders' meeting, the distribution of dividends (or shares) must be completed within 2 months.

Section 2 Internal Audit

Article 148 The Company shall implement an internal audit system, which specifies the leadership system, responsibilities and authorities, staffing, financial security, use of audit results and accountability for internal audit work. The Company's internal audit organization supervises and inspects the Company's business activities, risk management, internal control, financial information and other matters.

Article 149 The Company's internal audit system and duties of the audit institutions shall be implemented and disclosed to the public after the approval by the Board of Directors. The head of audit shall be accountable and report work to the Audit Committee of the Board of Directors.

Section 3 Engagement of Accounting Firm

Article 150 The Company employs accounting firms that comply with the provisions of the Securities Law to conduct audits of accounting statements, internal control audit, verification of net assets, and other related consulting services, etc., for a period of one year, which may be renewed.

Article 151 The employment and dismissal of the accounting firm by the Company shall be decided by the shareholders' meeting through ordinary resolutions, and the Board of Directors shall not appoint an accounting firm before the decision is made at the shareholders' meeting.

Article 152 The Company guarantees to provide true and complete accounting documents, accounting books, financial accounting reports and other accounting information to the hired accounting firm, and shall not refuse, conceal or misrepresent them.

Article 153 The audit remuneration of accounting firms or the method of determining such remuneration shall be determined by the shareholders' meeting.

Article 154 When the Company dismisses or does not renew the appointment of an accounting firm, it shall notify the accounting firm 30 days in advance, and the accounting firm shall be allowed to state its opinion when the Company's shareholders' meeting votes on the dismissal of the accounting firm.

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

CHAPTER VIII NOTICES AND ANNOUNCEMENTS

Section 1 Notice

Article 155 Notices from the Company shall be given in the following form:

(I) by hand;

(II) by post;

(III) by way of announcement;

(IV) other means as provided for in the Articles of Association.

Article 156 Where a notice is given by the Company by way of announcement, it shall be deemed to have been received by all persons concerned once the announcement has been made.

Unless the context otherwise requires, the "announcement(s)" referred to in the Articles of Association, for announcements to be made to A shareholders or required to be made in the PRC under the relevant provisions and the Articles of Association, shall mean the publication of information on the website of the Shenzhen Stock Exchange and in the media that fulfil the conditions prescribed by the CSRC; for announcements to be made to H shareholders or required to be made in Hong Kong under the relevant provisions and the Articles of Association, such announcements shall be published on the website of the Company, the website of the Hong Kong Stock Exchange in accordance with the requirements of the relevant Hong Kong Listing Rules and such other websites as may be prescribed under the Hong Kong Listing Rules from time to time.

In respect of the manner in which the Company provides and/or distributes the corporate communication to the H shareholders as required by the listing rules of the place of listing of the Company's shares, subject to compliance with the securities regulatory rules of the place of listing of the Company's shares, the Company may also send or make available the corporate communication to the H shareholders of the Company either electronically or by publishing information on the website of the Company or on the website of the stock exchange of the place where the Company's shares are listed, in place of sending the corporate communication to the H shareholders personally or by postage-paid mail.

Article 157 Notice of a shareholders' meeting convened by the Company shall be given by way of an announcement.

Article 158 Notice of a Board meeting convened by the Company shall be delivered by person, fax, e-mail or other means. In case of emergencies, the notice can be served at any time in oral form, telephone, or other forms.

Article 159

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

Section 1 Merger, Division, Capital Increase and Reduction

Article 162 A merger of companies can take the form of a merger by absorption or a merger by establishment of a new entity.

The absorption of one company by another is a merger by absorption, and the absorbed company is dissolved. The merger of two or more companies to create a new company is a merger by creation, and the merging parties are dissolved.

Article 163 Where the consideration for the merger payable by the Company does not exceed 10% of the net assets of the Company, the merger is not subject to the approval of shareholders' meeting.

Any merger of the Company not subject to a resolution of the shareholders' meeting under the preceding paragraph shall be subject to the resolution of the Board of Directors.

Article 164 In the case of a merger of companies, a merger agreement shall be signed by the merging parties, and a balance sheet and an inventory of property shall be prepared. The Company shall notify the creditors within 10 days from the date of the resolution on the merger and make an announcement within 30 days in an information disclosure media designated by the Company or in the national enterprise credit information publicity system. Within 30 days from the date of receipt of the notice, or within 45 days from the date of announcement if no notice is received, creditors may demand the Company to settle their debts or provide corresponding guarantees for such debts.

Article 165 In the event of a merger of companies, the debts and liabilities of the merging parties shall be assumed by the surviving company or the newly established company after the merger.

Article 166 When the Company is divided, its assets shall be split up accordingly.

In the event of a division, the Company shall prepare a balance sheet and an inventory of property. The Company shall notify its creditors within 10 days from the date of the Company's resolution on division, and shall make an announcement within 30 days in an information disclosure media designated by the Company or in the national enterprise credit information publicity system. If otherwise provided in the securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

Article 167 The debts of a company prior to its division shall be jointly and severally liable to the company after the division. However, unless otherwise agreed in a written agreement between the company and its creditors on the settlement of debts prior to the division.

Article 168 The Company reduces its registered capital and will prepare a balance sheet and an inventory of its property.

The Company shall notify the creditors within 10 days from the date of the resolution of the shareholders' meeting on the reduction of registered capital, and shall make an announcement within 30 days in an information disclosure media designated by the Company or in the national enterprise credit information publicity system. Creditors shall have the right to demand the Company to settle their debts or provide corresponding guarantees for such debts within 30 days from the date of receipt of the notice, or within 45 days from the date of announcement if no notice is received.

Article 169 In the event of a merger or division of a company and a change in the registered matters, the change shall be registered with the company registration authority in accordance with law; in the event of dissolution of a company, the cancellation of the company shall be registered in accordance with law; and in the event of the establishment of a new company, the establishment of the company shall be registered in accordance with law.

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

Section 2 Dissolution and Liquidation

Article 170 The Company shall be dissolved for the following reasons:

(I) the expiration of the term of business provided for in the Articles of Association or the occurrence of any other cause for dissolution provided for in the Articles of Association;

(II) dissolution by resolution of the shareholders' meeting;

(III) dissolution due to merger or division of the Company;

(IV) the business license being suspended, ordered to close or revoked in accordance with the law;

(V) where the Company is experiencing serious difficulties in its operation and management, and its continued existence will result in substantial losses to the interests of shareholders and cannot be resolved by other means, shareholders holding more than 10% of the voting rights in the Company may request the people's court to dissolve the Company.

Article 171 The Company may survive by amending the Articles of Association if the Company has any of the circumstances set forth in items (I) of Article 170 of the Articles of Association.

Any amendment to the Articles of Association in accordance with the preceding paragraph shall be approved by more than two-thirds of the votes held by the shareholders present at the shareholders' meeting.

Article 172 If the Company is dissolved as a result of the provisions of item (I), item (II), item (IV) and item (V) of Article 170 of the Articles of Association, it shall be liquidated. The directors, who are the obligors of the Company's liquidation, shall form a liquidation team to carry out the liquidation within 15 days from the date when the cause of dissolution arises. The liquidation team shall consist of the directors, unless otherwise selected by resolution at the shareholders' meetings.

Article 173 The liquidation team shall exercise the following functions and powers during the period of liquidation:

(I) sorting out the property of the Company, and preparing a balance sheet and an inventory of property separately;

(II) serving notices or making announcements to creditors;

(III) disposal of outstanding business of the Company related to the liquidation;

(IV) settlement of tax arrears and taxes arising from the liquidation process;

(V) clearing off claims and debts;

(VI) distribution of the remaining property of the company after the settlement of its debts;

(VII) representing the Company in civil litigation activities.

Article 174 The liquidation team shall notify the creditors within 10 days from the date of its establishment and make an announcement within 60 days in an information disclosure media designated by the Company or in the national enterprise credit information publicity system. Creditors shall declare their claims to the liquidation team within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement no notice is received. If otherwise provided in the securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

A creditor filing a claim shall state the matters to which the claim relates and provide supporting documents. The liquidation team shall register any claims.

The liquidation team shall not repay any debts to creditors during the period in which claims are being filed.

Article 175 After liquidating the Company's property and preparing the balance sheet and an inventory of property, the liquidation team shall formulate a liquidation plan and report it to the shareholders' meeting or the people's court for confirmation.

The remaining property of the Company's assets after paying liquidation expenses, employees' salaries, social insurance costs and statutory compensation, paying outstanding taxes and settling the Company's debts respectively, shall be distributed by the Company in proportion to the shares held by its shareholders.

During the liquidation period, the Company shall continue in existence, but shall not carry out any business activities unrelated to the liquidation. The property of the Company shall not be distributed to its shareholders before debts have been settled in accordance with the preceding paragraph.

Article 176 If the liquidation team, after liquidating the Company's property and preparing the balance sheet and an inventory of property, finds that the Company's property is insufficient to settle its debts, it shall, in accordance with the law, file a bankruptcy liquidation with the people's court.

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

Article 177 Upon completion of the liquidation of the Company, the liquidation team shall produce a liquidation report, report it to the shareholders' meeting or the people's court for confirmation, and submit it to the Company registration authority to apply for cancellation of the company registration, and announce the termination of the Company.

Article 178 The members of the liquidation team are under a duty of loyalty and diligence in the performance of their liquidation duties. If the members of the liquidation team cause losses to creditors due to intent or gross negligence, they shall be liable for compensation.

Article 179 If the Company is declared bankrupt by law, it shall carry out bankruptcy liquidation in accordance with the laws relating to corporate bankruptcy.

CHAPTER X AMENDMENT TO THE ARTICLES OF ASSOCIATION

Article 180 The Company shall amend the Articles of Association in any of the following circumstances:

(I) after the amendment to the Company Law or relevant laws or administrative regulations, the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws or administrative regulations;

(II) there are changes in the situation of the Company that result in inconsistency with the matters mentioned in the Articles of Association;

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

Article 181 If the amendment to the Articles of Association adopted by resolution of the shareholders' meeting should be approved by the competent authorities, it shall be submitted to the competent authorities for approval; if it involves company registration matters, the change shall be registered in accordance with the law.

Article 182 The Board of Directors shall amend the Articles of Association according to the resolution of the shareholders' meeting to amend the Articles of Association and to the opinions of the relevant competent authorities.

Article 183 If the amendment to the Articles of Association is information required to be disclosed by laws and regulations, it shall be announced in accordance with the regulations.

CHAPTER XI SUPPLEMENTARY PROVISIONS

Article 184 Definitions

(I) Controlling shareholders refers to shareholders whose shares account for more than 50% of the total share capital of a joint stock limited company; or shareholders, although they do not hold more than 50% of the shares, whose voting rights entitled by the shares they hold are sufficient to have a significant influence on the resolutions at the shareholders' meeting, or controlling shareholders as defined in the securities regulatory rules of the place where the Company's shares are listed.

(II) De facto controllers refers to natural persons, legal persons or other organizations who/which, through investment relationships, agreements or other arrangements, are able to actually control the Company.

(III) Related (connected) relationship refers to the relationship between controlling shareholders, de facto controllers, directors and senior management of a company and the enterprises they directly or indirectly control, as well as other relationships that may lead to the transfer of interests of the company according to the securities regulatory rules of the place where the Company's shares are listed. However, relationship between state-owned enterprises shall not be deemed as connected relationship solely because they are under common control of the State.

(IV) "Accounting firm" in the Articles of Association shall have the meaning consistent with that of "auditor" in the Hong Kong Listing Rules, and "independent director" shall have the meaning consistent with that of "independent non-executive director" in the Hong Kong Listing Rules.

Article 185 The Board of Directors may make by-laws in accordance with the provisions of the Articles of Association. Such by-laws shall not be contradictory to the provisions of the Articles of Association.

Article 186 The Articles of Association is provided in Chinese. In case of any discrepancies between any other languages or different versions of the Articles of Association and the Articles of Association, the Chinese version of the Articles of Association after the latest approval and registration by the Shenzhen Municipal Administration for Industry and Commerce (深圳市工商行政管理局) shall prevail.

Article 187 For purpose of the Articles of Association, the terms "above", "within" and "below" shall include the given figure; and the terms "over", "beyond", "lower than" and "more than" shall not include the given figure.

Article 188 The annexes to the Articles of Association include the rules of procedure for the shareholders' meeting and the rules of procedure for the Board of Directors.

Article 189 The Board of Directors of the Company shall be responsible for the interpretation of the Articles of Association. Upon consideration and approval at the shareholders' meeting of the Company, the Articles of Association shall come into force and be implemented.

Shenzhen Wee Heat-Shinkabe Materia Co., Ltd.

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