

SANY Heavy Industry Co., Ltd.
Articles of Association(Draft)
(Applicable after the issuance and listing of H shares)

[Month], 2025

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CHAPTER 1 GENERAL PROVISIONS

Article 1 To safeguard the legitimate rights and interests of SANY Heavy Industry Co., Ltd. (hereinafter the “Company”), its shareholders and creditors, and to regulate the organisation and conduct of the Company, the Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter the “Securities Law”), the Guidelines for Articles of Association of Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter the “Hong Kong Listing Rules”), and other relevant regulations.

Article 2 The Company is a joint stock limited company established in accordance with the Company Law and other relevant regulations.

With approval by Document XZH [2000] No. 209 of the People’s Government of Hunan Province, the Company was lawfully transformed from the original SANY Heavy Industry Group Co., Ltd., and registered with the Administration for Industry and Commerce of Hunan Province, obtaining a business licence.

The current registration authority of the Company is the Administration for Market Regulation of Changping District, Beijing, and the Company’s unified social credit code is 91110000616800612P.

Article 3 On June 18, 2003, the Company was approved by the China Securities Regulatory Commission (hereinafter the “CSRC”) under Document ZJFXZ [2003] No. 55 to issue 60 million ordinary shares (hereinafter “A shares”) to the public for the first time, and these shares were listed on the Shanghai Stock Exchange on July 3, 2003.

The Company was filed with the CSRC on [Day] [Month] [Year] and was listed on the Main Board of The Stock Exchange of Hong Kong Limited (hereinafter the “Hong Kong Stock Exchange”) on [Day] [Month] [Year], with [number] overseas-listed shares issued to the public in Hong Kong (hereinafter “H shares”).

Article 4 The Company’s Chinese name is 三一重工股份有限公司.

The Company’s English name is SANY HEAVY INDUSTRY Co., LTD.

Article 5 The Company’s registered address is 5/F, Building 6, No. 8, Beiqing Road, Changping District, Beijing, 102206.

Article 6 The Company’s registered capital is RMB[●].

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

Article 8 The director who executes the Company's affairs on behalf of the Company serves as its legal representative, and the Chairman of the Board acts as the director representing the Company in executing its affairs.

If the director who represents the Company in executing its affairs resigns, such resignation shall be deemed as a concurrent resignation from the position of legal representative.

Upon the resignation of the legal representative, the Company shall appoint a new legal representative within 30 days from the date of resignation.

Article 9 Civil acts carried out by the legal representative in the name of the Company shall be legally borne by the Company.

Any restriction on the powers of the legal representative stipulated in the Articles of Association or by the shareholders' meeting shall not be asserted against a third party acting in good faith.

If the legal representative causes damage to others while performing duties, the Company shall bear civil liability. After the Company assumes civil liability, it may seek compensation from the at-fault legal representative in accordance with laws or the Articles of Association.

Article 10 Shareholders shall be liable to the Company only to the extent of their subscribed shares, and the Company shall be liable for its debts with all its assets.

Article 11 From the date the Articles of Association become effective, they shall constitute a legally binding document that regulates the organisation and conduct of the Company, as well as the rights and obligations between the Company and its shareholders and among shareholders, and shall be binding on the Company, its shareholders, directors, supervisors, and senior management. Based on the Articles of Association, shareholders may sue other shareholders, shareholders may sue the Company's directors, supervisors, president, and other senior management members, and the Company may sue shareholders, directors, supervisors, president, and other senior management members.

Article 12 Other senior management members referred to in the Articles of Association means the Company's Executive President, Senior Vice Presidents, Vice Presidents, Board secretary, and Chief Financial Officer.

Article 13 In accordance with the Constitution of the Communist Party of China, the Company shall establish Party organisations and carry out Party activities, and shall provide necessary conditions for the activities of such Party organisations.

CHAPTER 2 BUSINESS PURPOSE AND SCOPE

Article 14 The Company's business purpose: Guided by the founding vision of advancing national industry, operate with a customer-centric and talent-first approach. Leverage core capabilities and insights from both domestic and international markets to build a competitive edge through large-scale, high-quality industrial production, thereby fulfilling the Company's fundamental mission of contributing to national industrial development.

Article 15 Upon lawful registration, the Company's business scope includes: manufacturing of construction engineering machinery, lifting machinery, parking systems, general equipment and electromechanical equipment (manufacturing of special equipment requires an administrative permit), metal products, rubber products, electronic products, wire-reinforced hydraulic rubber hoses and hose assemblies, buses (excluding passenger cars) and modified vehicles; sales and maintenance of construction engineering machinery, lifting machinery, parking systems, general equipment, and electromechanical equipment; sales of metal products, rubber products, electronic products, wire-reinforced hydraulic rubber hoses and hose assemblies; sales of buses (excluding passenger cars) and modified vehicles (subject to approval by competent authorities); sales of hardware, as well as mineral products and metal materials permitted by laws and regulations; sales of agricultural machinery; provision of construction engineering machinery leasing services; import and export of goods and technology (except as prohibited or restricted by national laws and regulations); and manufacturing of agricultural machinery (limited to production outside the local jurisdiction). (Market entities may independently select business activities and carry out operations; activities requiring approval shall be conducted according to the approved scope by relevant authorities; the Company shall not engage in activities prohibited or restricted by national or municipal industrial policies.)

CHAPTER 3 SHARES

Section 1 Share Issuance

Article 16 The Company's shares shall take the form of stock. The shares issued by the Company shall be registered shares.

Article 17 The issuance of the Company's shares shall follow the principles of openness, fairness, and impartiality, and each share of the same type shall have equal rights.

For shares of the same type issued in the same offering, the issuance conditions and price per share shall be identical, and each subscriber shall pay the same price per share for the shares subscribed.

Article 18 The shares issued by the Company shall have their nominal value denominated in RMB.

Article 19 A shares issued by the Company shall be centrally deposited with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. H shares issued by the Company may be deposited primarily with a custodian company under Hong Kong Securities Clearing Company Limited in accordance with the laws of the place of listing, securities regulatory rules, and securities registration and custody requirements, and may also be held by shareholders in their personal names.

Article 20 The Company's promoters are SANY Group Co., Ltd., Hunan High-Tech Venture Capital Co., Ltd., Wuxi Yilida Machinery Co., Ltd., Henan Xinghua Machinery Manufacturing Plant, and Loudi Xinye Enterprise Co., Ltd. Each promoter contributed the audited total net assets of the original SANY Heavy Industry Group Co., Ltd. as of October 31, 2000, on a 1:1 basis, converted into 180 million shares of the Company. The total number of shares issued at the time of the Company's establishment was 180 million shares, with a par value of RMB1 per share.

Article 21 The Company's issued shares consist of [•] ordinary shares, of which [•] are A shares and [•] are H Shares.

Article 22 The Company or its subsidiaries (including affiliated enterprises) shall not provide financial assistance in the form of gifts, advances, guarantees, compensation, or loans for the acquisition of shares in the Company or its parent company by others, except in the case of employee stock ownership plans.

For the benefit of the Company, and pursuant to a resolution of the shareholders' meeting or a resolution of the Board of Directors authorised by the shareholders' meeting, the Company may provide financial assistance for the acquisition of shares in the Company or its parent company by others. However, the cumulative total amount of such financial assistance shall not exceed 10% of the total issued share capital. Any Board resolution must be approved by at least two-thirds of all directors.

Section 2 Increase, Decrease and Repurchase of Shares

Article 23 The Company may increase its capital by the following methods in accordance with the needs of its operation and development, in compliance with laws, regulations, and the rules of the securities regulatory authorities of the Company's stock listing place, and upon resolutions passed by the shareholders' meeting:

- (i) Issuing shares to non-specific objects;
- (ii) Issuing shares to specific objects;
- (iii) Distributing bonus shares to existing shareholders;
- (iv) Converting capital reserve into share capital;
- (v) Other methods approved by laws, administrative regulations, the CSRC, and the securities regulatory authorities of the Company's stock listing place.

Article 24 The Company may decrease its registered capital. The decrease of the Company's registered capital shall be carried out in accordance with the procedures stipulated by the Company Law, and other relevant regulations and the Articles of Association.

Article 25 The Company may repurchase its own shares under the following circumstances in accordance with laws, administrative regulations, departmental rules, the rules of the securities regulatory authorities of the Company's stock listing place, and the Articles of Association:

- (i) To reduce the Company's registered capital;
- (ii) To merge with another company holding the Company's shares;
- (iii) To use the shares for employee stock ownership plans or equity incentives;
- (iv) To repurchase shares from shareholders who object to the resolutions on the Company's merger or division made by the shareholders' meeting;
- (v) To use the shares for converting corporate bonds issued by the Company into shares;
- (vi) As necessary to safeguard the Company's value and the rights and interests of shareholders.
- (vii) Other circumstances permitted by laws, administrative regulations, and the securities regulatory rules of the Company's stock listing place.

Except in the foregoing circumstances, the Company shall not repurchase its own shares.

Article 26 The Company may repurchase its own shares through public centralised trading, or by other methods permitted by laws, administrative regulations, the CSRC, and the securities regulatory authorities of the Company's stock listing place.

Where the Company repurchases its own shares in the circumstances specified in Items (iii), (v), and (vi) of the first paragraph of Article 25 of the Articles of Association, such repurchase shall be conducted through public centralised trading.

Article 27 The Company shall repurchase its own shares upon a resolution of the shareholders' meeting under the circumstances specified in items (i) and (ii), of the first paragraph of Article 25 of the Articles of Association. The Company shall repurchase its own shares upon a resolution of the Board of Directors with the attendance of more than two-thirds of the Directors under the circumstances specified in items (iii), (v), and (vi) of the first paragraph of Article 25 of the Articles of Association, provided that it complies with the applicable securities regulatory rules of the Company's stock listing place, and no shareholders' meeting is required.

After the Company repurchases its own shares in accordance with the first paragraph of Article 25, subject to compliance with the applicable securities regulatory rules of the Company's stock listing place, it shall cancel the repurchased shares within ten days from the date of repurchase under the circumstances specified in item (i); it shall transfer or cancel the repurchased shares within six months under the circumstances specified in items (ii) and (iv); and it shall transfer or cancel the repurchased shares within three years under the circumstances specified in items (iii), (v), and (vi), provided that the total number of shares held by the Company shall not exceed 10% of the total number of shares issued by the Company.

Section 3 Transfer of Shares

Article 28 The Company's shares shall be transferred in accordance with the law.

The Company's shares may be transferred in accordance with laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, and the provisions of the Articles of Association. All transfers of H Shares shall be effected by written transfer documents in the ordinary or common form or in any other form acceptable to the Board of Directors (including the standard transfer form or transfer form prescribed by the Hong Kong Stock Exchange from time to time); such transfer documents may only be executed by hand signature or affixed with the Company's valid seal (if the transferor or transferee is the Company). If the transferor or transferee is a Recognised Clearing House (as defined by the relevant ordinances from time to time in force under Hong Kong law) or its nominee, the transfer document may be executed either by hand signature or machine imprint. All transfer documents shall be kept at the Company's registered office or at such other place as the Board of Directors may from time to time designate.

Article 29 The Company shall not accept its shares as the subject of a pledge.

Article 30 Shares held by the promoters shall not be transferred within one year from the date of the Company's establishment. Shares issued prior to the Company's public offering shall not be transferred within one year from the date on which the Company's shares commence trading on a stock exchange.

Directors, Supervisors and senior management members of the Company shall report to the Company the shares they hold in the Company and any changes therein. During their term of office, they shall not transfer more than 25% of the total number of shares they hold in the Company each year; the shares they hold in the Company shall not be transferred within one year from the date the Company's shares are listed and traded. The above personnel shall not transfer the shares they hold in the Company within six months after leaving their positions.

If laws, administrative regulations, or the securities regulatory rules of the Company's stock listing place have other provisions on the transfer restrictions of the Company's shares, such provisions shall prevail.

Article 31 Shareholders, directors, and senior management members holding more than 5% of the Company's shares who sell the Company's shares or other equity securities they hold within six months of purchase, or repurchase them within six months of sale, shall have the gains derived therefrom belong to the Company, and the Company's Board of Directors shall recover such gains. However, this does not apply to a securities company holding more than 5% of shares due to residual shares from underwriting, or to a Recognised Clearing House and its nominees (including Hong Kong Securities Clearing Company Limited and HKSCC Nominees Limited) holding more than 5% of shares, nor to other circumstances prescribed by the CSRC. Where laws, administrative regulations, or the securities regulatory rules of the Company's stock listing place provide otherwise, such provisions shall prevail.

The shares or other equity securities held by directors, senior management members, and natural person shareholders as mentioned in the preceding paragraph include those held by their spouses, parents, children, and those held in other people's accounts.

If the Company's Board of Directors fails to execute the provisions of the first paragraph of this article, shareholders have the right to request the Board of Directors to execute within 30 days. If the Board of Directors fails to execute within the above period, shareholders have the right to directly file a lawsuit with the people's court in the name of the Company for the benefit of the Company.

If the Board of Directors fails to execute the provisions of the first paragraph of this article, the responsible Directors shall bear joint and several liability according to law.

CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' MEETING

Section 1 Shareholders

Article 32 The Company shall establish a register of shareholders based on the certificates provided by the securities depository and clearing institution of the place where the shares are listed. The register of shareholders is conclusive evidence of shareholders' ownership of the Company's shares.

The original copy of the H share register of shareholders shall be kept in Hong Kong, available for shareholders to inspect, but the Company may suspend the registration of shareholders in accordance with applicable laws, regulations, and the securities regulatory rules of the Company's stock listing place. Any shareholder registered in the register of shareholders, or any person entitled to have their name entered in the register of shareholders, may apply to the Company for the issuance of replacement shares if their shares are lost. If an H shareholder loses his/her shares and applies for replacement, the application shall be handled in accordance with laws, stock exchange rules, or other relevant regulations applicable to the place where the original H share register of shareholders is maintained.

Shareholders shall enjoy rights and bear obligations according to the types of shares they hold; shareholders holding the same type of shares shall enjoy equal rights and bear the same obligations.

Article 33 When the Company convenes a shareholders' meeting, distributes dividends, undergoes liquidation, or engages in other activities requiring the determination of shareholder identity, the record date shall be fixed by the Board of Directors or the convener of the shareholders' meeting. Shareholders registered on the register of shareholders after the close of business on the record date shall be entitled to the relevant rights and interests.

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

- (i) To receive dividends and other forms of profit distribution according to the proportion of shares they hold;
- (ii) To request, convene, preside over, attend, or appoint a shareholder proxy to attend the shareholders' meeting and exercise corresponding voting rights;
- (iii) To supervise the Company's operations and make suggestions or inquiries;
- (iv) To transfer, donate, or pledge the shares they hold in accordance with laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, and the Articles of Association;
- (v) To inspect and copy the Articles of Association, register of shareholders, minutes of shareholders' meetings, resolutions of the Board of Directors, resolutions of the Board of Supervisors, financial accounting reports, and accounting books and vouchers of the Company if they meet the requirements;
- (vi) To participate in the distribution of the Company's remaining assets according to the proportion of shares they hold when the Company is terminated or liquidated;
- (vii) To request the Company to repurchase their shares if they object to the resolutions on the Company's merger or division made by the shareholders' meeting;
- (viii) Other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the Company's stock listing place, or the Articles of Association.

Article 35 Shareholders requesting to inspect and copy the Company's relevant materials shall comply with the provisions of the Company Law, the Securities Law, and other laws and administrative regulations.

Article 36 If the content of the resolutions of the shareholders' meeting or the Board of Directors violates laws or administrative regulations, shareholders have the right to request the people's court to determine the invalidity of the resolutions.

If the procedures for convening the shareholders' meeting or the Board of Directors or the voting methods violate laws, administrative regulations, or the Articles of Association, or if the content of the resolutions violates the Articles of Association, shareholders have the right to request the people's court to revoke the resolutions within 60 days from the date the resolutions are made. However, if the procedures for convening the shareholders' meeting or the Board of Directors or the voting methods have only minor defects and do not have a substantial impact on the resolutions, this provision does not apply.

If the Board of Directors, shareholders, or other relevant parties have disputes regarding the validity of a shareholders' meeting resolution, they shall promptly bring a lawsuit before the People's Court. Prior to the Court's judgment or ruling to revoke the resolution, the relevant parties shall execute the shareholders' meeting resolution. The Company, directors, and senior management shall faithfully perform their duties to ensure the normal operation of the Company.

If the People's Court issues a judgment or ruling on the relevant matter, the Company shall fulfill its information disclosure obligations in accordance with laws, administrative regulations, and regulations of the CSRC and the stock exchange, fully explaining the impact, and shall actively cooperate with enforcement after the judgment or ruling takes effect. If the matter involves the correction of prior-period items, the Company shall handle it promptly and fulfill the corresponding information disclosure obligations.

Article 37 A resolution of the shareholders' meeting or the Board of Directors shall be invalid under any of the following circumstances:

- (i) No shareholders' meeting or Board meeting was convened to adopt the resolution;
- (ii) The resolution was not voted upon at the shareholders' meeting or Board meeting;
- (iii) The number of attendees or the voting rights held by attendees did not meet the quorum required by the Company Law or the Articles of Association;
- (iv) The number of votes in favor of the resolution or the voting rights represented by those votes did not meet the threshold required by the Company Law or the Articles of Association.

Article 38 If a director or senior management member, in performing his/her duties, violates laws, administrative regulations, or the Articles of Association and causes losses to the Company, any shareholder who has held individually or collectively more than 1% of the Company's shares for over 180 consecutive days shall have the right to submit a written request to the Board of Supervisors to bring a lawsuit before the People's Court; if a member of the Board of Supervisors violates laws, administrative regulations, or the Articles of Association in performing his/her duties and causes losses to the Company, the aforementioned shareholder may request the Board of Directors in writing to bring a lawsuit before the People's Court.

If, after receiving the written request from the shareholder as provided in the preceding paragraph, the Board of Directors or the Board of Supervisors refuses to initiate a lawsuit, fails to initiate a lawsuit within 30 days from receipt of the request, or in urgent circumstances where failure to initiate a lawsuit immediately would cause irreparable harm to the Company's interests, the aforementioned shareholder may, in order to protect the Company's interests, bring a lawsuit directly before the People's Court in his/her own name.

If a third party infringes upon the Company's lawful rights and causes losses to the Company, the shareholder mentioned in the first paragraph of this Article may bring a lawsuit before the People's Court in accordance with the provisions of the preceding two paragraphs.

If any director, supervisor, or senior management member of a wholly-owned subsidiary of the Company, in performing his/her duties, violates laws, administrative regulations, or the Articles of Association and causes losses to the Company, or if a third party infringes upon the lawful rights of the wholly-owned subsidiary and causes losses, any shareholder who has held individually or collectively more than 1% of the Company's shares for over 180 consecutive days may, in accordance with the first three paragraphs of Article 189 of the Company Law, request the Board of Supervisors or the Board of Directors of the wholly-owned subsidiary in writing to bring a lawsuit before the People's Court, or bring a lawsuit directly before the People's Court in his/her own name.

Where a wholly-owned subsidiary does not have a Board of Supervisors or supervisors, but has an Audit Committee, the provisions of the first and second paragraphs of this Article shall apply.

Article 39 Where directors or senior management members violate laws, administrative regulations, or the Articles of Association and infringe upon shareholders' interests, shareholders may bring a lawsuit before the People's Court.

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

- (i) To comply with laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, and the Articles of Association;
- (ii) To pay the share price according to the shares they subscribe for and the method of subscription;
- (iii) Not to withdraw their capital except in circumstances stipulated by laws and regulations;
- (iv) Not to abuse shareholder rights to damage the interests of the Company or other shareholders; not to abuse the Company's independent legal person status and shareholders' limited liability to damage the interests of the Company's creditors;
- (v) Other obligations stipulated by laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, and the Articles of Association.

Article 41 Shareholders who abuse their rights and cause losses to the Company or other shareholders shall bear compensation liability according to law. Shareholders who abuse the Company's independent legal person status and shareholders' limited liability to evade debts and seriously damage the interests of the Company's creditors shall bear joint and several liability for the Company's debts.

Section 2 Controlling Shareholders and Actual Controllers

Article 42 The Company's controlling shareholders and actual controllers shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, regulations of the CSRC and the stock exchange, and shall safeguard the interests of the listed company.

Article 43 The Company's controlling shareholders and actual controllers shall comply with the following provisions:

- (i) To exercise shareholder rights according to law and not to abuse control rights or use affiliated relationships to damage the legitimate rights and interests of the Company or other shareholders;
- (ii) To strictly fulfill the public statements and commitments made and not to change or exempt them without authorisation;
- (iii) To strictly fulfill information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure work, and promptly inform the Company of major events that have occurred or are expected to occur;
- (iv) Not to occupy the Company's funds in any way;
- (v) Not to force, instruct, or require the Company and its relevant personnel to provide guarantees in violation of laws and regulations;
- (vi) Not to use the Company's undisclosed major information to seek benefits, not to disclose, in any way, any material non-public information relating to the Company, and not to engage in illegal or non-compliant activities such as insider trading, short-swing trading, and market manipulation;
- (vii) Not to damage the legitimate rights and interests of the Company and other shareholders through unfair related-party transactions, profit distribution, asset restructuring, external investment, etc.;
- (viii) To ensure the Company's asset integrity, personnel independence, financial independence, institutional independence, and business independence, and not to affect the Company's independence in any way;
- (ix) Other provisions stipulated by laws, administrative regulations, the CSRC, business rules of the stock exchange, and the Articles of Association.

If the Company's controlling Shareholders or actual controllers do not serve as directors of the Company but actually execute the Company's affairs, the provisions of the Articles of Association on directors' duties of loyalty and diligence shall apply.

If the Company's controlling shareholders or actual controllers instruct directorss or senior management members to engage in activities that damage the interests of the Company or shareholders, they shall bear joint and several liability with such directorss or senior management members.

Article 44 If controlling shareholders or actual controllers pledge the Company's shares held or effectively controlled by them, they shall ensure the Company's control and maintain the stability of its production and operations.

Article 45 When controlling shareholders or actual controllers transfer the Company's shares held by them, they shall comply with the restrictive provisions regarding share transfers under laws, administrative regulations, regulations of the CSRC and the stock exchange, as well as any commitments they have made concerning restrictions on share transfers.

Section 3 General Provisions on Shareholders' Meeting

Article 46 The shareholders' meeting is composed of all shareholders. The shareholders' meeting is the Company's governing body and shall, in accordance with the law, exercise the following powers:

- (i) To elect and remove directors and supervisors who are not staff representatives, and decide on matters related to their remuneration;
- (ii) To examine and approve the Board of Directors' report;
- (iii) To examine and approve the Board of Supervisors' report;
- (iv) To examine and approve the Company's profit distribution plan and loss recovery plan;
- (v) To make resolutions on the Company's increase or decrease of registered capital;
- (vi) To make resolutions on the issuance of corporate bonds;
- (vii) To make resolutions on the Company's merger, division, dissolution, liquidation, or change of corporate form;
- (viii) To amend the Articles of Association;
- (ix) To make resolutions on the appointment and dismissal of accounting firms undertaking the Company's audit business;
- (x) To examine and approve the guarantee matters stipulated in Article 47 of the Articles of Association;
- (xi) To examine and approve matters related to the Company's purchase or sale of major assets exceeding 30% of the Company's most recent audited total assets within one year, and matters stipulated in Article 113 of the Articles that are subject to the consideration by the shareholders' meeting;

- (xii) To examine and approve changes in the use of raised funds;
- (xiii) To examine and approve equity incentive plans and employee stock ownership plans;
- (xiv) To examine and approve other matters that should be decided by the shareholders' meeting as stipulated by laws, administrative regulations, departmental rules, the Articles of Association, or the securities regulatory rules of the Company's stock listing place.

The shareholders' meeting may authorise the Board of Directors to make resolutions on the issuance of corporate bonds. The Company may, pursuant to a resolution of the shareholders' meeting or a resolution of the Board of Directors authorised under the Articles of Association or by the shareholders' meeting, issue shares or corporate bonds convertible into shares. The implementation thereof shall comply with laws, administrative regulations, regulations of the CSRC, and the securities regulatory rules of the Company's stock listing place.

Except as otherwise provided by laws, administrative regulations, departmental rules, or the securities regulatory rules of the Company's stock listing place, the powers of the shareholders' meeting set forth above shall not be exercised by the Board of Directors or any other body or individual through delegation.

Article 47 Any external guarantees provided by the Company must be reviewed and approved by the Board of Directors or the shareholders' meeting.

- (i) The following external guarantee actions of the Company (including but not limited to) must be reviewed and approved by the shareholders' meeting:
 - 1. Any guarantee provided after the total external guarantees of the Company and its controlled subsidiaries reach or exceed 50% of the Company's most recent audited net assets;
 - 2. Any guarantee provided after the total external guarantees of the Company reach or exceed 30% of the Company's most recent audited total assets;
 - 3. Any guarantee provided within one year with a guarantee amount exceeding 30% of the Company's most recent audited total assets;
 - 4. Any guarantee provided to a guarantee object with a debt-to-asset ratio exceeding 70%;
 - 5. Any single guarantee with an amount exceeding 10% of the Company's most recent audited net assets;
 - 6. Any guarantee provided to shareholders, actual controllers, and their related parties;
 - 7. Other external guarantee matters that, pursuant to applicable laws, regulations, or the securities regulatory rules of the Company's stock listing place, shall be decided by the shareholders' meeting.

When the shareholders' meeting considers a proposal to provide guarantees to a shareholder, an actual controller, or their related parties, such shareholder or any shareholder controlled by the actual controller shall not participate in the vote. The proposal shall be approved by a majority of the voting rights held by the other shareholders present at the shareholders' meeting.

The above external guarantees that should be approved by the shareholders' meeting must be reviewed and approved by the Board of Directors before being submitted to the shareholders' meeting for approval. When the shareholders' meeting reviews the guarantee matters stipulated in item (iii) of this article, it must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

- (ii) The Board of Directors of the Company shall have the authority to approve the following external guarantee matters:

except as otherwise provided by the securities regulatory rules of the Company's stock listing place, the Board of Directors shall approve all other external guarantees not required under (1) above to be approved by the shareholders' meeting.

- (iii) If the Company provides guarantees to its controlled subsidiaries, it shall follow the procedures for review and approval by the shareholders' meeting or the Board of Directors as stipulated in (1) and (2) above.
- (iv) External guarantees provided by the Company's controlled subsidiaries must be reviewed and approved by the Board of Directors or shareholders' meeting of the subsidiary, and further reviewed by the Company's Board of Directors or shareholders' meeting. Before convening the subsidiary's shareholders' meeting, the subsidiary shall submit the guarantee proposal to the Company's Board or shareholders' meeting for review and send representatives to attend the meeting. The approval authority for external guarantees of the Company's controlled subsidiaries shall follow the provisions set forth in (1) and (2) above.
- (v) If any external guarantee is provided in violation of the above approval authority or review procedures, the Company shall hold the relevant directors or senior management members accountable. If the guarantee causes significant losses to the Company, legal liability or compensation shall be pursued.
- (vi) Any external guarantee reviewed and approved by the Company's Board of Directors or shareholders' meeting must be disclosed promptly in the information disclosure publications designated by the CSRC. The disclosure shall include the Board or shareholders' meeting resolution, the total external guarantees of the Company and its controlled subsidiaries as of the disclosure date, and the total guarantees provided by the Company to its controlled subsidiaries. Unless otherwise provided by laws, administrative regulations, or the securities regulatory rules of the Company's stock listing place, such provisions shall prevail.
- (vii) Definitions: "External guarantee" refers to any guarantee provided by the Company for others, including guarantees to the Company's controlled subsidiaries. "Total external guarantees of the Company and its controlled subsidiaries" refers to the sum of the Company's total external guarantees (including those to controlled subsidiaries) and the total external guarantees provided by the Company's controlled subsidiaries.

Article 48 The shareholders' meeting is divided into annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be held once a year and shall be held within six months after the end of the previous fiscal year.

Article 49 Under any of the following circumstances, the Company shall hold an extraordinary shareholders' meeting within two months from the date of occurrence:

- (i) When the number of directors is less than the number stipulated by the Company Law or two-thirds of the number stipulated by the Articles of Association;
- (ii) When the Company's unrecovered losses reach one-third of the total share capital;
- (iii) When shareholders who individually or jointly hold more than 10% of the Company's shares request it;
- (iv) When the Board of Directors deems it necessary;
- (v) When independent non-executive directors propose to convene to the Board of Directors;
- (vi) When the Board of Supervisor proposes to convene;
- (vii) Other circumstances stipulated by laws, administrative regulations, departmental rules, the Articles of Association, or the securities regulatory rules of the Company's stock listing place.

Article 50 The Company's shareholders' meeting shall be held at the Company's registered address or at a location specified in the notice of the shareholders' meeting. The shareholders' meeting shall be conducted on-site. The Company shall also provide, in accordance with the securities regulatory rules of the Company's stock listing place, facilities such as online access to enable shareholders to participate in the meeting. Shareholders participating through such means shall be deemed present at the meeting.

The Company shall, while ensuring the legality and validity of the shareholders' meeting, provide convenience for shareholders to participate through various means, including modern information technology such as online voting platforms.

After the notice of the shareholders' meeting is issued, the location of the on-site meeting shall not be changed without valid reason. If a change is necessary, the convener shall announce the change and explain the reason at least two working days before the meeting.

Article 51 When convening a shareholders' meeting, the Company shall engage a lawyer to issue and disclose legal opinions on the following matters:

- (i) Whether the convening and holding procedures of the meeting comply with laws, administrative regulations, and the Articles of Association;
- (ii) Whether the qualifications of the attendees and the convener are legal and valid;
- (iii) Whether the voting procedures and results of the meeting are legal and valid;
- (iv) Any other legal opinions requested by the Company.

Section 4 Convening of Shareholders' Meeting

Article 52 The Board of Directors shall convene the shareholders' meeting within the prescribed time limit.

With the consent of more than half of all independent non-executive directors, independent non-executive directors have the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting. The Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary shareholders' meeting within ten days of receiving the proposal.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days of making the board resolution; if the Board of Directors does not agree to convene an extraordinary shareholders' meeting, it shall explain the reasons and make an announcement.

Article 53 The Board of Supervisors has the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting and shall submit the proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary shareholders' meeting within ten days of receiving the proposal.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days of making the board resolution, and any changes to the original proposal in the notice shall be agreed upon by the Board of Supervisors.

If the Board of Directors does not agree to convene an extraordinary shareholders' meeting or fails to provide feedback within 10 days of receiving the proposal, it shall be deemed that the Board of Directors is unable or unwilling to perform its duties of convening the shareholders' meeting, and the Board of Supervisors may convene and preside over the meeting on its own.

Article 54 Shareholders who individually or jointly hold more than 10% of the Company's shares have the right to request the Board of Directors to convene an extraordinary shareholders' meeting and shall submit the request in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, and the Articles of Association, provide written feedback within ten days after receiving the request, indicating whether it agrees or disagrees to convene the extraordinary shareholders' meeting.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days of making the board resolution, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders.

If the Board of Directors does not agree to convene an extraordinary shareholders' meeting or fails to provide feedback within ten days of receiving the request, shareholders who individually or jointly hold more than 10% of the Company's shares have the right to propose to the Board of Supervisors to convene an extraordinary shareholders' meeting and shall submit the request in writing to the Board of Supervisors.

If the Board of Supervisors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days of receiving the request, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders.

If the Board of Supervisors fails to issue the notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the Board of Supervisors is unable or unwilling to convene and preside over the shareholders' meeting, and shareholders holding more than 10% of the Company's shares separately or jointly for more than 90 consecutive days may convene and preside over the meeting on their own.

Article 55 If the Board of Supervisors or shareholders decide to convene the shareholders' meeting on their own, they shall notify the Board of Directors in writing and complete necessary reports, announcements, or filings in accordance with the securities regulatory rules of the Company's stock listing place and the regulations of the stock exchange.

When issuing the notice of the shareholders' meeting and the announcement of the shareholders' meeting resolution, the Board of Supervisors or convening shareholders shall submit relevant proof materials to the Stock Exchange in accordance with the securities regulatory rules of the Company's stock listing place and the regulations of the stock exchange.

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

Article 56 For shareholders' meetings convened by the Board of Supervisors or shareholders on their own, the Board of Directors and the board secretary shall cooperate. The Board of Directors shall provide the register of shareholders as of the record date.

Article 57 The necessary expenses for the shareholders' meeting convened by the Board of Supervisors or shareholders on their own shall be borne by the Company.

Section 5 Proposals and Notices of the Shareholders' Meeting

Article 58 The content of the proposals shall fall within the scope of the shareholders' meeting's authority, have clear topics and specific resolution matters, and comply with the provisions of laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, and the Articles of Association.

Article 59 When the Company convenes a shareholders' meeting, the Board of Directors, the Board of Supervisors, 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 holding more than 1% of the Company's shares separately or jointly may submit temporary proposals in writing to the convener ten days before the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting within two days of receiving the proposal, announce the content of the temporary proposal, and submit the temporary proposal to the shareholders' meeting for review. However, temporary proposals that violate laws, administrative regulations, or the Articles of Association, or do not fall within the scope of the shareholders' meeting's authority, shall be excluded. If the shareholders' meeting needs to be postponed due to the issuance of a supplementary notice of the shareholders' meeting in accordance with the securities regulatory rules of the Company's stock listing place, the shareholders' meeting shall be postponed in accordance with the securities regulatory rules of the Company's stock listing place.

Except for the circumstances stipulated in the preceding paragraph, the convener shall not modify the proposals already listed in the notice of the shareholders' meeting or add new proposals after issuing the notice of the shareholders' meeting.

Proposals not listed in the notice of the shareholders' meeting or not in compliance with Article 58 of the Articles of Association shall not be voted on or resolved at the shareholders' meeting.

Article 60 The convener shall notify all shareholders in writing (including announcements) 21 days before the annual shareholders' meeting and 15 days before the extraordinary shareholders' meeting. When calculating the starting period, the Company shall not include the date of the meeting.

Article 61 The notice of the shareholders' meeting shall include the following content:

- (i) The time, place, and duration of the meeting;
- (ii) The matters and proposals to be reviewed at the meeting;
- (iii) A clear statement that all ordinary shareholders and shareholders holding special voting rights shares and other shareholders are entitled to attend the shareholders' meeting and may appoint a proxy in writing to attend the meeting and vote, and the proxy does not need to be a shareholder of the Company;
- (iv) The record date for shareholders entitled to attend the shareholders' meeting;
- (v) The name and telephone number of the standing contact person for the meeting;

- (vi) The time and procedure for voting by network or other means.

The notice of the shareholders' meeting and any supplementary notices shall fully and completely disclose the full details of all proposals. If the shareholders' meeting adopts online or other alternative voting methods, the notice shall clearly specify the voting period and procedures for such online or alternative voting.

The start time for online or other alternative voting at the shareholders' meeting shall not be earlier than 3:00 p.m. on the day prior to the on-site meeting and shall not be later than 9:30 a.m. on the day of the on-site meeting. The end time shall not be earlier than 3:00 p.m. on the day the on-site meeting concludes.

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

Article 62 If the shareholders' meeting is to discuss the election of directors or supervisors, the notice shall fully disclose detailed information about each candidate, including at least the following:

- (i) Educational background, work experience, concurrent positions, and other personal information;
- (ii) Whether there is any relationship with the Company, its controlling shareholders, or actual controllers;
- (iii) The number of shares held in the Company;
- (iv) Whether the candidate has been subject to any penalties by the CSRC or other relevant authorities, or sanctions by the stock exchange;
- (v) Any other information about relevant directors or supervisors required to be disclosed under the securities regulatory rules of the Company's stock listing place.

Except in the case of cumulative voting for directors or supervisors, each candidate shall be proposed as an individual resolution.

Article 63 After the notice of the shareholders' meeting has been issued, the meeting shall not be postponed or cancelled without valid reason, and the proposals listed in the notice shall not be cancelled. In the event of a postponement or cancellation, the convener shall announce the reason at least two working days before the originally scheduled meeting date. If the securities regulatory rules of the Company's stock listing place have specific provisions regarding the postponement or cancellation of a shareholders' meeting, such provisions shall be followed, provided that they do not violate domestic regulatory requirements.

Section 6 Convening of the Shareholders' Meeting

Article 64 The Company's Board of Directors and other conveners shall take necessary measures to ensure the orderly conduct of the shareholders' meeting. Any acts that disrupt the meeting, provoke disturbances, or infringe upon shareholders' lawful rights and interests shall be stopped, and promptly reported to relevant authorities for investigation.

Article 65 All shareholders legally registered on the register of shareholders on the record date in accordance with the securities regulatory rules of the Company's stock listing place or their proxies have the right to attend the shareholders' meeting and exercise their voting rights in accordance with applicable laws, regulations, the securities regulatory rules of the Company's stock listing place, and the Articles of Association (unless certain shareholders are required by the securities regulatory rules of the Company's stock listing place to abstain from voting on specific matters).

Shareholders may attend the meeting in person or appoint proxies (who need not be the Company's shareholder) to attend and vote on their behalf. Any shareholder entitled to attend and vote at the shareholders' meeting may appoint one or more proxies (who may not be the Company's shareholders) to attend and vote on their behalf.

Article 66 Individual shareholders attending the meeting in person shall present their ID card or other valid proof of identity, as well as their stock account card. If a shareholder appoints a proxy to attend, the proxy shall present his/her valid ID and a power of attorney from the shareholder.

Corporate shareholders shall attend through their legal representative or a proxy authorised by the legal representative. If the legal representative attends, he/she shall present his/her ID and valid proof of legal representative status; if a proxy attends, the proxy shall present his/her ID card and a written power of attorney issued by the corporate shareholder's legal representative in accordance with law (excluding shareholders that are Recognised Clearing Houses as defined under relevant Hong Kong ordinances as may be in force from time to time or the securities regulatory rules of the Company's stock listing place).

Article 67 The power of attorney for appointing a proxy to attend the shareholders' meeting shall specify the following content:

- (i) The name or title of the principal and the class and quantity of shares held;
- (ii) The name or title of the proxy;
- (iii) Specific instructions of the shareholder, including instructions to vote for, against, or abstain on each matter listed on the agenda of the shareholders' meeting;
- (iv) The date of issuance and validity period of the power of attorney;
- (v) The signature (or seal) of the principal. If the principal is a corporate shareholder, the corporate seal shall be affixed.

The power of attorney shall specify whether the proxy may vote at their own discretion if the shareholder gives no specific instructions. If the power of attorney for proxy voting does not specify, it shall be deemed that the proxy may vote at their own discretion.

Article 68 The power of attorney for proxy voting shall be kept at the Company's domicile or another place designated in the notice of the meeting at least 24 hours before the meeting at which the proxy is to be used, or at least 24 hours before the time designated for voting.

Where the power of attorney for proxy voting is signed by a person authorised by the principal, the power of attorney authorising such signature or other authorisation document shall be notarised. The notarised power of attorney or other authorisation document and the power of attorney for proxy voting shall be kept at the Company's domicile or another place designated in the notice of the meeting.

If the principal is a legal person, its legal representative or such person as is authorised by resolution of the Board of Directors or other decision-making body may attend the shareholders' meeting as a representative of the principal.

If the shareholder is a Recognised Clearing House (or its proxy), the shareholder may authorise one or more persons it deems appropriate to act as its representative at any shareholders' meeting or creditors' meeting; however, if more than one person is authorised, the power of attorney shall specify the number and class of shares involved in the authorisation for each authorised person, and the power of attorney shall be signed by an authorised person of the Recognised Clearing House. The authorised person may exercise the rights of the Recognised Clearing House (or its proxy) (without presenting shareholding certificates, notarised authorisation, and/or further evidence of formal authorisation) and shall enjoy the same statutory rights as other shareholders, including the right to speak and vote, as if the person were an individual shareholder of the Company.

Article 69 The attendance register for the meeting shall be prepared by the Company. The register shall set out the name (or entity name), identification number, and address of each attendee, the number of voting shares held or represented, and the name (or entity name) of the principal.

Article 70 The convener and the lawyer engaged by the Company shall, in accordance with the register of shareholders provided by the securities depository and clearing institution and the securities regulatory rules of the Company's stock listing place, verify the legitimacy of shareholders' qualifications, and record the names (or entity names) of shareholders and the number of voting shares they hold. The registration of attendees shall be closed before the chairperson of the meeting announces the total number of shareholders and proxies present and the total number of voting shares represented at the meeting.

Article 71 If the shareholders' meeting requires directors, supervisors and senior management members to attend the meeting, the directors, supervisors and senior management members shall attend and accept shareholders' inquiries. The rules set out in detail the procedures for convening and voting at the shareholders' meeting, including notice, registration, proposal review, voting, and vote counting. In compliance with the securities regulatory rules of the Company's stock listing place, the aforementioned persons may attend or sit in on the meeting via the Internet, video, telephone, or other means with equivalent effect.

Article 72 The shareholders' meeting shall be presided over by the chairman of the Board of Directors. If the chairman is unable or unwilling to perform his duties, the vice-chairman shall preside. If the vice-chairman is unable or unwilling to perform his duties, a director elected by more than half of the directors shall preside.

The shareholders' meeting convened by the Board of Supervisors shall be presided over by the chairman of the Board of Supervisors. If the chairman of the Board of Supervisors is unable or unwilling to perform his duties, an Supervisor elected by more than half of the Board of Supervisors shall preside.

The shareholders' meeting convened by shareholders shall be presided over by the convener or a representative elected by the convener.

If the meeting chairperson violates the rules of procedure during the shareholders' meeting, making it impossible to continue the meeting, the shareholders' meeting may elect a person to act as the meeting chairperson with the consent of more than half of the voting rights held by the shareholders present at the meeting, and continue the meeting.

Article 73 The Company shall formulate rules of procedure for shareholders' meetings, which shall set out in detail the procedures for convening and voting at shareholders' meetings, including notice, registration, proposal review, voting, vote counting, announcement of voting results, formation of resolutions, meeting minutes and their signing, announcement, as well as the principles governing the shareholders' authorisation of the Board of Directors, with clear and specific authorisation content. The rules of procedure for shareholders' meetings shall form an appendix to the Articles of Association, drafted by the Board of Directors and approved by the shareholders' meeting.

Article 74 At the annual shareholders' meeting, the Board of Directors and the Board of Supervisors shall report to the shareholders' meeting on their work over the past year. Each independent non-executive director shall also present a performance report.

Article 75 Directors, supervisors, and senior management shall provide explanations and responses to shareholders' inquiries and suggestions at the shareholders' meeting.

Article 76 Before voting, the meeting chairperson shall announce the number of shareholders and proxies present in person at the meeting and the total number of voting shares they hold, which shall be based on the meeting registration.

Article 77 The shareholders' meeting shall have minutes, prepared by the Board secretary. The minutes shall record the following:

- (i) The time, place, and agenda of the meeting, and the convener's name;
- (ii) The name of the meeting chairperson and the directors, supervisors, president, and other senior management members attending or sitting in on the meeting;

- (iii) The number of shareholders and proxies present, the total voting shares held, and the proportion of total shares;
- (iv) The review process, main points of speeches, and voting results for each proposal;
- (v) Shareholders' inquiries or suggestions and the corresponding responses;
- (vi) The names of lawyers, tellers and scrutineers;
- (vii) Other contents required by the Articles of Association to be recorded in the minutes.

Article 78 The convener shall ensure that the content of the meeting minutes is true, accurate, and complete. Directors, supervisors, the Board secretary, the convener or their representatives, and the meeting chairperson who attend the meeting shall sign the minutes. The minutes shall be kept together with the attendance register of shareholders present, powers of attorney for proxies, and valid records of votes cast via the Internet or other methods for no less than ten years.

Article 79 The convener shall ensure that the shareholders' meeting continues until a final resolution is formed. If the meeting is suspended or unable to reach a resolution due to force majeure or other special reasons, necessary measures shall be taken to promptly resume the meeting or terminate it, and the situation shall be promptly disclosed. The convener shall also report to the local office of the CSRC and the Shanghai Stock Exchange.

Section 7 Voting and Resolutions at the Shareholders' Meeting

Article 80 Resolutions of the shareholders' meeting are divided into ordinary resolutions and special resolutions.

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

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

In this article, the term "shareholder" includes any shareholder attending the shareholders' meeting through an authorised proxy.

Article 81 The following matters shall be passed by the shareholders' meeting as ordinary resolutions:

- (i) The work report of the Board of Directors and the Board of Supervisors;
- (ii) The profit distribution plan and loss recovery plan proposed by the Board of Directors;
- (iii) The appointment and dismissal of members of the Board of Directors and the Board of Supervisors and their remuneration and payment methods;
- (iv) The Company's annual report;
- (v) Other matters except those that, as stipulated by laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, or the Articles of Association, shall be passed by a special resolution.

Article 82 The following matters shall be passed by the shareholders' meeting as special resolutions:

- (i) The increase or decrease of the Company's registered capital;
- (ii) The division, split, merger, dissolution, and liquidation of the Company;
- (iii) To issue of shares of any kind, share warrant or other similar securities;
- (iv) Amendments to the Articles of Association and its' attachments (including the rules of procedure for shareholders' meetings, the Board of Directors, and the Board of Supervisors);
- (v) The Company's purchase or sale of major assets or provision of guarantees to others exceeding 30% of the Company's most recent audited total assets;
- (vi) Equity incentive plans;
- (vii) Other matters stipulated by laws, administrative regulations, the Articles of Association, or the securities regulatory rules of the Company's stock listing place, as well as matters deemed by the shareholders' meeting deems via ordinary resolutions to have a significant impact on the Company and require a special resolution.

Article 83 Shareholders have the right to speak at the shareholders' meeting and exercise their voting rights according to the number of voting shares they represent, with each share carrying one vote, unless certain shareholders are required to forfeit voting on certain matters in accordance with the securities regulatory rules of the Company's stock listing place. When casting votes, shareholders (including their proxies) holding two or more votes are not required to allocate all votes entirely in favor, against, or as abstentions.

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

The Company's own shares held by the Company do not have voting rights, and such shares shall not be counted in the total number of voting shares present at the shareholders' meeting.

If a shareholder purchases the Company's voting shares in violation of the provisions of Paragraphs 1 and 2 of Article 63 of the Securities Law, the shares exceeding the prescribed proportion shall not exercise voting rights within 36 months after purchase and shall not be counted in the total number of voting shares present at the shareholders' meeting.

According to applicable laws and regulations and the securities regulatory rules of the Company's stock listing place, if any shareholder is required to waive their voting rights on a resolution or is restricted to only voting for (or against) a resolution, the votes cast by such shareholder or their representative in violation of the relevant provisions or restrictions shall not be counted in the total number of voting shares.

The Company's Board of Directors, independent non-executive directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations, or regulations 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 solicited parties. It is prohibited to solicit shareholders' voting rights in a paid or disguised paid manner. Except for statutory conditions, the Company shall not impose a minimum shareholding ratio restriction on the solicitation of voting rights.

For the purposes of the first paragraph of this article, "shareholders" include shareholders who attend the shareholders' meeting by appointing a proxy.

Article 84 Unless otherwise provided by the securities regulatory rules of the Company's stock listing place, when the shareholders' meeting reviews related-party transactions, related shareholders shall not participate in the voting, and the number of voting shares they represent shall not be counted in the total number of valid votes; the announcement of the shareholders' meeting resolution shall fully disclose the voting situation of non-related shareholders.

The scope of related shareholders, as well as the procedures for reviewing related-party transactions and information disclosure, shall be implemented in accordance with regulations of the CSRC and the stock exchange, the securities regulatory rules of the Company's stock listing place, and the specific systems for related-party transactions formulated by the Company's Board of Directors.

Article 85 Except in special circumstances such as the Company being in crisis, the Company shall not, without a special resolution of the shareholders' meeting, enter into any contract with persons other than directors, the president, and other senior management members that entrusts them with management of all or significant parts of the Company's business.

Article 86 The list of director and supervisor candidates shall be submitted to the shareholders' meeting as proposals for voting.

When the shareholders' meeting votes on the election of directors and supervisors, a cumulative voting system may be adopted in accordance with the Articles of Association or the shareholders' meeting resolution. The procedures for electing directors and supervisors are as follows:

- (i) The Board of Directors and shareholders holding individually or collectively more than 1% of the Company's outstanding voting shares have the right to nominate director candidates. Shareholders holding individually or collectively more than 1% of the Company's outstanding voting shares have the right to nominate independent non-executive director candidates. The Board of Supervisors and shareholders holding individually or collectively more than 1% of the Company's outstanding voting shares have the right to nominate supervisor candidates.
- (ii) The proposals nominating candidates for directors and supervisors, along with their resumes, shall be set out in the notice of the shareholders' meeting, providing sufficient details to ensure that shareholders have adequate information about the candidates when voting.
- (iii) Prior to the shareholders' meeting, director and supervisor candidates shall provide written commitments, agreeing to accept the nomination, and confirming that the information disclosed by the nominator is true and complete, and undertaking to perform their statutory duties if elected.
- (iv) When reviewing proposals for the election of directors and supervisors, the shareholders' meeting shall vote on each candidate individually. If the proposal to elect directors or supervisors is approved, the elected directors or supervisors shall assume office immediately after the meeting.
- (v) The shareholders' meeting shall adopt a cumulative voting system for the election of directors and supervisors. Under this system, each share carries a number of votes equal to the number of directors or supervisors to be elected, and shareholders may concentrate their votes on one or more candidates. If the number of director or supervisor candidates elected at the shareholders' meeting exceeds the number of seats to be filled, those receiving the highest number of votes shall be elected. If the number of elected directors or supervisors reaches two-thirds of the number specified in the Articles of Association, vacancies shall be filled at the next shareholders' meeting. If fewer than two-thirds are elected, a second round of voting shall be held. If the number of elected candidates still falls short of two-thirds after the second round, a shareholders' meeting shall be reconvened within two months to fill the vacancies. If this occurs during a Board re-election and the director or supervisor candidates elected after two rounds of voting do not meet the minimum number required under the Company Law, a new Board election shall be conducted.

- (vi) Under the cumulative voting system, if the number of proposed director or supervisor candidates exceeds the number of positions to be filled, a competitive election may be conducted.
- (vii) Under the cumulative voting system, directors and supervisors shall be elected separately, and independent non-executive directors shall be elected separately from other members of the Board of Directors.

Article 87 Except under cumulative voting, the shareholders' meeting shall vote on each proposal individually. If there are multiple proposals on the same matter, they shall be voted on in the sequence of proposal submission. Except in cases where the shareholders' meeting is suspended or is unable to make a resolution due to force majeure or other special reasons, proposals shall not be shelved or left unvoted.

Article 88 When reviewing a proposal, the shareholders' meeting shall not amend the proposal; any amendment shall be regarded as a new proposal and cannot be voted on at the current meeting.

Article 89 Each voting right may only be exercised by one method – on-site, online, or other methods. If the same voting right is cast more than once, the first vote shall prevail.

Article 90 The shareholders' meeting shall adopt a vote by roll call.

Article 91 Before voting on a proposal, the shareholders' meeting shall elect two shareholder representatives to participate in vote counting and supervision. Shareholders and their proxies who have an affiliated relationship with the matter under review shall not participate in vote counting or supervision.

When voting, lawyers, shareholder representatives, and supervisor representatives shall jointly oversee the counting and supervision and announce the results on-site. The voting results shall be recorded in the meeting minutes.

Shareholders or their proxies voting online or by other methods shall have the right to verify their votes through the corresponding voting system.

Article 92 The on-site session of the shareholders' meeting shall not end before online or other sessions. The chairperson shall announce the voting results of each proposal and declare whether each proposal is approved based on the results.

Prior to the official announcement of voting results, all parties involved in the on-site, online, or other voting methods, including the Company, tellers, scrutineers, major shareholders, and network service providers, shall keep the voting results confidential.

Article 93 Shareholders attending the shareholders' meeting shall vote "For," "Against," or "Abstain" on each proposal, except that the securities depository and clearing institution, as the nominal holder of stocks under the Mainland-Hong Kong Stock Connect mechanism, shall vote according to the actual holder's instructions.

Ballots that are blank, incorrectly filled, illegible, or not submitted shall be deemed as an abstention, and the shares represented shall be counted as "Abstain."

Article 94 If the chairperson has any doubt regarding the results of a vote, he/she may organize a recount of the votes cast. If the chairperson does not initiate a recount, any attending shareholder or proxy who disputes the announced result may immediately request a recount, which the chairperson shall organize without delay.

Article 95 shareholders' meeting resolutions shall be announced promptly. The announcement shall specify the number of attending shareholders and proxies, the total number of voting shares held, the proportion of voting shares to total voting shares of the Company, the voting method, the voting result of each proposal, and details of each resolution passed.

Article 96 If a proposal is not approved, or if the current shareholders' meeting alters a previous shareholders' meeting resolution, this shall be specially indicated in the announcement.

Article 97 If a proposal concerning the election of directors or supervisors is approved, the newly elected directors or supervisors shall assume office immediately after the meeting.

Article 98 If a proposal regarding cash dividends, stock dividends, or the conversion of capital reserves into share capital is approved, the Company shall implement the specific plan within two months after the meeting.

If it cannot be implemented within two months due to provisions of applicable laws, regulations, or the securities regulatory rules of the Company's stock listing place, the implementation date may be adjusted according to such regulations and the actual circumstances.

CHAPTER 5 BOARD OF DIRECTORS

Section 1 Directors

Article 99 The directors of the Company include executive directors, non-executive directors, and independent non-executive directors. Non-executive directors refer to directors who do not hold management positions in the Company. Matters relating to the qualifications, nomination and election procedures, and powers of independent non-executive directors shall be governed by relevant provisions of laws, the CSRC, and the stock exchange where the Company's shares are listed. Directors shall possess the qualifications required by laws, administrative regulations, rules, the Articles of Association, and the securities regulatory rules of the Company's stock listing place.

Directors of the Company shall be individuals. A person with any of the following circumstances shall not serve as a director of the Company:

- (i) Having no capacity for civil conduct or limited capacity for civil conduct;
- (ii) Having been sentenced to a criminal penalty for embezzlement, bribery, infringement of property, misappropriation of property, or disrupting the socialist market economic order, or having had his/her political rights deprived due to a crime, and less than 5 years have elapsed since the expiration of the execution period, or if on probation, less than 2 years have elapsed since the expiration of the probation period;
- (iii) Having served as a director, factory director, or president of a company or enterprise undergoing bankruptcy liquidation and being personally liable for the bankruptcy of such company or enterprise, and less than 3 years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;
- (iv) Having served as the legal representative of a company or enterprise whose business license has been revoked or has been ordered to close down due to illegal activities and being personally liable, and less than 3 years have elapsed since the revocation of the business license or the order to close down of such company or enterprise;
- (v) Having a large-amount debt due but unpaid and being listed as a person subject to enforcement for bad credit by the people's court;
- (vi) Having been subject to measures restricting access to the securities market by the CSRC and the time limit has not expired;
- (vii) Having been publicly determined by the stock exchange as unfit to serve as a director of listed companies, with the term yet to be expired;
- (viii) Other circumstances stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of place where the Company's shares are listed, or provisions of relevant regulatory authorities;

Elections or appointments of directors that violate the provisions of this section shall be invalid. If a director becomes subject to any of the circumstances listed in this section during their tenure, the Company shall terminate their position, and discontinue the performance of their duties

Article 100 Directors shall be elected or replaced by the shareholders' meeting and may be removed from their positions by the shareholders' meeting before the expiration of their term, except as otherwise provided by applicable laws, administrative regulations, departmental rules, or the securities regulatory rules of the Company's stock listing place.

The term of office for directors is three years, and upon the expiration of their term, they may be re-elected in accordance with the securities regulatory rules of the Company's stock listing place. Subject to laws, regulations, and the securities regulatory rules of the Company's stock listing place, a director may be removed by an ordinary resolution of the shareholders' meeting before the expiration of his or her term of office; however, such removal shall not affect the right of the director to claim damages under any contract.

The term of a director is calculated from the date of assuming office until the expiration of the current Board of Directors' term. If the directors are not timely re-elected upon the expiration of their term, the original directors shall continue to perform their duties as directors in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the Company's stock listing place, and the Articles of Association until the newly elected directors assume office.

A director may also hold the position of president or other senior management positions.

The total number of directors who also serve as president or other senior management positions, as well as directors who are employee representatives, shall not exceed half of the total number of directors of the Company.

Article 101 Directors shall comply with laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, and the Articles of Association, and shall take measures to avoid conflicts between their own interests and those of the Company. Directors shall not use their powers to seek improper benefits. Directors owe the following duties of loyalty to the Company:

- (i) Not to misappropriate Company property or divert Company funds;
- (ii) Not to deposit Company funds into accounts opened in their own names or in the names of others;
- (iii) Not to use their authority to offer bribes or accept other illegal income;
- (iv) Unless they have reported to the Board of Directors or the shareholders' meeting and obtained approval in accordance with the Articles of Association, not to directly or indirectly enter into contracts or transactions with the Company;
- (v) Not to use their position to obtain for themselves or others business opportunities belonging to the Company, except where they have reported to the Board or the shareholders' meeting and obtained approval by a shareholders' meeting resolution, or where the Company, pursuant to laws, administrative regulations, or the Articles of Association, is unable to take advantage of such opportunities;

- (vi) Unless they have reported to the Board of Directors or the shareholders' meeting and obtained approval by a shareholders' meeting resolution, not to engage in or operate for others any business similar to that of the Company;
- (vii) Not to appropriate for themselves any commission received in connection with transactions between others and the Company;
- (viii) Not to disclose Company secrets without authorisation;
- (ix) Not to harm the Company's interests by taking advantage of their affiliated relationships; and
- (x) To comply with other duties of loyalty prescribed by laws, administrative regulations, departmental rules, the Articles of Association, and the securities regulatory rules of the Company's stock listing place.

Any income obtained by a director in violation of this article shall belong to the Company; any loss caused to the Company shall be compensated by the director.

Where close relatives of directors, supervisors, or senior management, or enterprises directly or indirectly controlled by such persons or their close relatives, or other affiliates having a relationship with the directors, supervisors, or senior management, enter into contracts or conduct transactions with the Company, the provisions of item (iv) of the first paragraph of this Article shall apply.

Article 102 Directors shall comply with laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, and the Articles of Association, and owe duties of diligence to the Company. In performing their duties, they shall exercise the reasonable care that a manager would ordinarily exercise in the best interests of the Company.

Directors owe the following duties of diligence to the Company:

- (i) To exercise the powers conferred by the Company prudently, carefully, and diligently, ensuring that the Company's business activities comply with national laws, administrative regulations, and economic policies, and do not exceed the scope of business stated in the business licence;
- (ii) To treat all shareholders fairly;
- (iii) To keep themselves informed in a timely manner about the Company's business operations and management status;
- (iv) To sign written confirmation opinions on the Company's periodic reports, ensuring that the information disclosed by the Company is true, accurate, and complete;

- (v) To truthfully provide relevant information and materials to the Board of Supervisors and not to obstruct the Board of Supervisors or supervisors in exercising their powers; and
- (vi) To comply with other duties of diligence prescribed by laws, administrative regulations, departmental rules, the Articles of Association, and the securities regulatory rules of the Company's stock listing place.

Article 103 If a director fails to personally attend two consecutive meetings of the Board of Directors and does not appoint another director to attend on his or her behalf, such director shall be deemed incapable of performing his or her duties. The Board of Directors shall recommend that the shareholders' meeting remove the director. Where permitted by the securities regulatory rules of the Company's stock listing place, attendance through the Internet, video, telephone, or other means with equivalent effect shall be deemed personal attendance.

Article 104 A director may resign before the expiration of his or her term of office. The director shall submit a written resignation report to the Board of Directors, and the resignation shall take effect on the date the Company receives such report. The Company shall disclose the relevant information within two trading days or within the period required by the securities regulatory rules of the Company's stock listing place.

If the resignation of a director results in the number of board members falling below the statutory minimum, the original directors shall continue to perform their duties as directors in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules of the Company's stock listing place, and the Articles of Association until the newly elected directors assume office.

Article 105 The Company shall establish a management system for directors' departure, specifying safeguard measures to hold directors accountable and recover losses for unfulfilled public commitments and other unfinished matters.

When a director's resignation takes effect or his/her term expires, the director shall complete all handover procedures with the Board of Directors. The duties of loyalty owed to the Company and shareholders do not automatically cease upon the end of the term and remain effective within a reasonable period as stipulated in the Articles of Association. Liabilities arising from the performance of duties during the director's term are not waived or terminated upon leaving office.

The obligation to maintain the confidentiality of the Company's secrets remains effective after the director's term ends, until such information becomes public.

Article 106 The shareholders' meeting may resolve to remove a director, and such removal takes effect on the date the resolution is made.

If a director is removed before the expiry of his/her term without just cause, the director may request compensation from the Company.

Article 107 Unless provided in the Articles of Association or legally authorised by the Board of Directors, no director shall act on behalf of the Company or the Board of Directors in his/her personal capacity. When a director acts in his/her personal capacity but a third party could reasonably believe he/she is acting on behalf of the Company or the Board of Directors, the director shall declare his/her position and capacity in advance.

Article 108 If a director, in performing his/her duties, causes damage to others, the Company shall bear compensation liability; if the director acts with intent or gross negligence, he/she shall also be liable for compensation.

If a director, in performing duties, violates laws, administrative regulations, departmental rules, the securities regulatory rules of the Company's stock listing place, or the Articles of Association, and causes losses to the Company, the director shall be liable for compensation.

Independent non-executive directors shall perform their duties in accordance with laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, and relevant regulations of the CSRC and the stock exchange.

Section 2 Board of Directors

Article 109 The Company shall establish a board of directors, which is accountable to the shareholders' meeting.

The Board of Directors shall consist of seven directors, three of whom shall be independent non-executive directors. The Board of Directors shall have one chairman and one vice-chairman. The chairman and vice-chairman shall be elected by more than half of all directors.

Article 110 The Board of Directors shall exercise the following powers and duties:

- (i) Convening the shareholders' meeting and reporting to the shareholders' meeting;
- (ii) Implementing the resolutions of the shareholders' meeting;
- (iii) Deciding on the Company's business plans and investment proposals;
- (iv) Formulating the Company's profit distribution plans and loss recovery plans;
- (v) Formulating plans for the Company's increase or decrease of registered capital, issuance of bonds or other securities, and listing;
- (vi) Drafting plans for major acquisitions, repurchases of the Company's shares, mergers, divisions, dissolution, or changes in the Company's form;
- (vii) Deciding on matters such as external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, related-party transactions, and external donations, within the scope authorized by the shareholders' meeting;
- (viii) Deciding on the establishment of the Company's internal management structure;
- (ix) Deciding on the appointment or dismissal of the chief executive officer, secretary of the Board, and determining their remuneration and reward (or punishment); based on the chief executive officer's nomination, deciding on the appointment or dismissal of the executive president, senior vice presidents, vice presidents, chief financial officer, and other senior management members, and determining their remuneration and reward (or punishment);

- (x) Formulating the Company's basic management systems;
- (xi) Drafting amendments to the Articles of Association;
- (xii) Managing the Company's information disclosure matters;
- (xiii) Proposing to the shareholders' meeting the appointment or replacement of the accounting firm auditing the Company;
- (xiv) Listening to the work reports of the president and reviewing the president's work;
- (xv) Subject to compliance with the securities regulatory rules of the Company's stock listing place, making resolutions regarding the acquisition of the Company's shares in circumstances specified in items (iii), (v), and (vi) of Article 25 of the Articles of Association;
- (xvi) Other powers and duties granted by laws, administrative regulations, departmental rules, the Articles of Association, or the securities regulatory rules of the Company's stock listing place.

Matters that exceed the scope of authority granted by the shareholders' meeting shall be submitted to the shareholders' meeting for deliberation.

Article 111 The Board of Directors shall provide an explanation to the shareholders' meeting regarding any non-standard audit opinions issued by the certified public accountant on the Company's financial reports.

Article 112 The Board of Directors shall formulate the rules of procedure for the Board of Directors to ensure the implementation of shareholders' meeting resolutions, improve work efficiency, and guarantee scientific decision-making.

Article 113 Except as otherwise stipulated by the securities regulatory rules of the Company's stock listing place, the Board of Directors shall determine the authority for external investments, acquisition or disposal of assets, asset pledges, external guarantees, entrusted wealth management, related-party transactions, donations, and other matters, and establish strict review and decision-making procedures; major investment projects shall be reviewed by relevant experts and professionals and submitted to the shareholders' meeting for approval.

The scope of authority of the Board of Directors regarding the Company's external investments (including entrusted wealth management and entrusted loans), acquisition or disposal of assets, provision of financial assistance, entrusted or delegated management of assets and business, leased-in or leased-out assets, donated or received assets, debt restructuring, signing license agreements, transfer or acquisition of R&D projects (hereinafter referred to as "transactions"), related-party transactions, and external guarantees is as follows:

- (i) If a proposed transaction meets any of the following standards (unless not applicable), it shall be reviewed and approved by the Board of Directors. If it exceeds any of the following standards and requires approval by the shareholders' meeting according to provisions of the CSRC, the stock exchange, or the Articles of Association, it shall be submitted to the shareholders' meeting for approval. If it falls below all of the following standards, the Board of Directors may authorise the chairman to approve.
 - 1. The total assets involved in the transaction (based on the higher of book value or appraised value if both exist) account for more than 10% (inclusive) but not more than 20% of the Company's most recent audited total assets;
 - 2. The transaction amount (including debts and costs assumed) accounts for more than 10% (inclusive) but not more than 20% of the Company's most recent audited net assets;
 - 3. The net assets of the transaction target (e.g., equity) (based on the higher of book value or appraised value) account for more than 10% but not more than 20% of the listed company's most recent audited net assets;
 - 4. The profit generated from the transaction accounts for more than 10% (inclusive) but not more than 20% of the Company's audited net profit for the most recent fiscal year;
 - 5. The main business revenue of the transaction target (e.g., equity) in the most recent fiscal year accounts for more than 10% (inclusive) but not more than 20% of the Company's audited main business revenue for the most recent fiscal year;
 - 6. The net profit of the transaction target (e.g., equity) in the most recent fiscal year accounts for more than 10% (inclusive) but not more than 20% of the Company's audited net profit for the most recent fiscal year;
 - 7. Other transactions as required by laws, regulations, provisions of securities regulatory authorities of the Company's stock listing place, the securities regulatory rules of the Company's stock listing place, or the Articles of Association. Unless otherwise specified, any negative values involved in the above metrics shall be calculated as absolute values.

Similar transactions involving the same transaction target within a consecutive 12-month period shall be calculated cumulatively in accordance with relevant provisions of the securities regulatory rules of the Company's stock listing place.

(ii) Except as otherwise stipulated by the securities regulatory rules of the Company's stock listing place, proposed related-party transactions of the Company that meet any of the following standards shall be approved by the Board of Directors. If a transaction exceeds any of the following standards and requires approval from the shareholders' meeting according to provisions of the CSRC, the stock exchange, or the Articles of Association, it shall be submitted to the shareholders' meeting for approval. If it falls below all of the following standards, the Board of Directors may authorise the chairman to approve.

1. The transaction amount between the Company and related parties (including related individuals and entities) accounts for more than 0.5% (inclusive) but not more than 5% of the Company's most recent audited net assets;
2. Other transactions as stipulated by the CSRC or the stock exchange.

Similar related-party transactions involving the same transaction target within a consecutive 12-month period shall be calculated cumulatively in accordance with relevant provisions of the securities regulatory rules of the Company's stock listing place.

(iii) Except as otherwise stipulated by the securities regulatory rules of the Company's stock listing place, the Board of Directors shall have the authority to approve external guarantees other than those requiring shareholders' meeting approval under Paragraph 2, Article 47 of the Articles of Association;

External guarantees subject to approval by the Board of Directors must be approved and resolved by at least two-thirds of the directors present.

Article 114 The chairman shall exercise the following powers and duties:

- (i) Presiding over the shareholders' meeting and convening and presiding over board meetings;
- (ii) Supervising and inspecting the implementation of board resolutions;
- (iii) Exercising powers and duties granted by the Board of Directors granted by the Board of Directors under Article 113 of the Articles of Association;
- (iv) Other powers and duties granted by the Articles of Association, the shareholders' meeting, the Board of Directors, or by laws, administrative regulations, and securities regulatory rules of the Company's stock listing place.

Article 115 The Company's vice chairman shall assist the chairman in performing his/her duties. If the chairman is unable or fails to perform his/her duties, the vice chairman shall perform the duties; if the vice chairman is unable or fails to perform the duties, a director shall be jointly elected by the majority of the directors to perform the duties.

Article 116 Board meetings are classified as regular meetings and extraordinary meetings. The Board of Directors shall convene at least four meetings each year, called by the chairman, with written notice given to all directors, supervisors, the president, and the Board secretary at least 14 days before the meeting.

Article 117 The chairman, the president, shareholders representing more than one-tenth of the voting rights, more than one-third of the directors, more than half of the independent non-executive directors, or the Board of Supervisors may propose to convene an extraordinary Board meeting. The chairman shall convene and preside over the meeting within ten days of receiving the proposal.

Article 118 Notice of an extraordinary Board meeting shall be delivered by personal delivery, mail, fax, or email at least five days before the meeting. In urgent situations requiring an immediate meeting, notice may be given by telephone or other oral methods, but the convener shall explain the circumstances at the meeting.

Article 119 The notice of a Board meeting shall include the following:

- (i) Date and location of the meeting;
- (ii) Duration of the meeting;
- (iii) Matters and agenda;
- (iv) Date of issuance of the notice.

Article 120 A Board meeting shall be held only if more than half of the directors are present. Resolutions of the Board shall be passed by more than half of all directors. If the Articles of Association, relevant laws, regulations, normative documents, or securities regulatory rules of the Company's stock listing place provide otherwise, such provisions shall prevail.

Voting on Board resolutions shall be conducted on a one director, one vote basis.

Article 121 If a director has an affiliation with a company or individual involved in a Board resolution, the director shall promptly report it in writing to the Board. Affiliated directors shall not exercise voting rights on the resolution nor act as proxies for other directors. The Board meeting may be held if more than half of the non-affiliated directors are present, and resolutions shall be passed by more than half of the non-affiliated directors. If the number of non-affiliated directors present is less than three, the matter shall be submitted to the shareholders' meeting. Any additional restrictions under laws, regulations, or the securities regulatory rules of the Company's stock listing place regarding directors' participation in Board meetings or voting shall apply.

Article 122 The Board shall vote by roll call, with each director having one vote.

For extraordinary Board meetings, other written voting methods may be used to reach resolutions, provided that directors have ample opportunity to express opinions, and participating directors shall sign the resolutions.

Article 123 Directors shall attend Board meetings in person. If a director is unable to attend, the director may appoint another director in writing to attend on his/her behalf. The written appointment shall specify the name of the proxy, the matters authorized, the scope of authority, and the validity period, and shall be signed or sealed by the appointing director. The proxy director shall exercise the rights within the authorized scope. Directors who neither attend the meeting nor appoint a proxy shall be deemed to have waived their voting rights for that meeting.

Article 124 The Board shall record the decisions made at the meeting, and attending directors shall sign the minutes.

The Board meeting minutes shall be kept as company archives for no less than ten years.

Article 125 The Board meeting minutes shall include:

- (i) Date, location, and convener of the meeting;
- (ii) Names of attending directors and directors attending by proxy;
- (iii) Meeting agenda;
- (iv) Key points of directors' speeches;
- (v) Voting method and results for each resolution (indicating the number of votes in favour, against, or abstained).

Section 3 Independent Non-executive Directors

Article 126 Independent non-executive directors shall diligently perform their duties in accordance with laws, administrative regulations, regulations of the CSRC and the stock exchange where the Company's shares are listed, securities regulatory rules of the Company's stock listing place, and the Articles of Association. They shall play a role in decision-making, supervision, checks and balances, and professional consultation within the Board of Directors, safeguarding the overall interests of the Company and protecting the lawful rights and interests of minority shareholders.

Article 127 Independent non-executive directors must maintain independence. The following persons shall not serve as independent non-executive directors:

- (i) Persons employed by the Company or its affiliated enterprises, as well as their spouses, parents, children, and main social relations;
- (ii) Natural persons who directly or indirectly hold more than 1% of the Company's issued shares or are among the top ten shareholders of the Company, as well as their spouses, parents, and children;
- (iii) Persons employed by shareholders who directly or indirectly hold more than 5% of the Company's issued shares or are among the top five shareholders of the Company, as well as their spouses, parents, and children;
- (iv) Persons employed by affiliated enterprises of the Company's controlling shareholders or actual controllers, as well as their spouses, parents, and children;
- (v) Persons who have significant business dealings with the Company, its controlling shareholders, actual controllers, or their respective affiliated enterprises, or who are employed by entities that have significant business dealings with the Company, and their controlling shareholders or actual controllers;
- (vi) Persons who provide financial, legal, consulting, or sponsorship services to the Company, its controlling shareholders, actual controllers, or their respective affiliated enterprises, including but not limited to project team members, reviewers at all levels, report signatories, partners, directors, senior management members, and principal responsible persons of intermediary institutions providing such services;
- (vii) Persons who have had any of the above-mentioned circumstances under items (i) to (vi) within the past 12 months;
- (viii) Other persons deemed not independent under laws, administrative regulations, regulations of the CSRC, the business rules of the stock exchange where the Company's shares are listed, or the Articles of Association.

Affiliated enterprises of the Company's controlling shareholders or actual controllers referred to in items (iv) to (vi) above do not include enterprises controlled by the same state-owned assets management institution as the Company and that do not constitute related parties under relevant regulations.

Independent non-executive directors shall conduct an annual self-assessment of their independence and submit the results to the Board of Directors. The Board of Directors shall annually evaluate the independence of incumbent independent non-executive directors and issue a special opinion, which shall be disclosed together with the annual report.

Article 128 An independent non-executive director of the Company shall meet the following conditions:

- (i) Possess the qualifications to serve as a director of a listed company in accordance with laws, administrative regulations, and other relevant provisions;
- (ii) Comply with the independence requirements set out in the Articles of Association;
- (iii) Possess basic knowledge of the operation of a listed company and be familiar with relevant laws, regulations, and rules;
- (iv) Have at least five years of work experience in law, accounting, economics, or other areas necessary to perform the duties of an independent non-executive director;
- (v) Possess good personal character and have no record of serious dishonesty or other adverse records;
- (vi) Meet other conditions stipulated by laws, administrative regulations, regulations of the CSRC, the business rules of the stock exchange where the Company's shares are listed, and the Articles of Association.

Article 129 As members of the Board, independent non-executive directors owe duties of loyalty and diligence to the Company and all shareholders and shall prudently perform the following duties:

- (i) Participating in Board decision-making and express clear opinions on matters under consideration;
- (ii) Supervising potential significant conflicts of interest between the Company and its controlling shareholders, actual controllers, directors, and senior management, protecting the legitimate rights and interests of minority shareholders;
- (iii) Providing professional and objective advice on the Company's operations and development to enhance the quality of Board decision-making;
- (iv) Performing other duties stipulated by laws, administrative regulations, regulations of the CSRC, the securities regulatory rules of the Company's stock listing place, and the Articles of Association.

Article 130 Independent non-executive directors shall exercise the following special powers:

- (i) Independently engaging intermediary institutions to audit, provide consultancy, or verify specific matters of the Company;
- (ii) Proposing to the Board the convening of an extraordinary shareholders' meeting;
- (iii) Proposing the convening of a Board meeting;
- (iv) Publicly soliciting shareholder rights in accordance with laws;
- (v) Expressing independent opinions on matters that may harm the interests of the Company or minority shareholders;
- (vi) Exercising other powers stipulated by laws, administrative regulations, regulations of the CSRC, the securities regulatory rules of the Company's stock listing place, and the Articles of Association.

The exercise of powers listed in items (i) to (iii) above requires the approval by more than half of all independent non-executive directors.

The Company shall promptly disclose when independent non-executive directors exercise the powers under the first paragraph. If the powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

Article 131 The following matters shall be submitted to the Board for consideration only after being approved by more than half of all independent non-executive directors:

- (i) Related-party transactions that are required to be disclosed;
- (ii) Plans for changes to or waivers of commitments by the Company and related parties;
- (iii) Decisions made and measures taken by the Board of the acquired listed company in relation to the acquisition;
- (iv) Other matters stipulated by laws, administrative regulations, the CSRC, and the Articles of Association.

Article 132 The Company shall establish a special meeting mechanism attended exclusively by independent non-executive directors. Matters such as related-party transactions considered by the Board shall be preliminarily approved by the special meeting of independent non-executive directors.

The Company shall hold regular or ad hoc special meetings of independent non-executive directors. Matters listed in items (i) to (iii) of the first paragraph of Article 130 and in Article 131 shall be reviewed by the special meeting of independent non-executive directors.

The special meeting may also discuss other matters of the Company as necessary.

The special meeting of independent non-executive directors shall be convened and presided over by one independent director jointly elected by more than half of the independent non-executive directors. If the convener does not perform duties or is unable to perform duties, two or more independent directors may convene the meeting themselves and elect a representative to preside over the meeting.

Minutes of the special meeting of independent non-executive directors shall be prepared in accordance with regulations, with the opinions of the independent non-executive directors recorded. Independent non-executive directors shall sign the minutes as confirmation.

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

Section 4 Special Committees under the Board

Article 133 The Company's Board of Directors shall establish an Audit Committee.

Article 134 The Audit Committee shall consist of no fewer than three director members, all of whom are non-executive directors not serving as senior management members of the Company, with independent non-executive directors forming the majority. More than half of the Audit Committee members shall not hold any positions in the Company other than director and shall have no relationships with the Company that could affect their independent and objective judgment. At least one independent non-executive director shall be an accounting professional and meet the requirements under the Hong Kong Listing Rules for an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise. The convener of the Audit Committee shall be an accounting professional from among the independent non-executive directors.

Employee representatives among the Board members may also serve as members of the Audit Committee.

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

- (i) Disclosure of financial accounting reports and financial information in periodic reports, as well as internal control evaluation reports;
- (ii) Appointment or dismissal of the accounting firm auditing the listed company;
- (iii) Appointment or dismissal of the Company's chief financial officer;
- (iv) Changes in accounting policies, accounting estimates, or corrections of major accounting errors due to reasons other than changes in accounting standards;
- (v) Other matters stipulated by laws, administrative regulations, the CSRC, securities regulatory rules of the Company's stock listing place, or the Articles of Association.

Article 136 The Audit Committee shall hold at least one meeting per quarter. Extraordinary meetings may be convened upon the proposal of two or more members or if the convener deems it necessary. A meeting of the Audit Committee shall require the attendance of at least two-thirds of its members to be valid.

Resolutions of the Audit Committee shall require the approval of more than half of its members.

Each member shall have one vote in Audit Committee resolutions.

Minutes of Audit Committee meetings shall be prepared in accordance with regulations, and attending members shall sign the minutes.

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

Article 137 The Board of Directors shall establish specialised committees, including the Strategy, Nomination, and Remuneration & Appraisal Committees. Proposals of these specialised committees shall be submitted to the Board for review and decision. The Board is responsible for formulating rules of procedure for the specialised committees to regulate their operations.

Article 138 The Nomination Committee shall consist of no fewer than three directors, with independent non-executive directors forming the majority and serving as convener. The Nomination Committee is responsible for formulating selection criteria and procedures for directors and senior management, screening and reviewing candidates and their qualifications, and making recommendations to the Board on the following matters:

- (i) Nomination or appointment/removal of directors;
- (ii) Appointment or dismissal of senior management;
- (iii) Formulating the Board diversity policy, ensuring its implementation, and conducting regular reviews;
- (iv) Other matters as required by laws, administrative regulations, regulations of the CSRC, the securities regulatory rules of the Company's stock listing place, and the Articles of Association.

If the Board does not adopt or fully adopt the Nomination Committee's recommendations, it shall record the Committee's opinions and specific reasons for non-adoption in the Board resolution and disclose them.

Article 139 The Remuneration & Appraisal Committee shall consist of no fewer than three directors, with independent non-executive directors forming the majority and serving as convener. The Committee is responsible for formulating performance appraisal standards for directors and senior management and conducting the performance appraisal, developing and reviewing remuneration policies and mechanisms for directors and senior management, including decision-making procedures, payment, and clawback arrangements, and making recommendations to the Board on the following matters:

- (i) Remuneration of directors and senior management;
- (ii) Formulating or modifying equity incentive plans and employee stock ownership plans, and matters regarding entitlement and vesting conditions of beneficiaries;
- (iii) Arrangements of shareholding plans for directors and senior management in subsidiaries planned for spin-off;
- (iv) Other matters as required by laws, administrative regulations, regulations of the CSRC, the securities regulatory rules of the Company's stock listing place, and the Articles of Association.

If the Board does not adopt or fully adopt the Remuneration & Appraisal Committee's recommendations, it shall record the Committee's opinions and specific reasons for non-adoption in the Board resolution and disclose them.

Article 140 The Strategy Committee shall consist of no fewer than three directors. Its main responsibilities and powers are as follows:

- (i) Studying and making recommendations on the Company's long-term strategic planning;
- (ii) Studying and making recommendations on major investment and financing plans that require Board approval under the Articles of Association;
- (iii) Studying and making recommendations on major capital operations and asset management projects that require Board approval under the Articles of Association;
- (iv) Studying and making recommendations on other major matters affecting the Company's development;
- (v) Monitoring the implementation of the above matters;
- (vi) Other matters as required by laws, administrative regulations, regulations of the CSRC, the securities regulatory rules of the Company's stock listing place, and the Articles of Association.

CHAPTER 6 PRESIDENT AND OTHER SENIOR MANAGEMENT MEMBERS

Article 141 The Company shall have one president, one executive president, several senior vice presidents, several vice presidents, one chief financial officer, and a Board secretary, and all of the above personnel shall be appointed or dismissed by the Board of Directors.

The president, executive president, senior vice presidents, vice presidents, chief financial officer and Board secretary shall constitute senior management of the Company.

Article 142 The provisions of the Articles of Association regarding the circumstances under which a person may not serve as a director and the regulations on departure management shall also apply to senior management.

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

Article 143 Personnel holding administrative positions other than director or supervisor in the Company's controlling shareholder entity shall not serve as senior management of the Company.

Senior management members shall receive their remuneration solely from the Company and shall not be paid by the controlling shareholder.

Article 144 The term of the president shall be three years. The president may be reappointed for consecutive terms.

Article 145 The president shall be accountable to the Board of Directors and shall exercise the following powers and duties:

- (i) Presiding over the Company's production, operation, and management activities, implementing the resolutions of the Board of Directors, and reporting to the Board of Directors;
- (ii) Implementing the Company's annual business plans and investment proposals;
- (iii) Drafting proposals for the establishment of the Company's internal management structure;
- (iv) Drafting the Company's basic management systems;
- (v) Formulating the Company's specific regulations;
- (vi) Proposing to the Board of Directors the appointment or dismissal of the executive president, senior vice presidents, vice presidents and chief financial officer;
- (vii) Deciding on the appointment or dismissal of management personnel other than those whose appointment or dismissal is to be decided by the Board of Directors;
- (viii) Other powers and duties granted by the Articles of Association, the securities regulatory rules of the Company's stock listing place, or the Board of Directors.

The president shall sit in on meetings of the Board of Directors.

Article 146 The president shall formulate the detailed rules of work for the president, which shall be implemented upon approval by the Board of Directors.

Article 147 The detailed rules of work for the president shall include:

- (i) Conditions and procedures for convening president meetings, and participants;
- (ii) The specific duties and division of responsibilities of the president and other senior management members;
- (iii) The authority for using company funds and assets and entering into major contracts, and reporting systems to the Board of Directors and the Board of Supervisors;
- (iv) Other matters deemed necessary by the Board of Directors.

Article 148 The president may resign before the expiration of the term. The specific procedures and methods for the president's resignation shall be governed by the employment contract between the president and the Company.

Senior management shall submit a written resignation letter, and the resignation shall take effect upon delivery of the resignation letter to the Board of Directors.

Article 149 The Company's executive president, senior vice presidents, and vice presidents shall be nominated by the president and appointed or removed by the Board of Directors. The executive president, senior vice presidents, and vice presidents shall assist the president in managing the Company.

Article 150 The Company shall appoint a Board secretary responsible for preparing shareholders' meetings and Board meetings, maintaining documents, managing shareholder information, and handling information disclosure matters.

The Board secretary shall comply with relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the Company's stock listing place, and the Articles of Association.

Article 151 When senior management members perform their duties and cause damage to others, the Company shall bear compensation liability; if senior management members act with intent or gross negligence, they shall also bear compensation liability.

If senior management members violate laws, administrative regulations, departmental rules, the securities regulatory rules of the Company's stock listing place, or the Articles of Association in performing their duties and cause losses to the Company, they shall be liable for compensation.

Article 152 Senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If senior management members fail to perform their duties faithfully or breach their duty of integrity, causing damage to the Company or the interests of public shareholders, they shall be liable for compensation according to law.

CHAPTER 7 BOARD OF SUPERVISORS

Section 1 Supervisors

Article 153 The circumstances under which a person is prohibited from serving as a director under the Articles of Association shall also apply to supervisors.

Directors, the president, and other senior management members shall not concurrently serve as supervisors.

Article 154 Supervisors shall comply with laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, and the Articles of Association, and shall owe the Company duties of loyalty and diligence. They shall not use their powers to accept bribes or other illegal income, nor shall they misappropriate company property.

Article 155 The term of office of a supervisor shall be three years. Upon expiration, a supervisor may be re-elected for successive terms.

Article 156 If a supervisor's term expires without timely re-election, or if resignations cause the Board of Supervisors to fall below the statutory number, the original supervisors shall continue to perform their duties in accordance with laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, and the Articles of Association until the newly elected supervisors assume office.

Article 157 Supervisors shall ensure that the information disclosed by the Company is true, accurate, and complete, and shall sign written confirmation on the Company's periodic reports.

Article 158 Supervisors may sit in on Board meetings and raise inquiries or suggestions regarding Board resolutions.

Article 159 Supervisors shall not exploit their affiliated relationships to damage the Company's interests. If losses occur, they shall bear liability for compensation.

Article 160 Supervisors shall bear liability for compensation if they violate laws, administrative regulations, departmental rules, the securities regulatory rules of the Company's stock listing place, or the Articles of Association while performing their duties, causing losses to the Company.

Section 2 Board of Supervisors

Article 161 The Company shall have a Board of Supervisors. The Board of Supervisors shall consist of three supervisors, including one employee representative supervisor and one chairman. The chairman of the Board of Supervisors shall be elected by a simple majority of all supervisors.

The meetings of the Board of Supervisors shall be presided over and chaired by the chairman of the Board of Supervisors. If the chairman of the Board of Supervisors is unable or fails to perform his/her duties, such meeting shall be convened and presided over by a supervisor nominated by not less than half of the supervisors.

The Board of Supervisors shall include shareholder representatives and an appropriate proportion of employee representatives, with employee representatives accounting for no less than one-third.

The employee representatives on the Board of Supervisors shall be democratically elected by the Company's employees through the employees' representative assembly, general meeting of employees, or other forms of democratic election.

Article 162 The Board of Supervisors shall exercise the following functions and powers:

- (i) To examine regular reports prepared by the Board of Directors and propose written examination suggestions;
- (ii) To review the Company's financial position;

- (iii) To supervise the directors and senior management members' acts in performing their duties in the Company, and to propose a removal of any director or senior management member in violation of any laws, administrative regulations, the Articles of Association or shareholders' meeting resolutions;
- (iv) To demand any director or senior management member who acts in a manner which is harmful to the Company's interest to rectify such behaviours, and report to the shareholders' meeting or relevant national authorities when necessary;
- (v) To propose to convene an extraordinary general meeting, and to convene and preside over shareholders' meetings where the Board of Directors fails to perform its duty to do so as required by the Company Law;
- (vi) To submit proposals to the shareholders' meeting;
- (vii) To propose to convene extraordinary Board meetings;
- (viii) To initiate legal proceedings against any director or senior management member according to Article 189 of the Company Law;
- (ix) To investigate into unusual operation of the Company and if necessary, To engage an accounting firm, a law firm or other professional institutions To assist in its work at the expenses of the Company;
- (x) Other functions and powers granted by laws, administrative regulations, departmental rules, the Articles of Association, the securities regulatory rules of the Company's stock listing place, or the shareholders' meeting.

Article 163 The Board of Supervisors shall convene a meeting at least once every six months. Supervisors may propose to convene extraordinary meetings of the Board of Supervisors.

Resolutions of the Board of Supervisors shall be passed by more than half of the members of the Board of Supervisors.

Article 164 The Board of Supervisors shall formulate the rules of procedure for the Board of Supervisors, specifying the discussion methods and voting procedures to ensure work efficiency and scientific decision-making.

Article 165 The Board of Supervisors shall prepare minutes for the matters discussed and decided upon at its meetings, and the supervisors attending the meeting shall sign the minutes.

Supervisors have the right to request explanatory notes to be included in the minutes regarding their speeches made at the meeting. The minutes of the Board of Supervisors meetings shall be kept as company archives for no less than ten years.

Article 166 Notices of Board of Supervisors meetings shall include the following:

- (i) The date, place, and duration of the meeting;
- (ii) Matters and agenda of the meeting;
- (iii) the date of issuance of the notice.

CHAPTER 8 FINANCIAL AND ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Section 1 Financial and Accounting System

Article 167 The Company shall establish its financial accounting system in accordance with laws, administrative regulations, departmental rules, and securities regulatory rules of the Company's stock listing place. The Company's fiscal year shall follow the Gregorian calendar, beginning on January 1 and ending on December 31 each year.

Article 168 Within four months after the end of each fiscal year, the Company shall submit and disclose its annual financial accounting report to the CSRC and the stock exchange where the Company's shares are listed. Within two months after the end of the first half of each fiscal year, the Company shall submit and disclose its interim report to the local office of the CSRC and the stock exchange where the Company's shares are listed.

The aforementioned financial accounting reports shall be prepared in accordance with relevant laws, administrative regulations, regulations of the CSRC and the stock exchange, and the securities regulatory rules of the Company's stock listing place.

Article 169 The Company shall not establish separate accounting books in addition to the statutory accounting books. The Company's assets shall not be stored in accounts opened in the name of any individual.

Article 170 When distributing the after-tax profits of the current year, the Company shall allocate 10% of the profits to the Company's statutory reserve fund. If the cumulative amount of the Company's statutory reserve fund exceeds 50% of the Company's registered capital, the Company may cease to make further allocations.

If the Company's statutory reserve fund is insufficient to cover the losses of previous years, the Company shall use the current year's profits to cover the losses before allocating the statutory reserve fund as stipulated above.

After allocating the statutory reserve fund from the after-tax profits, the Company may also allocate a discretionary reserve fund from the after-tax profits upon a resolution of the shareholders' meeting.

After covering losses and allocating reserve funds, the remaining after-tax profits shall be distributed according to the proportion of shares held by shareholders, unless otherwise stipulated in the Articles of Association.

If the Company distributes profits to shareholders in violation of the Articles of Association, the shareholders shall return the improperly distributed profits to the Company; shareholders, as well as the responsible directors, supervisors, and senior management members, shall bear liability for any resulting losses caused to the Company.

Shares of the Company held by the Company itself shall not participate in profit distribution. The Company must appoint one or more receiving agents in Hong Kong for H-share shareholders. The receiving agents shall collect and hold dividends and other payable amounts to H-share shareholders on behalf of such shareholders, pending payment to such H-share shareholders. The receiving agents appointed by the Company shall comply with the requirements of laws, regulations, and the securities regulatory rules of the Company's stock listing place.

Article 171 The Company's reserve funds shall be used to cover the Company's losses, expand the Company's production and operation, or convert into additional capital.

When using reserve funds to cover the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be used first; if the losses cannot be fully covered, the capital reserve fund may be used in accordance with regulations.

When converting the statutory reserve fund into additional registered capital, the remaining statutory reserve fund shall not be less than 25% of the Company's registered capital before the conversion.

Article 172 After the shareholders' meeting resolves on the profit distribution plan, or after the Board of Directors finalises the specific plan based on the interim dividend distribution conditions and upper limit for the following year as approved by the annual shareholders' meeting, the distribution of dividends (or shares) shall be completed within two months.

If, due to applicable laws, regulations, or securities regulatory rules of the Company's stock listing place, the specific plan cannot be implemented within two months, the implementation date may be adjusted in accordance with such regulations and actual circumstances.

Article 173 The Company's cash dividend policy aims to achieve stable dividend growth.

If the Company's most recent annual audit report is qualified, or contains an unqualified opinion with a material uncertainty related to going concern, or if the debt-to-asset ratio exceeds a specific threshold/operating cash flow falls below a specific level, the Company may refrain from distributing profits.

The Company's profit distribution policy is as follows:

- (i) Profit distribution shall prioritise reasonable investment returns for public shareholders, with the objective of sustainable development and protection of shareholder rights. The Company shall maintain continuity and stability in its profit distribution policy.
- (ii) Forms of profit distribution. The Company may distribute profits in cash, in shares, or a combination of both. When conditions for cash dividends are met, cash distribution shall be prioritised.
- (iii) Interval of profit distribution. In accordance with the Company Law, relevant laws and regulations, and the Articles of Association, the Company shall, in principle, distribute profits annually, but may also make interim profit distributions based on actual profitability and funding needs. Unless approved by the Board of Directors following deliberation, with independent opinions from independent non-executive directors and resolutions from the Board of Supervisors, the interval between two cash dividend distributions shall, in principle, not be less than six months.
- (iv) Conditions for cash dividends
 1. The Company has made a profit during the reporting period and retains positive accumulated undistributed profits.
 2. The audit institution has issued a standard unqualified audit report on the Company's annual financial report.

Each year, the Company distributes a certain proportion of the distributable profits attributable to the owners of the parent company as reflected in the consolidated financial statements for the year as dividends. Cash dividends shall account for no less than 5% of the distributable profits attributable to the owners of the parent company as reflected in the consolidated financial statements for the year. The cumulative cash dividends over the past three years shall not be less than 30% of the average annual distributable profits over the same period. Profit distribution shall not exceed the range of accumulated distributable profits and not jeopardise the Company's ability to continue as a going concern. The Board of Directors shall comprehensively consider the characteristics of the industry, the Company's development stage, business model, profitability, and any major capital expenditure arrangements, distinguish among the following situations, and propose a differentiated cash dividend policy in accordance with the procedures set out in the Articles of Association:

1. If the Company is in a mature stage of development and has no major capital expenditure arrangements, cash dividends shall account for at least 80% of the current profit distribution.
2. If the Company is in a mature stage of development and has major capital expenditure arrangements, cash dividends shall account for at least 40% of the current profit distribution.
3. If the Company is in the growth stage and has major capital expenditure arrangements, cash dividends shall account for at least 20% of the current profit distribution.

Note: According to the interpretation of the CSRC, the proportion of cash dividends in “the current profit distribution” is calculated as the current cash dividends divided by the sum of the current cash dividends and stock dividends.

The Company’s development stage shall be determined by the Board of Directors based on specific circumstances. If the development stage is difficult to distinguish but major capital expenditure arrangements exist, it may be handled according to the above provisions.

(v) Conditions for stock dividends

1. The Company has made a profit during the reporting period and retains positive accumulated undistributed profits.
2. The audit institution has issued an unqualified audit report on the Company’s annual financial report.
3. If the Board of Directors deems that the Company’s stock price does not align with its share capital scale, and there are genuine and reasonable factors such as growth potential and dilution of net assets per share, which have been appropriately analysed or explained in publicly disclosed documents, and the issuance of stock dividends benefits the overall interests of all shareholders, the Board of Directors may propose a stock dividend distribution plan, provided that the above conditions for cash dividends above are met, to ensure that share capital expansion is in line with business growth.

(vi) Decision-making, adjustment, and supervision mechanism for profit distribution

1. The profit distribution proposal shall be prepared by the Board of Directors in accordance with the Articles of Association and the Company’s financial condition. During the discussion of the proposal, the Board of Directors shall fully consult with the independent non-executive directors and the Board of Supervisors, forming the proposal based on considerations for sustainable, stable, and returns to all shareholders.
2. The profit distribution proposal shall be approved by a majority of the directors present at the Board meeting. Independent non-executive directors shall convene a special meeting to express clear opinions on the proposal. They may also solicit opinions from minority shareholders, propose dividend plans, and submit them directly to the Board of Directors for consideration.
3. Once approved by the Board of Directors, the profit distribution proposal shall be submitted to the shareholders’ meeting. Before reviewing the specific cash dividend plan, the Company shall proactively communicate with shareholders, especially minority shareholders, through multiple channels (including but not limited to phone, fax, and email), fully considering their opinions and concerns and responding promptly.
4. If, under special circumstances, the Company is unable to determine the annual profit distribution plan according to the established cash dividend policy or minimum cash dividend ratio, the specific reasons and the clear opinions of the

independent non-executive directors shall be disclosed in the annual report. The annual profit distribution plan shall be approved by at least two-thirds of the voting rights held by the shareholders present at the shareholders' meeting.

5. The Company's profit distribution policy shall not be changed arbitrarily. In the event of force majeure, such as war or natural disasters, which significantly impact the Company's operations, or in the case of material changes in the Company's business, the profit distribution policy may be adjusted. Any adjustment shall aim to protect shareholder interests, and the revised profit distribution policy and shareholder return plan must comply with applicable laws, regulations, normative documents, and the Articles of Association. The adjustment plan shall be submitted for opinions from independent non-executive directors through a special meeting and for opinions from the Board of Supervisors. After approval by the Board of Directors, the plan shall be submitted to the shareholders' meeting and must be approved by more than two-thirds of the voting rights held by the shareholders present.
6. When reviewing adjustments to the profit distribution plan, the Company shall fully solicit opinions from minority shareholders through multiple channels (including but not limited to online voting and invitations to attend meetings). The Board of Directors, independent non-executive directors, and eligible shareholders may solicit proxies from other shareholders to exercise their voting rights at the shareholders' meeting.
7. The Board of Supervisors shall supervise the execution of the cash dividend policy and the shareholder return plan by the Board of Directors and the management, including compliance with decision-making procedures and information disclosure.
8. If a shareholder has misappropriated company funds in violation of regulations, the cash dividends distributable to such shareholder shall be withheld to repay the misappropriated amount.
9. The Company shall strictly disclose in its periodic reports the formulation, implementation, and other details of the cash dividend policy in accordance with applicable regulations.

Section 2 Internal Audit

Article 174 The Company shall implement an internal audit system, specifying the leadership structure, responsibilities and authorities, staffing, funding, application of audit results, and accountability for internal audit work.

The Company's internal audit system shall be implemented after approval by the Board of Directors and shall be disclosed to the public.

Article 175 The Company's internal audit function shall supervise and inspect the Company's business activities, risk management, internal control, financial information, and other related matters.

The internal audit function shall maintain independence, be staffed with full-time audit personnel, and shall not be placed under the leadership of the finance department or operate jointly with the finance department.

Article 176 The internal audit function shall report to the Board of Directors.

In the process of supervising and inspecting the Company's business activities, risk management, internal control, and financial information, the internal audit function shall accept the supervision and guidance of the Audit Committee. If the internal audit function discovers any significant issues or leads, it shall report directly to the Audit Committee immediately.

Article 177 The internal audit function shall be responsible for the organisation and implementation of the Company's internal control evaluation. Based on the evaluation report issued by the internal audit function and reviewed by the Audit Committee, as well as related materials, the Company shall issue an annual internal control evaluation report.

Article 178 When the Audit Committee communicates with external audit units such as accounting firms or national audit authorities, the internal audit function shall actively cooperate and provide necessary support and assistance.

Article 179 The Audit Committee shall participate in the assessment of the head of the internal audit function.

Section 3 Appointment of Accounting Firms

Article 180 The Company shall engage an accounting firm that complies with the Securities Law and other securities regulatory rules of the Company's stock listing place to conduct audits of financial statements, verification of net assets, and other related consulting services. The engagement term shall be one year and may be renewed.

Article 181 The appointment or dismissal of an accounting firm shall be decided by the shareholders' meeting. The Board of Directors shall not appoint an accounting firm before the decision of the shareholders' meeting.

Article 182 The Company shall ensure that the engaged accounting firm is provided with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or misreport such materials.

Article 183 The remuneration of the accounting firm or the method of determining such remuneration shall be decided by the shareholders' meeting.

Article 184 When the Company dismisses or does not renew the engagement of an accounting firm, it shall notify the accounting firm 15 days in advance. When the shareholders' meeting votes on the dismissal of an accounting firm, the accounting firm shall be allowed to present its opinions.

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

CHAPTER 9 NOTICES AND ANNOUNCEMENTS

Section 1 Notices

Article 185 The Company's notices shall be issued in the following forms:

- (i) By personal delivery;
- (ii) By mail;
- (iii) By announcement;
- (iv) Other forms recognised by relevant regulatory authorities at the Company's stock listing place or as provided in the Articles of Association.

Article 186 If a notice issued by the Company is made by announcement, it shall be deemed received by all relevant persons upon publication.

For the purposes of the Articles of Association, "announcement" shall, unless otherwise specified by context, mean: for announcements issued to A-share shareholders or announcements required to be made in the PRC under applicable regulations and the Articles of Association, the publication of information on the Shanghai Stock Exchange website and other media that meet the conditions prescribed by the CSRC; and for announcements issued to H-share shareholders or announcements required to be made in Hong Kong under applicable regulations and the Articles of Association, such announcements must be published on the Company's website, the Hong Kong Stock Exchange website, and other websites as required from time to time under the Hong Kong Listing Rules.

For the purpose of providing and/or distributing corporate communications to H-share shareholders as required under the securities regulatory rules of the Company's stock listing place, and in compliance with the securities regulatory rules of the Company's stock listing place, the Company may also send or provide corporate communications to H-share shareholders electronically or by publishing information on the Company's website or the website of the stock exchange where the Company's shares are listed, in lieu of delivering corporate communications to H-share shareholders by personal delivery or prepaid mail.

Article 187 Notices of shareholders' meetings shall be delivered by way of announcement.

Article 188 Notices of Board meetings shall be delivered by personal delivery, fax, mail, or email.

Article 189 Notices of meetings of the Board of Supervisors shall be delivered by personal delivery, fax, mail, or email.

Article 190 For notices delivered by personal delivery, the recipient shall sign (or seal) a delivery receipt, and the date of signing shall be deemed the date of delivery; for notices sent by fax, the first working day following the fax transmission shall be deemed the date of delivery; for notices sent by mail, the tenth day after delivery to the post office shall be deemed the date of delivery; for notices sent by email, the first working day following the sending of the email shall be deemed the date of delivery; for notices sent by announcement, the date of first publication of the announcement shall be deemed the date of delivery.

Article 191 A meeting and the resolutions passed at such meeting shall not be invalidated merely because the meeting notice was not delivered to a person entitled to receive it due to accidental omission or such person did not receive the notice.

Section 2 Announcements

Article 192 The Company designates at least one of the following newspapers – China Securities Journal, Shanghai Securities News, Securities Times – as well as the Shanghai Stock Exchange website, the HKEXnews website (www.hkexnews.hk), and the Company's official website as the media ("designated media") for publishing company announcements and other information required to be disclosed.

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

Section 1 Merger, Division, Capital Increase, and Capital Reduction

Article 193 The Company's merger can be in the form of an absorption merger or a consolidation merger.

When one company absorbs other companies, it is an absorption merger, and the absorbed companies are dissolved. When two or more companies merge to form a new company, it is a consolidation merger, and all the merging companies are dissolved.

Article 194 The consideration paid by the Company in a merger shall not exceed 10% of the Company's net assets, and in such case, it may be completed without a resolution of the shareholders' meeting, unless otherwise provided in the Articles of Association.

A merger completed by the Company in accordance with the preceding paragraph without a shareholders' meeting resolution shall be approved by a resolution of the Board of Directors.

Article 195 For a company merger, the merging parties shall sign a merger agreement and prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days from the date of adopting the merger resolution and make an announcement in the designated media or on the National Enterprise Credit Information Publicity System within 30 days.

Creditors may, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice, request the Company to pay off its debts or provide corresponding guarantees.

Article 196 When the Company merges, the credits and debts of the merging parties shall be succeeded by the surviving company after the merger or the newly established company.

Article 197 When the Company divides, its assets shall be divided accordingly.

When the Company divides, it shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days from the date of the division resolution and make an announcement in the designated media or the National Enterprise Credit Information Publicity System within 30 days.

Article 198 The debts of the Company before the division shall be jointly assumed by the companies after the division, unless otherwise agreed in a written agreement reached for the settlement of debts between the Company and its creditors before the division.

Article 199 When the Company needs to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within ten days from the date of the shareholders' meeting resolution on the capital reduction and make an announcement in the designated media or the National Enterprise Credit Information Publicity System within 30 days. Creditors may request the Company to settle its debts or provide corresponding guarantees within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice.

When the Company reduces its registered capital, it shall correspondingly reduce the capital contribution or shares held by shareholders in proportion to their shareholding, unless otherwise provided by law or the Articles of Association.

Article 200 If, after the Company has offset losses in accordance with the provisions of the second paragraph of Article 171 of the Articles of Association, there are still losses, the Company may reduce its registered capital to offset the losses. When the registered capital is reduced to cover losses, the Company shall not make distributions to shareholders, nor shall it exempt shareholders from their obligations to pay capital contributions or share capital.

The reduction of registered capital in accordance with the preceding paragraph shall not be subject to the provisions of the second paragraph of Article 199 of the Articles of Association, but the Company shall announce the reduction within thirty days from the date the shareholders' meeting passes the resolution on the reduction, through the statutory information disclosure media or the National Enterprise Credit Information Publicity System.

After reducing the registered capital in accordance with the preceding two paragraphs, no profit shall be distributed until the total amount of the statutory reserve fund and the discretionary reserve fund reaches 50% of the Company's registered capital.

Article 201 If the registered capital is reduced in violation of the Company Law and other relevant regulations, shareholders shall return the funds received, and any reduction or exemption of shareholder contributions shall be restored to the original state; if losses are caused to the Company as a result thereof, shareholders and responsible directors or senior management members shall bear liability for compensation.

Article 202 When the Company issues new shares to increase its registered capital, shareholders do not have preemptive rights to subscribe, unless otherwise stipulated in the Articles of Association or decided by a resolution of the shareholders' meeting.

Article 203 When the Company merges or divides, and the registration matters change, it shall apply for a change of registration with the Company registration authority in accordance with the law; when a company is dissolved, it shall apply for cancellation of registration in accordance with the law; when a new company is established, it shall apply for establishment registration in accordance with the law.

When the Company increases or reduces its registered capital, it shall apply for a change of registration with the Company registration authority in accordance with the law.

Section 2 Dissolution and Liquidation

Article 204 The Company shall be dissolved for the following reasons:

- (i) The business term stipulated in the Articles of Association expires or other dissolution reasons stipulated in the Articles of Association arise;
- (ii) The shareholders' meeting resolves to dissolve the Company;
- (iii) The Company needs to be dissolved due to a merger or division;
- (iv) The Company is legally revoked its business license, ordered to close, or revoked;
- (v) The Company's operation and management encounter serious difficulties, and its continued existence would cause significant losses to shareholders' interests, and no other solutions can be found. Shareholders holding 10% or more of the Company's total voting rights may request the people's court to dissolve the Company.

When the Company has the dissolution reasons mentioned above, it shall publicize the dissolution reasons through the National Enterprise Credit Information Publicity System within ten days.

Article 205 If the Company has the circumstances mentioned in items (i) and (ii) of Article 204 of the Articles of Association and has not yet distributed its assets to shareholders, it may continue to exist by amending its Articles of Association or through a resolution of the shareholders' meeting.

To amend the Articles of Association or pass a resolution of the shareholders' meeting in accordance with the preceding paragraph, it must be approved by more than two-thirds of the voting rights held by shareholders present at the shareholders' meeting.

Article 206 If a company is dissolved due to the circumstances mentioned in items (i), (ii), (iv), and (v) of Article 204, it shall be liquidated. The directors are the liquidation obligors and shall establish a liquidation group within 15 days from the date the dissolution reason arises to commence liquidation.

The liquidation group shall consist of directors, unless the shareholders' meeting resolves to appoint others. If the liquidation obligors fail to perform their liquidation obligations in a timely manner, causing losses to the Company or creditors, they shall bear the liability for compensation.

Article 207 During the liquidation period, the liquidation group shall exercise the following powers and duties:

- (i) Cleaning up the Company's assets and preparing a balance sheet and an inventory of assets separately;
- (ii) Notifying and announcing to creditors;
- (iii) Handling the Company's unfinished business related to the liquidation;
- (iv) Paying off the taxes owed and the taxes incurred during the liquidation process;
- (v) Cleaning up claims and debts;
- (vi) Distributing the remaining assets after the Company's debts are settled;
- (vii) Representing the Company in civil litigation activities.

Article 208 The liquidation group shall notify creditors within ten days from the date of its establishment and make an announcement in the designated media or the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice.

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

During the claim declaration period, the liquidation group shall not settle claims with creditors.

Article 209 After cleaning up the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation group shall formulate a liquidation plan and submit it to the shareholders' meeting or the people's court for confirmation.

After paying off the liquidation expenses, employees' wages, social insurance fees, and statutory compensation, paying off the taxes owed, and settling the Company's debts, the remaining assets shall be distributed to shareholders according to the proportion of shares held.

During the liquidation period, the Company shall continue to exist but shall not engage in business activities unrelated to the liquidation. The Company's assets shall not be distributed to shareholders before being settled in accordance with the preceding paragraph.

Article 210 After cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets, if the liquidation group finds that the Company's assets are insufficient to settle its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law.

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

Article 211 After the Company's liquidation is completed, the liquidation group shall prepare a liquidation report, submit 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's registration.

Article 212 Members of the liquidation group shall perform their liquidation duties with loyalty and diligence.

Members of the liquidation group who neglect to perform their liquidation duties and cause losses to the Company shall be liable for compensation; if such losses are caused by intentional misconduct or gross negligence, they shall be liable for compensation to the Company or its creditors.

Article 213 If the Company is legally declared bankrupt, it shall implement bankruptcy liquidation in accordance with the relevant enterprise bankruptcy laws.

CHAPTER 11 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 214 The Articles of Association shall be amended under any of the following circumstances:

- (i) After amendments to the Company Law or other relevant laws, administrative regulations, or securities regulatory rules of the Company's stock listing place, the provisions of the Articles of Association conflict with the amended laws, administrative regulations, or securities regulatory rules;
- (ii) Changes occur in the Company's circumstances that are inconsistent with the matters recorded in the Articles of Association;
- (iii) The shareholders' meeting resolves to amend the Articles of Association.

Article 215 Amendments to the Articles of Association approved by the shareholders' meeting that require approval from competent authorities shall be submitted to the competent authorities for such approval; if the amendments involve company registration items, the changes shall be registered in accordance with law.

Article 216 The Board of Directors shall amend the Articles of Association in accordance with the resolutions of the shareholders' meeting and the approval opinions of the relevant competent authorities.

Article 217 Amendments to the Articles of Association that constitute information required to be disclosed under laws or regulations shall be announced in accordance with relevant provisions.

CHAPTER 12 SUPPLEMENTARY PROVISIONS

Article 218 Definitions

- (i) “Controlling shareholder” refers to a controlling shareholder as defined by applicable laws, regulations, and the securities regulatory rules of the Company’s stock listing place.
- (ii) “Actual controller” refers to any natural person, legal person, or other organisation that, through investment relationships, agreements, or other arrangements, is able to exercise actual control over the Company’s operations.
- (iii) “Affiliated relationship” refers to the relationships between the Company’s controlling shareholders, actual controllers, directors, supervisors, and senior management members, and the enterprises directly or indirectly controlled by them, as well as any other relationships that may result in the transfer of the Company’s interests. However, state-controlled enterprises shall not be deemed to have an affiliated relationship merely because they are under common state control.
- (iv) The term “accounting firm” as used in the Articles of Association includes “auditor” as defined under the Hong Kong Listing Rules; the term “independent director” includes “independent non-executive director” as defined under the Hong Kong Listing Rules.
- (v) The term “related-party transaction” as used in the Articles of Association of Association includes “connected transaction” as defined under the Hong Kong Listing Rules; the term “connected party” includes “connected person” as defined under the Hong Kong Listing Rules; and the term “affiliated relationship” includes “connected relationship” as defined under the Hong Kong Listing Rules.

Article 219 The Board of Directors may formulate detailed rules of the Articles of Association in accordance with the provisions hereof. Such detailed rules shall not conflict with the provisions of the Articles of Association.

Article 220 The Articles of Association shall be written in Chinese. In case of any discrepancy between versions in other languages or different versions, the Chinese version most recently approved and registered with the Administration for Market Regulation of Changping District, Beijing, shall prevail.

Article 221 Any matters not covered in the Articles of Association shall be handled in accordance with the Articles of Association, applicable laws, administrative regulations, normative documents, and the securities regulatory rules of the Company’s stock listing place, taking into account the actual circumstances of the Company. In the event of any inconsistency between the Articles of Association and the laws, administrative regulations, normative documents, or the securities regulatory rules of the Company’s stock listing place as promulgated from time to time, the latter shall prevail.

Article 222 The terms “above,” “within,” and “not more than” as used in the Articles of Association shall include the given number; whereas “over,” “exceeding,” “less than,” “outside,” “below,” and “more than” shall not include the given number.

Article 223 The Board of Directors shall be responsible for the interpretation of the Articles of Association.

Article 224 The appendices to the Articles of Association include the Rules of Procedure for the Shareholders' Meeting, the Rules of Procedure for the Board of Directors, and the Rules of Procedure for the Board of Supervisors.

Article 225 The Articles of Association, upon approval by the shareholders' meeting, shall take effect from the date on which the Company's H shares are listed on the Hong Kong Stock Exchange, whereupon the Company's previous Articles of Association shall automatically cease to be effective.