

Articles of Association of FAWER Automotive Parts Limited Company

Revised in April 2023

(Approved at the 22nd Meeting of the 10th Board of Directors of the Company on April 18, 2023, and submitted for review and revision at the 2022 Annual Meeting of Shareholders)

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Chapter 1 General provisions

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

Article 2 The Company is a limited company established in accordance with the *Company Law* and other relevant provisions (hereinafter referred to as the "Company")

The Company was approved by Shenzhen Municipal People's Government with the document "SFBF [1993] No. 720", established through fundraising, and registered with Guangdong Provincial Administration for Industry and Commerce; In December 2012, with the approval of China Securities Regulatory Commission in the document "ZJXK [2012] No. 1690", the Company absorbed and merged FAWER Automotive Parts Limited Company through the exchange of new shares. The Company moved to Changchun and registered with Changchun Administration for Industry and Commerce, obtaining the business license with the business license number 440000000067379.

Article 3 The Company was approved by Shenzhen Securities Management Office in June 1993 with the document "SZF [1993] No. 40" and was listed on Shenzhen Stock Exchange on September 29, 1993; In December 2012, with the approval of the China Securities Regulatory Commission in the document "ZJXK [2012] No. 1690", the Company absorbed and merged FAWER Automotive Parts Limited Company through the exchange of new shares.

Article 4 The Company's registered Chinese name: 富奥汽车零部件股份有限公司; English name: FAWER Automotive Parts Limited Company (abbreviated as FAWER)

Article 5 The Company address: No. 777 Dongfeng South Street, Changchun Automobile Economic and Technological Development Zone, Jilin Province; Postal code: 130011.

Article 6 The registered capital of the Company is RMB 1,741,643,085 yuan.

Article 7 The Company is a limited company of permanent existence.

Article 8 The general manager is the legal representative of the Company.

Article 9 All assets of the Company shall be divided into equal shares, and shareholders shall be liable to the Company to the extent of their subscribed shares. The company shall be liable for its debts to the extent of all its assets.

Article 10 The Articles of Association of the Company shall become a legally binding document regulating the organization and behavior of the Company, the rights and obligations between the Company and shareholders, and between shareholders, and shall be legally binding on the Company, shareholders, directors, supervisors and senior management personnel. In accordance with the Articles of Association, a shareholder can sue a shareholder, a shareholder can sue a director, a supervisor, general manager and other senior management personnel of the Company, a shareholder can sue the Company, and the Company can sue a shareholder, a director, a supervisor, general manager and other senior management personnel.

Article 11 The term "other senior management personnel" mentioned in the Articles of Association refers to the deputy general manager, secretary of the board of directors and the person in charge of finance of the Company.

Article 12 The Company shall establish an organization of the Communist Party of China to carry out Party activities in accordance with the *Party Constitution* and the *Company Law*. As an organic part of the corporate governance structure, the Company Party Committee plays the role of political core, setting the direction, managing the overall situation and ensuring the implementation.

Article 13 In the process of reform and development, the Company insists on the synchronous planning of Party building, the synchronous setting of Party organizations and working organs, the synchronous allocation of Party organization leaders and Party affairs staff, and the synchronous implementation of Party work, so as to realize institutional docking, mechanism docking, system docking and work docking, and promote the organization, institutionalization and concretization of Party organization's role as a political core.

Chapter 2 Business purpose and scope

Article 14 The business purpose of the Company: to establish and improve the modern enterprise system, standardize the operation of the Company, promote the enterprise to develop in the direction of specialization, scale, brand and internationalization, build an automotive parts enterprise group with international competitiveness, follow the path of technological development, and realize sustainable development.

Article 15 After registration in accordance with the law, the business scope of the Company is: research, design and manufacturing of automotive parts and related products; Domestic sales and after-sales service; Import and export business; Design, manufacturing and related services of equipment and process equipment; Leasing business and property service business (valid qualification certificates are required for operation); Warehousing and distribution business and related services (subject to the business scope approved by the administration for industry and commerce).

Chapter 3 Shares

Section 1 Share issuance

Article 16 The shares of the Company shall be in the form of stocks.

Article 17 The issuance of Company shares shall follow the principles of openness, fairness and justice, and each share of the same class shall have equal rights.

For shares of the same class issued at the same time, the issuance conditions and price of each share shall be the same; The same price shall be paid for each share subscribed by any unit or individual.

Article 18 The stocks issued by the Company shall be marked with their face value in RMB.

Article 19 The shares issued by the Company shall be placed under centralized custody of Shenzhen Branch of China Securities Depository and Clearing Co., Ltd.

Article 20 The total number of ordinary shares approved for initial issuance upon the Company's listing is 218.5 million shares. Upon establishment, 145 million shares were issued to the initiator Shenzhen Investment Management Company through asset contribution, which was made in September 1993, accounting for 66.36% of the total number of ordinary shares that the Company can issue.

Article 21 The total number of shares of the Company is 1,741,643,085, all of which are ordinary shares.

Article 22 The Company or its subsidiaries (including its affiliated enterprises) shall not provide any assistance in the form of gifts, advances, guarantees, compensation or loans to those who purchase or plan to purchase the Company shares.

Section 2 Share increase, decrease and repurchase

Article 23 According to the needs of operation and development, and in accordance with the provisions of laws and regulations, the Company may increase its capital by adopting the following methods through separate resolutions made by the shareholders' meeting:

- (1) Public issuance of shares;
- (2) Non-public issuance of shares;
- (3) Distributing bonus shares to existing shareholders;
- (4) Converting provident fund into share capital;
- (5) Other methods prescribed by laws, administrative regulations and approved by China Securities Regulatory Commission.

Article 24 The Company may reduce its registered capital. The reduction of registered capital by the Company shall be handled in accordance with the procedures stipulated in the *Company Law*, other relevant provisions and the Articles of Association.

Article 25 The Company may purchase its shares in accordance with laws, administrative regulations, departmental rules and the Articles of Association under the following circumstances:

- (1) Reducing the registered capital of the Company;
- (2) Merging with other companies holding shares of the Company;
- (3) Using shares for employee stock ownership plan or equity incentive;
- (4) Shareholders request the Company to purchase their shares due to their objection to the resolution on the Company's merger or division made at the shareholders' meeting.
- (5) Converting shares into corporate bonds issued by the listed company that can be converted into stocks;
- (6) Necessary for the listed company to safeguard its value and shareholders' rights and interests.

Except for the above circumstances, the Company shall not engage in any activity of buying or selling its own shares.

Article 26 A company may choose one of the following ways to purchase the Company's shares:

- (1) Centralized trading through bidding at a stock exchange;
- (2) The method of offer;
- (3) Other methods approved by China Securities Regulatory Commission.

Where a company purchases the Company's shares under the circumstances specified in Item (3), (5) or (6) of Article 25 of the Articles of Association, it shall do so through an open centralized trading.

Article 27 Where a company purchases the Company's shares under the circumstances specified in Item (1) and (2) of Article 25 of the Articles of Association, it shall be subject to the resolution of the shareholders' meeting; Where a company purchases the Company's shares under the circumstances specified in Item (3), (5) or (6) of Article 25 of the Articles of Association, the decision shall be made at a meeting of the board of directors attended by more than two thirds of the directors.

After a company purchases the Company's shares in accordance with Article 25 of the Articles of Association, if it falls under the circumstances of item (1), it shall be cancelled within ten days from the date of purchase; If it falls under the circumstances of Items (2) and (4), it shall be transferred or cancelled within six months; In the case of Items (3), (5) and (6), the total number of shares held by the Company shall not exceed 10% of the total number of shares issued by the Company, which shall be transferred or cancelled within three years.

Section 3 Transfer of Shares

Article 28 The shares of the Company may be transferred in accordance with the law.

Article 29 The Company shall not accept its own stocks as the subject matter of the pledge right.

Article 30 The shares of the Company held by the initiators shall not be transferred within one year from the date of establishment of the Company. The shares already issued before the Company publicly issues shares shall not be transferred within one year from the date of listing and trading of the Company's shares at the stock exchange.

The directors, supervisors and senior management personnel of the Company shall report to the Company the shares held by them and the changes thereof, and the shares transferred annually during the term of office shall not exceed 25% of the total shares of the Company held by them; The Company's shares held by them shall not be transferred within one year from the date of listing and trading of the Company's stocks. The above personnel shall not transfer their shares of the Company within six months after their resignation.

Article 31 The Company's directors, supervisors, senior management personnel and shareholders holding more than 5% of the Company's shares sell their shares of the Company within 6 months after buying them, or buy them again within 6 months after selling them, the profits derived therefrom shall belong to the Company, and the board of directors of the Company shall recover their profits. However, if a securities company holds more than 5% of the shares due to the sole underwriting and purchase of the remaining stocks after sale, the selling of the stocks is not subject to the time limit of 6 months.

If the board of directors of the Company fails to comply with the provisions of the preceding paragraph, the shareholders shall have the right to demand that the board of directors execute within 30 days. If the board of directors of the Company fails to execute within the above-mentioned period, the shareholders shall have the right to directly file a lawsuit in their own name to the people's court for the benefit of the company.

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

Chapter 4 Shareholders and shareholders' meeting

Section 1 Shareholders

Article 32 The Company shall establish a register of shareholders based on the vouchers provided by the securities registration authority, and the register of shareholders shall be sufficient evidence to prove that the shareholders hold the Company's shares. Shareholders shall enjoy rights and assume obligations according to the types of shares they hold; Shareholders holding the same type of shares shall have equal rights and assume the same obligations.

Article 33 When the Company convenes a shareholders' meeting, distributes dividends, liquidates or engages in other activities that require confirmation of shareholder identity, the board of directors or the convener of the shareholders' meeting shall determine the equity registration date. After the equity registration date is closed, the registered shareholders shall be the shareholders who enjoy the relevant rights and interests.

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

- (1) Obtaining dividends and other forms of profit distribution in accordance with the shares held by them;
- (2) Requesting, convening, presiding over, attending or appointing shareholder's agent to attend the shareholders' meeting in accordance with the law, and exercising corresponding voting rights;
- (3) Supervising the operation of the Company and making suggestions or inquiries;
- (4) Transferring, gifting or pledging its shares in accordance with laws, administrative regulations and the Articles of Association;
- (5) Consulting the Articles of Association, the register of shareholders, the bond stubs of the Company, the minutes of shareholders' meeting, the resolutions of the board of directors, the resolutions of the board of supervisors and the financial and accounting reports;
- (6) When the company terminates or liquidates, it shall participate in the distribution of residual property of the Company based on the shares held by it;
- (7) Shareholders who oppose the resolution on merger or division of the Company made by the shareholders' meeting shall request the Company to purchase their shares;
- (8) Other rights provided for by laws, administrative regulations, departmental rules or the Articles of Association.

Article 35 If a shareholder requests to consult the relevant information or requests materials mentioned in the preceding article, it shall provide the Company with written documents proving the type and number of the Company's shares it holds. After verifying the shareholder's identity, the Company shall provide it according to the shareholder's request.

Article 36 If the resolution of the shareholders' meeting or the board of directors of the Company violates laws or administrative regulations, the shareholders shall have the right to request the people's court to deem as invalid. If the convening procedure or voting method of the shareholders' meeting or the meeting of the board of directors violates laws, administrative regulations or the Articles of Association, or the content of the resolution violates the Articles of Association, the shareholders shall have the right to request the people's court to cancel the resolution within 60 days from the date of making the resolution.

Article 37 If directors or senior management personnel violate the provisions of laws, administrative regulations or the Articles of Association while performing their duties of the Company and cause losses to the Company, the shareholders who hold more than 1% of the Company's shares individually or in total for more than 180 consecutive days shall have the right to request the board of supervisors in writing to file a lawsuit to the people's court; If the board of supervisors violates the provisions of laws, administrative regulations or the Articles of Association while performing the duties of the Company and causes losses to the Company, the shareholders may request the board of directors in writing to file a lawsuit to the people's court.

If the board of supervisors or the board of directors refuses to file a lawsuit after receiving a written request from the shareholders specified in the preceding paragraph, or fails to file a lawsuit within 30 days from the date of receiving the request, or if the situation is urgent and the failure to file a lawsuit immediately will cause irreparable damage to the Company's interests, the shareholders specified in the preceding paragraph shall have the right to directly file a lawsuit in their own name to the people's court for the benefit of the Company.

Where any other person infringes upon the lawful rights and interests of the Company and causes losses to the Company, the shareholders specified in the first paragraph of this article may file a suit to the people's court in accordance with the provisions of the preceding two paragraphs.

Article 38 If directors or senior management personnel violate the provisions of laws, administrative regulations or the Articles of Association and damage the interests of shareholders, the shareholders may file a lawsuit to the people's court.

Article 39 Shareholders of the Company shall bear the following obligations:

- (1) Complying with laws, administrative regulations and the Articles of Association;
- (2) Paying money for shares based on the shares subscribed and the method of subscription;
- (3) Shares shall not be withdrawn except as provided for by laws and regulations;
- (4) Not abusing shareholder's right to harm the interests of the Company or other shareholders; Not abusing the independent status of the Company's legal person and the limited liability of shareholders to harm the interests of the Company's creditors;

If shareholders of the Company abuse their shareholder rights and cause losses to the Company or other shareholders, they shall bear compensation liability in accordance with the law.

If the Company's shareholders abuse the independent status of the Company's legal person and the limited liability of shareholders, evade debts, and seriously harm the interests of the Company's creditors, they shall bear joint and several liability for the Company's debts.

- (5) Other obligations that should be born in accordance with laws, administrative regulations and the Articles of Association.

Article 40 Where a shareholder holding more than 5% of the voting shares of the Company pledges its shares, it shall submit a written report to the Company as of the date on which such fact occurs.

Article 41 The controlling shareholders and actual controllers of the Company shall not use their affiliated relationships to harm the interests of the Company. Those who violate regulations and cause losses to the Company shall be liable for compensation.

The controlling shareholders and actual controllers of the Company have obligations of good faith to the Company and its public shares shareholders. Controlling shareholders shall strictly exercise the rights of investors in accordance with the law. Controlling shareholders shall not harm the legitimate rights and interests of the Company and public share shareholders by means of profit distribution, asset restructuring, external investment, fund occupation, loan guarantee, etc., and shall not harm the interests of the Company and public share shareholders by using their controlling position.

The directors, supervisors and senior management personnel of the Company shall have the obligation to protect the Company's funds from being occupied by controlling shareholders.

When directors, supervisors and senior management personnel of the Company assist or connive controlling shareholders and their affiliated enterprises in misappropriating the Company's assets, the board of directors of the Company shall, depending on the severity of the situation, impose sanctions on the directly responsible person and dismiss the person who bears serious responsibility.

In the event that controlling shareholders of the Company misappropriate the Company's assets, including but not limited to occupying the Company's funds, the board of directors of the Company shall immediately apply to the people's court in the name of the Company for judicial freeze on the Company's assets misappropriated by the controlling shareholders and shares held by the controlling shareholders.

Where controlling shareholders are unable to restore the appropriated assets of the Company to their original state or pay off the appropriated assets in cash, the Company shall have the right to repay the appropriated assets by converting the shares held by the controlling shareholders into cash in accordance with the provisions and procedures of relevant laws, regulations and rules.

Section 2 General Provisions for shareholders' meetings

Article 42 The shareholders' meeting is the power organ of the Company, which shall exercise the following powers in accordance with the law:

- (1) Determining the Company's business policies and investment plans;
- (2) Electing and replacing directors and supervisors who are not held by employee representatives, and deciding on matters related to the remuneration of directors and supervisors;
- (3) Reviewing and approving the report of the board of directors;
- (4) Reviewing and approving the report of the board of supervisors;
- (5) Reviewing and approving the Company's annual financial budget plans and final accounting plans;
- (6) Reviewing and approving the Company's profit distribution plans and loss recovery plans;
- (7) Making resolutions on the increase or decrease of the Company's registered capital;
- (8) Making resolutions on the issuance of corporate bonds;
- (9) Making resolutions on the merger, division, dissolution, liquidation, or change of corporate form of the Company;
- (10) Amending the Articles of Association;
- (11) Making resolutions on the employment and dismissal of accounting firms by the Company;
- (12) Reviewing and approving the guarantee matters stipulated in Article 41;
- (13) Reviewing the purchase or sale of major assets by the Company within one year exceeding 30% of the total audited assets of the Company in the latest period;
- (14) Reviewing and approving changes in the use of raised funds;
- (15) Reviewing equity incentive plans;
- (16) Reviewing the buyback plan of the Company's purchase of its shares under the circumstances specified in Items (1) and (2) of Article 25 of the Articles of Association;
- (17) Reviewing other matters that shall be decided by the shareholders' meeting in accordance with laws, administrative regulations, departmental rules or the Articles of Association.

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

Article 43 The Company shall not provide guarantee to any third party other than the Company and its wholly-owned subsidiaries and controlling subsidiaries (the guarantee provided to the controlling subsidiaries shall be provided jointly with other shareholders according to the Company's shareholding ratio); The limit of guarantee provided by the Company in each fiscal year and the specific guarantee items to be provided shall be reviewed and approved by the annual shareholders' meeting. If other guarantees other than the limit and the specific guarantee items reviewed and approved by the annual shareholders' meeting, they shall be reviewed and approved by the extraordinary shareholders' meeting of the Company.

Article 44 The shareholders' meeting is divided into annual shareholders' meeting and extraordinary shareholders' meeting. The annual shareholders' meeting shall be held once a year and shall be held within 6 months after the end of the previous fiscal year.

Article 45 In any of the following circumstances, the Company shall convene an extraordinary shareholders' meeting within 2 months from the date of occurrence:

- (1) When the number of directors is less than two-thirds of the number specified in the *Company Law* or the Articles of Association;
- (2) When the Company's uncovered losses amounting to one-third of its total actually paid capital stock;
- (3) When requested by shareholders who individually or collectively hold more than 10% of the Company's shares;
- (4) When the board of directors deems it necessary;
- (5) When the board of supervisors proposes to convene;
- (6) Other situations stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

Article 46 The place where the Company holds a shareholders' meeting shall be the Company's domicile or the place determined by the meeting notice. The shareholders' meeting will be set up a place and be held in the form of on-site meeting. The Company will also provide convenience for shareholders to attend the shareholders' meeting through the internet or other legal means according to the situation. Shareholders who participate in the shareholders' meeting through the above means shall be deemed to have attended.

Article 47 When the Company holds a shareholders' meeting, it will hire a lawyer to provide legal opinions and make a public announcement on the following issues:

- (1) Whether the convening and convening procedures of the meeting comply with laws, administrative regulations and the Articles of Association;
- (2) Whether the qualifications of the participants and the qualifications of the conveners are legal and valid;
- (3) Whether the voting procedures and results of the meeting are legal and valid;
- (4) Providing legal opinions on other relevant issues as requested by the Company.

Section 3 Convening of shareholders' meeting

Article 48 Independent directors shall have the right to propose to the board of directors to convene an extraordinary shareholders' meeting. The board of directors shall provide written feedback on whether to agree or disagree to convene an extraordinary shareholders' meeting within 10 days after receiving the proposal in accordance with the provisions of laws, administrative regulations and the Articles of Association.

If the board of directors agrees to convene an extraordinary shareholders' meeting, a notice of convening the shareholders' meeting shall be issued within 5 days after the board of directors' resolution is made; If the board of directors does not agree to convene an extraordinary shareholders' meeting, the reasons shall be explained and announced.

Article 49 The board of supervisors shall have 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 provide written feedback on whether to agree or disagree to convene an extraordinary shareholders' meeting within 10 days after receiving the proposal in accordance with the provisions of laws, administrative regulations and the Articles of Association.

If the board of directors agrees to convene an extraordinary shareholders' meeting, a notice of convening the shareholders' meeting shall be issued within 5 days after the board of directors' resolution is made. Any changes to the original proposal in the notice shall be approved 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 after receiving the proposal, it shall be deemed that the board of directors is unable or fails to fulfill its duty to convene a shareholders' meeting, and the board of supervisors may convene and preside over the meeting on its own.

Article 50 Shareholders who individually or collectively hold more than 10% of the Company's shares shall 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 provide written feedback on whether to agree or disagree to convene an extraordinary shareholders' meeting within 10 days after receiving the request in accordance with the provisions of laws, administrative regulations and the Articles of Association. If the board of directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within 5 days after making the resolution of the board of directors. Any changes to the original request in the notice shall be approved by the relevant shareholders.

If the board of directors does not agree to convene an extraordinary shareholders' meeting or fails to provide feedback within 10 days after receiving the request, shareholders who individually or collectively hold more than 10% of the Company's shares shall have the right to propose to the board of supervisors to convene an extraordinary shareholders' meeting and shall submit a 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 convening the shareholders' meeting within 5 days after receiving the request. Any changes to the original proposal in the notice shall be approved by the relevant shareholders.

If the board of supervisors fails to issue a notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the board of supervisors does not convene and preside over the shareholders' meeting. Shareholders who individually or collectively hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the shareholders' meeting on their own.

Article 51 If the board of supervisors or shareholders decide to convene a shareholders' meeting on their own, they must notify the board of directors in writing and at the same time file a record with the dispatched office of China Securities Regulatory Commission and the stock exchange where the Company is located.

Before the announcement of the resolution of the shareholders' meeting, the shareholding ratio of the convening shareholders shall not be less than 10%. The convening shareholders shall submit relevant proof materials to the dispatched office of China Securities Regulatory Commission and the stock exchange where the Company is located when issuing the notice of the shareholders' meeting and the announcement of the resolution of the shareholders' meeting.

Article 52 The board of directors and the secretary of the board of directors shall cooperate with the shareholders' meeting convened by the board of supervisors or shareholders themselves. The board of directors shall provide the register of shareholders on the date of equity registration.

Article 53 The expenses necessary for the shareholders' meeting convened by the board of supervisors or shareholders themselves shall be borne by the Company.

Section 4 Proposal and notice of the shareholders' meeting

Article 54 The content of the proposal shall fall within the scope of the powers of the shareholders' meeting, have clear topics and specific resolutions, and comply with relevant provisions of laws, administrative regulations and the Articles of Association.

Article 55 When the Company holds a shareholders' meeting, the board of directors, the board of supervisors and shareholders who individually or collectively hold 3% or more of the Company's shares shall have the right to submit proposals to the Company.

Shareholders who individually or collectively hold more than 3% of the Company's shares may submit temporary proposals and submit them in writing to the convener 10 days prior to the convening of the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting within 2 days after receiving the proposals, announcing the contents of the temporary proposals.

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

Proposals that are not listed in the notice of the shareholders' meeting or do not comply with the provisions of Article 52 of the Articles of Association shall not be voted on and a resolution shall not be made by the shareholders' meeting.

Article 56 The convener shall notify all shareholders by announcement 20 days (excluding the day of the meeting) before the annual shareholders' meeting, and the extraordinary shareholders' meeting shall be notified to all shareholders by announcement 15 days (excluding the day of the meeting) before the meeting.

Article 57 The notice of the shareholders' meeting shall include the following contents:

- (1) The time, location and duration of the meeting;
- (2) Matters and proposals submitted for deliberation at the meeting;
- (3) Clearly stating in writing that all shareholders have the right to attend the shareholders' meeting and may appoint an agent in writing to attend and vote at the meeting. The agent of shareholders does not need to be a shareholder of the Company;
- (4) The equity registration date of shareholders entitled to attend the shareholders' meeting;
- (5) Name and telephone number of the standing contact person for the meeting affairs.

Article 58 If the election of directors and supervisors is intended to be discussed at the shareholders' meeting, the notice of the shareholders' meeting shall fully disclose the detailed information of the candidates for directors and supervisors, including at least the following contents:

- (1) Educational background, work experience, part-time job and other personal information;
- (2) Whether there is an affiliated relationship with the Company or its controlling shareholders and actual controllers;
- (3) Disclosure of the number of the Company's shares held by them;
- (4) Whether they have been punished by China Securities Regulatory Commission and other relevant departments, as well as disciplined by the stock exchange.

In addition to adopting a cumulative voting system to elect directors and supervisors, each candidate for directors and supervisors shall be submitted a single proposal.

Article 59 After the notice of the shareholders' meeting is issued, the shareholders' meeting shall not be postponed or cancelled without justifiable reasons, and the proposals listed in the notice of the shareholders' meeting shall not be cancelled. In case of delay or cancellation, the convener shall make a public announcement and explain the reasons at least 2 working days before the originally scheduled convening date.

Section 5 Convening of the shareholders' meeting

Article 60 The board of directors and other conveners of the Company shall take necessary measures to ensure the normal order of the shareholders' meeting. Measures shall be taken to stop and promptly report to relevant departments for investigating and punishing any behavior that interferes with the shareholders' meeting, picks a quarrel and makes trouble, as well as infringes on the legitimate rights and interests of shareholders.

Article 61 All shareholders or their agents registered on the equity registration date shall have the right to attend the shareholders' meeting and exercise voting rights in accordance with relevant laws, regulations and the Articles of Association.

Shareholders may attend the shareholders' meeting in person or appoint an agent to attend and vote on their behalf.

Article 62 Individual shareholders who attend the meeting in person shall present their ID card or other valid documents or certificates that can indicate their identity, as well as their stock account card; Those who are entrusted by others to attend the meeting shall present their valid ID documents and shareholder's power of attorney.

As for a corporate shareholder, the legal representative or the agent entrusted by the legal representative shall attend the meeting. If the legal representative attends the meeting, he/she shall present his/her own ID card and a valid certificate to prove their legal representative qualification; If an agent is entrusted to attend the meeting, the agent shall present his/her ID card and a written power of attorney issued by the legal representative of the corporate shareholder in accordance with the law.

Article 63 The power of attorney issued by shareholders authorizing others to attend the shareholders' meeting shall include the following contents:

- (1) The name of the agent;
- (2) Whether it has voting rights;
- (3) Separate instructions to vote for, against or abstain from voting on each deliberation item included in the agenda of the shareholders' meeting;
- (4) Date of issuance and validity period of the power of attorney;
- (5) Signature (or seal) of the client. If the client is a corporate shareholder, the seal of the legal entity shall be affixed.

Article 64 The power of attorney shall indicate whether a shareholder's agent can vote according to his/her own will if the shareholder does not give specific instructions.

Article 65 If the power of attorney for proxy voting is signed by someone authorized by the client, the power of attorney or other authorization documents authorized to be signed shall be notarized. The notarized authorization letter or other authorization documents, as well as the power of attorney for proxy voting, shall be placed at the Company's domicile or other place designated in the notice of convening the meeting.

If the client is a legal person, its legal representative or person authorized by the board of directors or other decision-making body shall attend the shareholders' meeting of the Company as a representative.

Article 66 The Company shall be responsible for making a register of the attendee of the meeting. The meeting register shall contain the name of the attendee(or company name), his/her ID card number, address, the number of shares held or represented with voting rights, and the name of the client (or company name).

Article 67 The convener and the lawyer hired by the Company shall jointly verify the legality of shareholder qualifications based on the register of shareholders provided by the securities registration and settlement institution, and register the names of shareholders and the number of voting shares they hold. The registration of the meeting shall be terminated before the host of the meeting announces the number of shareholders and agents present at the meeting and the total number of voting shares held.

Article 68 When the shareholders' meeting is held, all directors, supervisors and secretary of the board of directors of the Company shall attend the meeting, and the general manager and other senior management personnel shall attend the meeting as nonvoting delegates.

Article 69 The shareholders' meeting shall be presided over by the chairman. When the chairman is unable or fails to perform his/her duties, the vice chairman shall preside over the meeting (if the company has two or more vice chairmen, the vice chairman jointly elected by more than half of the directors shall preside over the meeting). When the vice chairman is unable or fails to perform his/her duties, a director jointly elected by more than half of the directors shall preside over the meeting.

The shareholders' meeting convened by the board of supervisors shall be presided over by the chairman of the board of supervisors. When the chairman of the board of supervisors is unable or fails to perform his/her duties, a supervisor jointly elected by more than half of the supervisors shall preside over the meeting.

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

When convening a shareholders' meeting, if the host of the meeting violates the rules of procedure and makes it impossible for the shareholders' meeting to continue, with the consent of more than half of the shareholders present at the meeting with voting rights, the shareholders' meeting may elect one person as the host to continue the meeting.

Article 70 The Company shall formulate rules of procedure for the shareholders' meeting, stipulating in detail the convening and voting procedures of the shareholders' meeting, including notification, registration, deliberation of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes and signing of the meeting, announcement, etc., as well as the authorization principle of the shareholders' meeting to the board of directors. The authorization content shall be clear and specific. The rules of procedure of the shareholders' meeting shall be drawn up by the board of directors and approved by the shareholders' meeting as an annex to the Articles of Association.

Article 71 At the annual shareholders' meeting, the board of directors and the board of supervisors shall report on their work in the past year to the shareholders' meeting. Each independent director shall also provide a work report.

Article 72 Directors, supervisors and senior management personnel shall provide explanations on the inquiries and suggestions of shareholders at the shareholders' meeting.

Article 73 The host of the meeting shall announce the number of shareholders and agents present at the meeting and the total number of voting shares held before voting. The number of shareholders and agents present at the meeting and the total number of voting shares held shall be subject to the registration of the meeting.

Article 74 The shareholders' meeting shall have minutes of the meeting, which shall be the responsibility of the secretary of the board of directors. The minutes of the meeting record the following contents:

- (1) The time, location, agenda and name of the convener of the meeting;
- (2) The names of the meeting host, directors, supervisors, general manager and other senior management personnel who attend or attend the meeting as nonvoting delegates;
- (3) The number of shareholders and agents present at the meeting, the total number of voting shares held and their proportion to the total number of shares of the Company;
- (4) The review process, key points of speech and voting results of each proposal;
- (5) Shareholders' inquiry opinions or suggestions, as well as corresponding responses or explanations;
- (6) Names of lawyers, vote counters and scrutineers;
- (7) Other contents which shall be included in the minutes of the meeting as stipulated in the Articles of Association.

Article 75 The convener shall ensure the authenticity, accuracy and completeness of the meeting minutes. The directors, supervisors, secretary of the board of directors, conveners or their representatives, and the meeting host who attend the meeting shall sign the meeting minutes. The minutes of the meeting shall be kept together with the signature book of the attending shareholders, the power of attorney for agent attendance, and valid information on voting status through internet and other means, with a retention period of 10 years.

Article 76 The convener shall ensure that the shareholders' meeting is held continuously until a final resolution is formed. If the shareholders' meeting is suspended or unable to make a resolution due to special reasons such as force majeure, necessary measures should be taken to resume the shareholders' meeting as soon as possible or directly terminate the current shareholders' meeting, and a timely announcement should be made. At the same time, the convener shall report to the dispatched agency of China Securities Regulatory Commission and the stock exchange where the Company is located.

Section 6 Voting and resolutions of the shareholders' meeting

Article 77 The resolutions of the shareholders' meeting are divided into ordinary resolutions and special resolutions.

An ordinary resolution made by the shareholders' meeting shall be passed by shareholders (including their agents) who hold more than half of the voting rights present at the meeting.

A special resolution made by the shareholders' meeting shall be passed by shareholders (including their agents) who hold more than two-thirds of the voting rights present at the meeting.

Article 78 The following matters shall be passed by an ordinary resolution of the shareholders' meeting:

- (1) Work reports of the board of directors and the board of supervisors;
- (2) The profit distribution plan and loss recovery plan formulated by the board of directors;
- (3) Electing and replacing directors and supervisors who are not held by employee representatives, and deciding on the remuneration and payment methods for relevant directors and supervisors;
- (4) The Company's annual budget plans and final accounting plans;
- (5) The annual report of the Company;

(6) Other matters other than those required by laws, administrative regulations or the Articles of Association to be passed through special resolutions.

Article 79 The following matters shall be passed by a special resolution of the shareholders' meeting:

- (1) Increase or decrease of the Company's registered capital;
- (2) Division, merger, dissolution and liquidation of the Company;
- (3) Amendment to the Articles of Association;
- (4) The purchase or sale of major assets by the Company within one year exceeding 30% of the total audited assets of the Company in the latest period;
- (5) Equity incentive plan;
- (6) Adjusting or changing profit distribution policies;
- (7) Other matters stipulated by laws, administrative regulations or the Articles of Association, as well as those determined by ordinary resolutions of the shareholders' meeting to have a significant impact on the Company, which require special resolutions to be passed.

Article 80 Shareholders (including their agents) shall exercise their voting rights by the number of voting shares they represent, and each share shall have one vote.

When the shareholders' meeting considers major matters that affect the interests of small and medium-sized investors, separate votes should be counted for the votes on small and medium-sized investors. The results of individual vote counting should be promptly and publicly disclosed.

The shares of the Company held by a company have no voting rights, and such shares are not included in the total number of voting shares present at the shareholders' meeting. The board of directors, independent directors and shareholders who meet relevant requirements can solicit shareholders' voting rights. It is prohibited to solicit shareholders' voting rights by means of compensation or disguised compensation. The Company shall not set a minimum shareholding ratio restriction on the solicitation of voting rights.

Article 81 When the shareholders' meeting review related transactions, related shareholders shall not participate in voting, and the number of voting shares represented by them shall not be included in the total number of valid votes; The announcement of the resolution of the shareholders' meeting shall fully disclose the voting status of non-affiliated shareholders.

To ensure the smooth review of related transactions at the shareholders' meeting, prior to the review, affiliated shareholders shall actively apply for withdrawal; If the affiliated shareholders have not voluntarily applied for withdrawal, other shareholders or shareholder representatives attending the shareholders' meeting shall have the right to request the affiliated shareholders to withdraw; If other shareholders or shareholder representatives make a request for withdrawal and the requested shareholders believe that they do not fall within the scope of withdrawal, the non-affiliated shareholders and non-affiliated shareholder representatives attending the meeting shall vote (based on one person, one vote) and make a decision on whether to withdraw or not based on a majority of the voting opinions.

Article 82 The Company shall, on the premise of ensuring the legality and effectiveness of the shareholders' meeting, provide convenience for shareholders to participate in the shareholders' meeting through various means and channels, including modern information technology such as providing online voting platforms.

Article 83 Unless the Company is in a crisis or other special circumstances, the Company shall not enter into any contract with any person other than the directors, general manager or other senior management personnel to entrust the management of all or important business of the Company to that person without the approval of a special resolution of the shareholders' meeting.

Article 84 The list of candidates for directors and supervisors shall be submitted to the shareholders' meeting for voting in the form of a proposal.

When the shareholders' meeting votes on the election of directors and supervisors, the cumulative voting system may be adopted in accordance with the provisions of the Articles of Association or the resolutions of the shareholders' meeting. When the shareholding ratio of the controlling shareholder reaches more than 30% of the total number of voting shares issued by the Company, the cumulative voting system shall be implemented.

The cumulative voting system mentioned in the preceding paragraph refers to the voting rights of each share equal to the number of directors or supervisors to be elected when the shareholders' meeting elects directors or supervisors, and the voting rights owned by shareholders can be used collectively. The board of directors shall announce the resumes and basic information of candidate directors and supervisors to shareholders.

The election of directors and supervisors shall be conducted by the cumulative voting system in accordance with the following procedures:

(1) Each share of the Company held by shareholders attending the meeting shall have voting rights equal to the number of seats for directors (or supervisors) to be elected at the shareholders' meeting. The formula for calculating the total number of voting rights enjoyed by shareholders is:

The total number of voting rights enjoyed by shareholders = the total number of shares held by shareholders * Number of seats of directors (or supervisors) to be elected.

(2) Shareholders have complete autonomy in voting. They can either concentrate all their voting rights on one candidate or disperse their voting rights to several candidates. They can either use all their voting rights or part of their voting rights for voting.

(3) The election of candidates for directors (or supervisors) shall be determined based on the number of consent votes they receive, but each elected director (or supervisor) shall receive no less than (including) the minimum number of votes calculated according to the following formula. Minimum number of votes = Half of the total number of shares represented by all shareholders present at the meeting.

If the first voting result shows that the number of candidate directors (or supervisors) who have obtained a minimum number of approved votes is insufficient for the number of directors (or supervisors) to be elected at the shareholders' meeting, a second round of election shall be held for the difference in the number of director (or supervisor) seats. The second round of election procedure shall be conducted in accordance with the provisions of the above paragraphs of this article.

The board of directors and shareholders who individually or collectively hold more than 3% of the total number of voting shares issued by the Company shall have the right to nominate candidates for directors (excluding independent directors).

The board of supervisors and shareholders who individually or collectively hold more than 3% of the total number of voting shares issued by the Company shall have the right to nominate candidates for supervisors not held by employee representatives.

The board of directors, the board of supervisors and shareholders who individually or collectively hold more than 1% of the total number of voting shares issued by the Company shall have the right to nominate candidates for independent directors.

Article 85 Except for the cumulative voting system, the shareholders' meeting shall vote on all proposals one by one. If there are different proposals on the same matter, the voting shall be conducted in the chronological order in which the proposals are presented. Unless the shareholders' meeting is suspended or unable to make a resolution due to special reasons such as force majeure, the shareholders' meeting will not suspend or refuse to vote on the proposal.

Article 86 When the shareholders' meeting reviews a proposal, no modifications shall be made to the proposal. Otherwise, the relevant changes shall be considered as a new proposal and cannot be voted on at the current shareholders' meeting.

Article 87 The same voting right can only choose one of on-site, online or other voting methods. If duplicate voting occurs on the same voting right, the first voting result shall prevail.

Article 88 The shareholders' meeting shall vote by open ballot.

Article 89 Before the shareholders' meeting votes on a proposal, two shareholders' representatives shall be elected to participate in the vote counting and scrutinizing. If the matters under review have an interest in the shareholders, the relevant shareholders and their agents shall not participate in vote counting or scrutinizing.

When the shareholders' meeting votes on a proposal, the lawyer, shareholder representative and supervisor representative shall be jointly responsible for the vote counting and scrutinizing, and the voting results shall be announced on the spot. The voting results of the resolution shall be recorded in the meeting minutes.

Shareholders or their agents of listed companies who vote through the internet or other means shall have the right to verify their voting results through the corresponding voting system.

Article 90 The on-site closing time of the shareholders' meeting shall not be earlier than the Internet or other means. The host of the meeting shall announce the voting status and results of each proposal, and shall announce whether the proposal has been passed based on the voting results.

Before the official announcement of the voting results, the listed company, the vote counter, the scrutineer, the major shareholders, the network service provider and other related parties involved in the on-site, online and other voting methods of the shareholders' meeting shall be obliged to keep the voting information confidential.

Article 91 Shareholders present at the shareholders' meeting shall express one of the following opinions on a proposal submitted for voting: consent, opposition or abstention.

Votes that are not filled in, incorrectly filled in or not legible, or votes that are not cast are considered to be abstention by the voter, and the voting result of the number of shares held by the voter shall be counted as "abstention".

Article 92 If the host of the meeting has any doubts about the results of the resolution submitted for voting, he/she may organize a vote counting for the number of votes cast; If the host of the meeting fails to count the votes, and the attending shareholders or their agents have objections to the voting result announced by the host, they shall have the right to immediately request a vote counting after the announcement of the voting result, and the host of the meeting shall immediately organize a vote counting.

Article 93 The resolutions of the shareholders' meeting shall be announced in a timely manner, which shall specify the number of shareholders and agents attending the meeting, the total number of voting shares held and its proportion to the total number of voting shares of the Company, the voting method, the voting results of each proposal, and the detailed content of each resolution passed.

Article 94 If the proposal is not passed, or the current shareholders' meeting changes the resolution of the previous shareholders' meeting, special notice shall be made in the announcement of the resolution of the shareholders' meeting.

Article 95 If the shareholders' meeting passes a proposal for the election of directors and supervisors, the new directors and supervisors shall fulfill their duties immediately after the election proposal is passed.

Article 96 If the shareholders' meeting passes a proposal for cash dividend, share donation or capital reserve conversion into share capital, the Company shall implement the specific plan within 2 months after the end of the shareholders' meeting.

Chapter 5 Board of directors

Section 1 Directors

Article 97 A director of the Company who is a natural person shall not serve as a director of the Company under any of the following circumstances:

- (1) Having no or limited capacity for civil conduct;
- (2) being sentenced to criminal punishment for corruption, bribery, encroachment on property, misappropriation of property or disruption of the socialist market economy order, with less than 5 years after the expiration of the execution period, or being deprived of political rights because of a crime, with less than 5 years after the expiration of the execution period;
- (3) Directors, factory directors or managers of companies or enterprises in bankruptcy and liquidation are personally liable for the bankruptcy of the company or enterprise for less than three years from the date of completion of the bankruptcy and liquidation of the company or enterprise;
- (4) Serving as the legal representative of a company or enterprise whose business license has been revoked or ordered to be closed due to violation of law, and having personal responsibility for less than three years from the date the business license of the company or enterprise was revoked;
- (5) Those with large amount of outstanding personal debts;
- (6) Being punished by China Securities Regulatory Commission for banning entry into the securities market, and the deadline has not expired;
- (7) Other contents stipulated by laws, administrative regulations or departmental rules.

If a director is elected or appointed in violation of this provision, the election, appointment or employment shall be invalid. If a director encounters any of the circumstances specified in this article during his/her term of office, the Company shall dismiss him/her from his/her position.

Article 98 Directors shall be elected or replaced by the shareholders' meeting, with a term of three years. Upon expiration of a director's term, he/she may be re-elected and re-appointed. Before the expiration of a director's term, the shareholders' meeting cannot dismiss him/her without reason.

The term of office of a director shall be calculated from the date of appointment until the expiration of the term of office of the current board of directors. If the term of office of a director expires without timely re-election, the original director shall still perform the duties of a director in accordance with laws, administrative regulations, departmental rules and the provisions of the Articles of Association before the newly elected director takes office.

Directors may be concurrently held by the general manager or other senior management personnel, but the total number of directors who concurrently hold the position of general manager or other senior management personnel shall not exceed half of the total number of directors of the Company. The Company does not have employee representative directors.

The term of the board of directors shall be changed, and the list of candidates for directors shall be proposed by the previous board of directors and shareholders who individually or collectively hold more than 3% of the Company's issued shares (the list of independent director candidates shall be proposed by the previous board of directors and shareholders who individually or collectively hold more than 1% of the Company's issued shares), and shall be submitted to the shareholders' meeting for election and approval. If a director resigns due to job changes or other reasons, the board of directors shall propose a list of director candidates and submit it to the shareholders' meeting for election and approval.

The Company should disclose detailed information of director candidates before the shareholders' meeting to ensure that shareholders have sufficient knowledge of the candidates during voting. Director candidates shall make a written commitment before the convening of the shareholders' meeting, agreeing to accept the nomination, promising that the publicly disclosed information of the director candidates is true and complete, and promising to effectively fulfill their duties as directors after being elected.

The shareholders' meeting may implement the cumulative voting system in the election of directors in accordance with Article 84 of the Articles of Association.

Article 99 Directors shall comply with laws, administrative regulations and the Articles of Association, and shall have the following faithful obligations to the Company:

- (1) Not taking advantage of his/her power to accept bribes or other illegal income and not encroaching on the property of the Company;
- (2) Not misappropriating the Company funds;
- (3) Not storing the Company's assets or funds in an account opened in their own name or in the name of any other individual;
- (4) Not lending the Company's funds to others or providing guarantees for others with the Company's property without the consent of the shareholders' meeting or the board of directors in violation of the provisions of the Articles of Association;
- (5) Not enter into contracts or transactions with the Company in violation of the provisions of the Articles of Association or without the approval of the shareholders' meeting;
- (6) Without the consent of the shareholders' meeting, not taking advantage of their positions to seek business opportunities that shall belong to the Company for themselves or others, or to operate similar businesses to the Company for themselves or others;
- (7) Not accepting commissions for transactions with the Company as personal property;
- (8) Not disclosing Company secrets without authorization;
- (9) Not using their affiliated relationships to harm the interests of the Company;
- (10) Other faithful obligations stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

Any income obtained by directors in violation of the provision shall belong to the Company; If losses are caused to the Company, they shall be liable for compensation.

Article 100 Directors shall comply with laws, administrative regulations and the Articles of Association, and shall have the following diligent obligations to the Company:

- (1) Exercising the rights granted by the Company with caution, seriousness and diligence to ensure that the Company's business practices comply with national laws, administrative regulations and various national economic policies, and its business activities do not exceed the business scope specified in the business license;
- (2) Fair treatment being given to all shareholders;
- (3) Timely understanding of the Company's business operation and management status;
- (4) Written confirmation opinions shall be signed on the company's regular reports. Ensuring that the information disclosed by the Company is true, accurate and complete;
- (5) They shall truthfully provide relevant information and materials to the board of supervisors, and shall not hinder the board of supervisors or supervisors from exercising their powers;
- (6) Other diligent obligations stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

Article 101 If a director fails to attend the board meeting in person or entrust other directors to attend the meeting for two consecutive times, he/she shall be deemed unable to fulfill his/her duties, and the board of directors shall recommend to the shareholders' meeting to replace him/her.

Article 102 Directors may resign before the expiration of their term of office. Directors who resign shall submit a written resignation report to the board of directors. The board of directors will disclose the relevant information within 2 days.

If the resignation of a director results in the number of directors on the Company's board of directors lower than the statutory minimum number, the original director shall still fulfill his/her duties as a director in accordance with laws, administrative regulations, departmental rules and the Articles of Association before the newly elected director takes office.

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

Article 103 If a director's resignation takes effect or his/her term expires, he/she shall complete all transfer procedures with the board of directors. His/her loyalty obligations to the Company and shareholders shall not be automatically discharged after the end of his/her term, and shall remain valid for 2 years after the end of his/her term.

Article 104 Without the provisions of the Articles of Association or the lawful authorization of the board of directors, no director shall act in his/her own name on behalf of the Company or the board of directors. When a director acts in his/her own name, if a third party reasonably believes that the director is acting on behalf of the Company or the board of directors, the director shall declare his position and identity in advance.

Article 105 If a director violates the provisions of laws, administrative regulations, departmental rules or the Articles of Association while performing his/her duties, causing losses to the Company, he/she shall be liable for compensation.

Article 106 Independent directors shall comply with relevant provisions of laws, administrative regulations and departmental rules.

Section 2 Board of directors

Article 107 The Company shall have a board of directors responsible for the shareholders' meeting.

Article 108 The board of directors is composed of 9 directors, including 3 independent directors, 1 chairman and 1 vice chairman. The board of directors shall have a reasonable professional structure, and its members shall possess the necessary knowledge, skills and qualities to perform their duties.

Article 109 When the board of directors studies and makes decisions on major issues that fall within the scope of the Company's Party committee's participation in decision-making, it shall hear the opinions of the Company's Party committee in advance.

Article 110 The board of directors shall exercise the following powers:

- (1) Convening a shareholders' meeting and report work to the shareholders' meeting;
- (2) Implementing the resolutions of the shareholders' meeting;
- (3) Determining the Company's business plans and investment plans;
- (4) Developing the Company's annual financial budget plans and final accounting plans;
- (5) Developing the Company's profit distribution plans and loss recovery plans;
- (6) Formulating plans for the Company to increase or decrease its registered capital, issue bonds or other securities and list;

- (7) Drawing up plans for the Company's major acquisition, purchase of its own stocks, merger, division, dissolution and change of company form;
- (8) Within the scope of authorization, deciding on the Company's external investment matters; For matters beyond the scope of authorization such as external investment, asset purchase and sale, asset mortgage, external guarantee, entrusted financial management, related transactions, etc., budgets or plans for relevant matters shall be formulated and submitted to the shareholders' meeting for review and approval;
- (9) Deciding on the establishment of the Company's internal management organization;
- (10) Appointment or dismissal of the Company's general manager and secretary of the board of directors; Appointment or dismissal of senior management personnel such as deputy general manager and the person in charge of finance of the Company based on the nomination of the general manager, and deciding on their remuneration, rewards and punishments;
- (11) Formulating the basic management system of the Company;
- (12) Formulating the amendment plan for the Articles of Association;
- (13) Managing information disclosure matters of the Company;
- (14) Proposing to the shareholders' meeting to hire or replace the accounting firm to audit the Company;
- (15) Listening to the work report of the Company's general manager and inspecting his/her work;
- (16) Deciding on the purchase of shares of the Company by the Company under the circumstances specified in Items (3), (5) and (6) of Article 25 of the Articles of Association;
- (17) Other powers granted by laws, administrative regulations, departmental rules or the Articles of Association.

Article 111 The board of directors of the Company shall make a statement to the shareholders' meeting regarding the non-standard audit opinion issued by the certified public accountants on the financial report of the Company.

Article 112 The board of directors shall formulate rules of procedure for the board of directors to ensure the implementation of the resolutions of the shareholders' meeting, improve work efficiency, and ensure scientific decision-making. The rules stipulate the convening and voting procedures of the board of directors, and the rules of procedure of the board of directors shall be an annex to the Articles of Association, drawn up by the board of directors, and approved by the shareholders' meeting.

Article 113 The board of directors shall determine the budgets or plans for external investment (excluding the matters stipulated in the second paragraph of this article), purchase and sale of assets (excluding the matters stipulated in the third paragraph of this article), entrusted financial management and related transactions, and submit them to the shareholders' meeting for approval; Major investment projects should be reviewed by relevant experts and professionals.

The board of directors shall have the right to decide on external investment matters with an amount not exceeding 10% of the Company's audited net assets in the latest period (consolidated basis).

The following matters other than the investment plans approved by the shareholders' meeting shall be decided by the managers of the Company: the purchase of fixed assets such as machinery and equipment with a total accumulated amount not exceeding RMB 30 million yuan within one year;

Article 114 The board of directors shall have one chairman and one vice chairman. The chairman and vice chairman shall be elected by the board of directors with a majority of all directors respectively.

Article 115 The chairman shall exercise the following powers:

- (1) Presiding over shareholders' meeting and convening and presiding over meetings of the board of directors;

(2) Supervising and inspecting the implementation of the resolutions of the board of directors;

(3) Other powers granted by the board of directors.

Article 116 The vice chairman of the Company shall assist the chairman in his/her work. If the chairman is unable or fails to perform his/her duties, the vice chairman shall perform his/her duties; If the vice chairman is unable or fails to perform his/her duties, a director shall be jointly elected by more than half of all directors to perform his/her duties.

Article 117 The board of directors shall hold at least two meetings each year, convened by the chairman, and shall notify all directors and supervisors in writing 10 days before the meeting is held.

Article 118 Shareholders representing more than 1/10 of the voting rights, directors representing more than 1/3 of the voting rights, or the board of supervisors may propose to convene an extraordinary meeting of the board of directors. The chairman shall convene and preside over the meeting of the board of directors within 10 days after receiving the proposal.

Article 119 The secretary of the board of directors shall notify all the directors in writing (including by fax or by email with electronic text of the notice) five days before the convening of an extraordinary meeting of the board of directors. However, in case of emergency, an extraordinary meeting of the board of directors may be convened by telephone notice of the directors retained in the company, and the time limit for such notice shall not be subject to the restrictions of the preceding paragraph.

Article 120 The notice of meeting of the board of directors shall include the following contents:

(1) The date and location of the meeting;

(2) The duration of the meeting;

(3) Causes and topics;

(4) The date of giving the notice.

Article 121 Unless otherwise specified in the Articles of Association, a meeting of the board of directors shall not be held unless more than half of the directors are present. A resolution made by the board of directors must be passed by a majority of all directors.

The voting on the resolutions of the board of directors shall be based one person, one vote.

Article 122 If a director has an affiliated relationship with the enterprise involved in the resolution of the meeting of the board of directors, he/she shall not exercise his/her voting rights on the resolution, nor shall he/she exercises his/her voting rights on behalf of other directors. The meeting of the board of directors can be held with more than half of the unaffiliated directors present, and the resolutions made at the meeting of the board of directors must be approved by more than half of the unaffiliated directors. If the number of unaffiliated directors attending the meeting of the board of directors is less than 3, the matter shall be submitted to the shareholders' meeting for review.

Article 123 The voting method for resolutions of the board of directors shall be a show of hands or open ballot. Each director has one vote. The extraordinary meeting of the board of directors may be held by means of communication and a resolution shall be made and signed by the present directors on the premise of ensuring that the directors fully express their opinions.

Article 124 A meeting of the board of directors shall be attended by the directors themselves; If a director is unable to attend the meeting for any reason, he/she may entrust another director to attend the meeting on his/her behalf in writing. The power of attorney shall contain the name of the agent, the matters of agency, the scope of authorization and the validity period, and shall be signed or sealed by the client. The directors attending the meeting on behalf of others shall exercise the rights of directors within the scope of authorization. Any director who fails to attend a meeting of the board of directors and does not entrust a representative to attend shall be deemed to have waived his/her voting rights at the meeting.

Article 125 The board of directors shall make minutes of the decisions on the matters discussed at the meeting, and the directors present at the meeting shall sign the minutes.

The meeting minutes of the board of directors shall be kept as company archives for a period of no less than 10 years.

Article 126 The meeting minutes of the board of directors shall include the following contents:

- (1) The date, location and name of the convener of the meeting;
- (2) The name of the director present and the name of the director (agent) who is entrusted by others to attend the meeting of the board of directors;
- (3) Agenda of the meeting;
- (4) Key points of the director's speech;
- (5) The voting method and result of each resolution (the voting result should indicate the number of votes in for, against or abstaining).

Chapter 6 General manager and other senior management personnel

Article 127 The Company shall have one general manager, who shall be appointed or dismissed by the board of directors.

The Company shall have several deputy general managers who shall be appointed or dismissed by the board of directors.

A director may be employed concurrently as general manager, deputy general manager or other senior management personnel.

The general manager, deputy general manager, person in charge of finance and secretary of the board of directors of the Company shall be the senior management personnel of the Company.

Article 128 The exclusion from directorship in Article 97 of the Articles of Association shall also apply to senior management personnel. The provisions of Article 99 of the Articles of Association on faithful obligations of directors and Article 100 (4) ~ (6) on diligent obligations shall also apply to senior management personnel.

Article 129 Personnel who hold positions other than directors in controlling shareholders or actual controllers of the Company shall not serve as senior management personnel of the Company.

Article 130 The term of office of the general manager shall be 3 years, and the general manager can be re-elected and re-appointed.

Article 131 When the managers studies and makes decisions on major issues that fall within the scope of the Company's Party committee's participation in decision-making, it shall hear the opinions of the Company's Party committee in advance.

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

- (1) Presiding over the production and operation management of the Company, organizing the implementation of the resolutions of the board of directors, and reporting work to the board of directors;
- (2) Formulating the Company's annual business plans and investment plans and organizing the implementation;
- (3) Drawing up plans for the establishment of the Company's internal management organization;
- (4) Formulating the basic management system of the Company;
- (5) Formulating specific rules and regulations of the Company;
- (6) Proposing to the board of directors to appoint or dismiss the deputy general manager and person in charge of finance of the Company;
- (7) Deciding on the appointment or dismissal of responsible management personnel other than those who should be appointed or dismissed by the board of directors;
- (8) Other powers granted by the Articles of Association or the board of directors.

The general manager shall attend the board meeting as a nonvoting delegate.

Article 133 The general manager shall formulate detailed work rules for the general manager, which shall be implemented after being approved by the board of directors.

Article 134 The work rules of the general manager include the following contents:

- (1) The conditions and procedures for holding the general manager meeting and the attendees;
- (2) Specific duties and division of labor of the general manager and other senior management personnel;
- (3) The authority to use the Company's funds and assets, and sign major contracts, as well as the reporting system to the board of directors and the board of supervisors;
- (4) Other matters deemed necessary by the board of directors.

Article 135 The general manager may resign before his term of office expires. The specific procedures and methods for the resignation of the general manager shall be stipulated in the labor contract between the general manager and the Company.

Article 136 The deputy general manager and the person in charge of finance of the Company shall be nominated by the general manager and appointed or dismissed by the board of directors. The deputy general manager and the person in charge of finance shall be responsible to the general manager, assisting the general manager in his/her work, and completing various tasks assigned by him/her according to his/her authorization.

Article 137 A listed company shall have a secretary of the board of directors, responsible for the preparation of the Company's shareholders' meeting and the meeting of the board of directors, document storage, management of the Company's shareholder information, and handling of information disclosure matters.

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

Article 138 If senior management personnel violate the provisions of laws, administrative regulations, departmental rules and the Articles of Association while performing their duties and cause losses to the Company, they shall be liable for compensation.

Chapter 7 Board of supervisors

Section 1 Supervisors

Article 139 The exclusion from directorship in Article 97 of the Articles of Association shall also apply to supervisors.

Directors, general manager and other senior management personnel shall not concurrently serve as supervisors.

Article 140 Supervisors shall comply with laws, administrative regulations and the Articles of Association, and shall have faithful and diligent obligations to the Company. They shall not take advantage of their powers to accept bribes or other illegal income or encroach on the Company's property.

Article 141 The term of office of a supervisor shall be three years. Upon expiration of the term of office of a supervisor, he/she may be re-elected and re-appointed.

Article 142 If a supervisor fails to be re-elected in a timely manner upon the expiration of his/her term, or if a supervisor resigns during his term, resulting in a lower number of members of the board of supervisors than the quorum, the original supervisor shall still perform his/her duties as a supervisor in accordance with the provisions of laws, administrative regulations and the Articles of Association before the newly elected supervisor takes office.

Article 143 Supervisors shall ensure that the information disclosed by the Company is true, accurate and complete.

Article 144 Supervisors may attend meetings of the board of directors as nonvoting delegates and raise inquiries or make suggestions on matters decided by the board of directors.

Article 145 Supervisors shall not take advantage of their affiliated relationships to harm the interests of the Company. If losses are caused to the Company, they shall be liable for compensation.

Article 146 If supervisors violate the provisions of laws, administrative regulations, departmental rules and the Articles of Association while performing their duties and cause losses to the Company, they shall be liable for compensation.

Section 2 Board of supervisors

Article 147 The Company shall have a board of supervisors. The board of supervisors shall be composed of 3 supervisors, and the board of supervisors shall have 1 chairman. The chairman of the board of supervisors shall be elected by more than half of all supervisors. The chairman of the board of supervisors shall convene and preside over meetings of the board of supervisors; If the chairman of the board of supervisors is unable or fails to perform his/her duties, a supervisor jointly elected by more than half of the supervisors shall convene and preside over the meeting of the board of supervisors.

The board of supervisors shall include shareholder representatives and an appropriate proportion of the Company's employee representatives, with the proportion of employee representatives not less than 1/3. The employee representatives on the board of supervisors shall be democratically elected by the Company's employees through employees' representative conference, employee conference or other forms.

Article 148 The board of supervisors shall exercise the following powers:

- (1) It shall review the periodic reports of the Company prepared by the board of directors and put forward written review opinions;
- (2) Examining the Company's financial affairs;
- (3) Supervising the performance of the Company's duties by directors and senior management personnel, and proposing dismissal suggestions for directors and senior management personnel who violate laws, administrative regulations, the Articles of Association or resolutions of the shareholders' meeting;
- (4) Requiring directors and senior management personnel to make corrections when their acts harm the interests of the Company;
- (5) Proposing to convene an extraordinary shareholders' meeting, and convening and presiding over the shareholders' meeting when the board of directors fails to fulfill its responsibilities as prescribed by the *Company Law*;
- (6) Putting forward proposals to the shareholders' meeting;
- (7) Filing a suit against directors and senior management personnel in accordance with Article 152 of the *Company Law*;
- (8) If the Company's abnormal business operations are found, an investigation can be conducted; If necessary, professional institutions such as accounting firms and law firms can be hired to assist them in their work, and the expenses shall be borne by the Company.

Article 149 The board of supervisors shall hold a meeting at least once every 6 months. Supervisors may propose to convene an extraordinary meeting of the board of supervisors.

A resolution of the board of supervisors shall be passed by more than half of the supervisors.

Article 150 The board of supervisors shall formulate rules of procedure of the board of supervisors, clarify the discussion methods and voting procedures of the board of supervisors, to ensure the work efficiency and scientific decision-making of the board of supervisors. The rules shall stipulate the convening and voting procedures of the board of supervisors, and the rules of procedure of the board of supervisors shall be an annex to the Articles of Association, drawn up by the board of supervisors, and approved by the shareholders' meeting.

Article 151 The board of supervisors shall make meeting minutes of the decisions on the matters discussed, and the supervisors present at the meeting shall sign the minutes.

Supervisors shall have the right to request some explanatory recording of their speeches at the meeting in the minutes. The minutes of the board of supervisors meeting shall be kept as company archives for 10 years.

Article 152 The notice of the meeting of the board of supervisors shall include the following contents:

- (1) The date, location and duration of the meeting;
- (2) Causes and topics;
- (3) The date of giving the notice.

Chapter 8 Party building

Article 153 The Company shall establish a Party committee and a discipline inspection committee, and the establishment and term of office of the Party committee and the discipline inspection committee shall be carried out in accordance with relevant Party documents. The position number of secretary, deputy secretary and members of the Company's Party committee and discipline inspection commission shall be set as required, and shall be selected in accordance with Party regulations such as the *Party Constitution* and relevant regulations on the selection and appointment of enterprise leaders.

Article 154 The Party Committee of the Company shall set up a working department of the Party Committee, and the Discipline Inspection Committee of the Company shall set up a working department of discipline Inspection and supervision, with full and strong full-time and part-time Party affairs personnel. The Party organizational structure and its staffing shall be incorporated into the Company's management structure and staffing. The Party affairs personnel and business management personnel shall implement a two-way exchange mechanism, and the policy of the equal rank and equal treatment shall be implemented. The Party organization work funds shall be included into the Company's budget, and disbursed from the Company's management expenses.

Article 155 The Company implements a leadership system of "two-way entry and cross appointment". Eligible members of the Party Committee can enter the board of directors, board of supervisors, and managers through legal procedures, and the eligible Party members among the board of directors, board of supervisors and managers can enter the Party Committee team in accordance with relevant regulations and procedures.

Article 156 The Party Committee of the Company shall perform the following duties:

- (1) Ensuring and supervising the implementation of the Party's and State's policies in the Company and ensuring the socialist direction of the enterprise;
- (2) Participating in decision-making on major issues of the enterprise, providing opinions and suggestions on major issues related to the reform, development, and stability of the enterprise, and promote the deployment and implementation of major decision-making on the enterprise;
- (3) Supporting the board of shareholders, board of directors, board of supervisors, and managers to exercise their powers in accordance with the law, establishing a decision-making mechanism with power balance, operational coordination, and scientific democracy, promoting scientific decision-making, and achieving the preservation and appreciation of state-owned assets;
- (4) Implementing the principle that the Party manages cadres and the Party manages talents, establishing and improving the personnel selection and appointment mechanism that meets the requirements of modern enterprise system and market competition, building high-quality teams of management personnel and talents, and providing cadre guarantee and talent support for enterprise reform and development;
- (5) Implementing the main responsibility of the Party Committee for building a clean and honest Party style and the supervision responsibility of the discipline inspection commission, strictly conducting the rules and regulations such as the *CPC Code of Integrity and Self discipline*, the *Regulations of the CPC on Disciplinary Punishment*, strengthening the supervision and management of enterprise leaders, key positions, major issues, etc., establishing and improving the power operation supervision mechanism, and improving the effectiveness of supervision;
- (6) Improving the democratic management system based on the employees' representative conference, wholeheartedly relying on the employee masses, supporting the employees' representative conference to carry out work, promoting the transparency of company affairs and business, implementing the employees' rights to know, participate, express and supervise, adhering to and improving the employee director system and employee supervisor system, and encouraging employee representatives to participate in corporate governance in an orderly manner;
- (7) Strengthening the self construction of the Party organizations. Leading ideological and political work, spiritual civilization construction and mass organizations such as trade unions and the Communist Youth League, carrying out united front work, and strengthening the construction of corporate culture.
- (8) Other duties that shall be performed by the Party Committee.

Article 157 The Party Committee shall participate in decision-making on the following major matters:

- (1) Major measures taken by the Company to implement the Party's line, principles and policies, national laws and regulations and important decisions of the superiors;
- (2) The Company's development strategy and medium to long-term development plan;

- (3) The Company's business management policies;
- (4) Principle and direction issues in the Company asset restructuring, property right transfer, capital operation and large investment;
- (5) Formulation and modification of important reform plans and important rules and regulations of the Company;
- (6) The merger, division, change, dissolution of the Company, the establishment and adjustment of internal management structures, and the establishment and cancellation of subordinate enterprises;
- (7) Selection, assessment, compensation, management and supervision of senior managers of the Company;
- (8) Major matters concerning the vital interests of the employees submitted to the employees' representative conference for discussion;
- (9) The important measures taken by the Company in major safety production, maintaining stability and other aspects related to corporate political and social responsibility;
- (10) Major matters that the Company requests and reports to superiors;
- (11) Other matters on which the Party Committee shall participate in decision-making.

Article 158 Major business and management matters of the Company shall be studied and discussed by the Party Committee, and then decided by the board of directors or managers. If the Party Committee deems that there are other major issues that require decision-making by the board of directors or managers, they can be raised to the board of directors and managers.

Article 159 The Party Committee of the Company shall actively organize the implementation of the Company's major decisions and arrangements, do a good job in publicity, mobilization and cohesion, unite and lead all Party members and employees to unify their thoughts and actions with the Company's development strategic goals and major decisions and arrangements, and promote the Company's reform and development.

Article 160 The Company's Party committee shall establish a supervision system for the implementation of major decisions of the Company, regularly carry out supervision and inspection, and promptly propose corrective opinions for the Company's practices that do not comply with the party's line, guidelines, policies, national laws and regulations, or the requirements of the central and local Party committees. Those not corrected shall be promptly reported to the higher Party organization.

Article 161 The Company's Party committee shall closely focus on serving production and operation, strengthen the construction of primary Party organizations in the enterprise, ensure full coverage of Party organizations and work, establish and improve systems such as regular and special Party discussions, primary Party building reporting, evaluation and assessment and reporting annual Party building work to the higher Party organizations. It shall seriously carry out the Party political activities, strictly implement the Party organizational activity systems such as the "Meetings of Party branch committees", the democratic activity meeting and organizational activity meeting, and the democratic evaluation of Party members, and promote the normalization and institutionalization of "Two Studies and One Action" Education Campaign. Organize and guide the regular replacement of primary Party organizations, select and strengthen the secretaries of primary Party organizations, and carry out the rectification of weak and lax primary Party organizations. Strengthen the daily education and management of Party members, and do a good job in recruiting Party members. Innovate and carry out Party organization activities, give full play to the role of the primary Party organizations as a fighting base and the Party members as pioneers.

Article 162 The Company's discipline inspection commission shall perform the following duties:

- (1) Assisting the Party Committee in strengthening the construction of Party conduct and organizing and coordinating anti-corruption work, providing opinions and suggestions to the Party Committee, reporting the work status, breaking down tasks, strengthening supervision and inspection, and promoting the implementation of work;
- (2) Resolutely upholding the Party Constitution and other Party regulations, strictly implementing the Party's political discipline, organizational discipline, integrity discipline, mass discipline, work discipline and activity discipline, and ensuring rigid discipline constraints;

- (3) Strengthening the supervision and inspection of the construction of work style, focusing on the implementation of eight-point decision of the CPC Central Committee on improving Party conduct and the specific provisions of the provincial Party Committee, highlighting the issue of "four styles", and doing a good job in supervision, inspection, discipline enforcement and accountability;
- (4) Establishing and improving systems such as correspondence, consultation, interview and accountability, "double investigation of one case" and special inspections;
- (5) Seriously investigating and punishing cases of violations of discipline, and comprehensively using the "four forms" of supervision and discipline enforcement to deal with Party members and cadres who violate rules and discipline;
- (6) Strengthening self construction and striving to build a team of discipline inspection and supervision cadres with strong political, professional and hard work styles;
- (7) Other duties to be performed by the discipline inspection commission.

Chapter 9 Financial accounting system, profit distribution and audit

Section 1 Financial accounting system

Article 163 The Company shall formulate its financial and accounting system in accordance with laws, administrative regulations and provisions of the relevant state department.

Article 164 The Company shall submit its annual financial and accounting report to China Securities Regulatory Commission and the stock exchange within 4 months from the end of each fiscal year, submit its semi-annual financial and accounting report to the dispatched office of China Securities Regulatory Commission and the stock exchange within 2 months from the end of the first 6 months of each fiscal year, and submit quarterly financial and accounting report to the dispatched offices of China Securities Regulatory Commission and the stock exchange within one month from the end of the first three months and the first nine months of each fiscal year.

The above financial and accounting reports shall be prepared in accordance with relevant laws, administrative regulations and departmental rules.

Article 165 Except for the statutory accounting books, the Company shall not establish any separate accounting books. The assets of the Company shall not be stored in any individual's account.

Article 166 When the Company distributes its after-tax profit for the current year, 10% of the profit shall be included in the Company's statutory provident fund. If the accumulative amount of the Company's statutory provident fund is more than 50% of the Company's registered capital, it may not be withdrawn.

If the Company's statutory provident fund is insufficient to cover the losses of the previous year, the Company shall first use the profit for the current year to cover the losses before withdrawing the statutory provident fund in accordance with the provisions of the preceding paragraph.

After the Company withdraws the statutory provident fund from the after-tax profit, it may also withdraw any provident fund from the after-tax profit upon resolution of the shareholders' meeting.

The remaining after-tax profit after the Company makes up for losses and withdraws provident fund shall be distributed according to the proportion of shares held by shareholders, except for those not distributed according to the proportion of shares held as stipulated in the Articles of Association.

If the shareholders' meeting violates the provisions of the preceding paragraph by distributing profit to shareholders before the Company makes up for losses and withdraws the statutory provident fund, shareholders must return the profits distributed in violation of the provisions to the Company.

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

Article 167 The Company's provident fund shall be used to compensate for the Company's losses, expand the Company's production and operation, or convert to increase the Company's capital. However, the capital reserve fund will not be used to cover the Company's losses.

When the statutory provident fund is converted into capital, the retained provident fund shall not be less than 25% of the registered capital of the Company before the conversion.

Article 168 After the end of each fiscal year, the board of directors of the listed company shall propose a dividend proposal. The board of directors of the listed company may also propose interim cash distributions based on the Company's financial situation. If supervisors have objections to the profit distribution plan formulated by the board of directors, they may raise inquiries or suggestions at the board of directors.

After the board of directors approves the dividend proposal, it shall be submitted to the shareholders' meeting for voting, and the shareholders' meeting should provide the form of online voting. When the shareholders' meeting reviews the profit distribution plan, it shall actively communicate and exchange with shareholders, especially small and medium-sized shareholders, through various forms (including but not limited to telephone, fax, email, or inviting small and medium-sized shareholders to attend the meeting), fully listen to the opinions and interest demands of small and medium-sized shareholders, and promptly reply to their concerns. After the shareholders' meeting of the listed company makes a resolution on the profit distribution plan, the board of directors of the listed company must complete the distribution of dividends (or shares) within two months after the shareholders' meeting is held. If a shareholder of the listed company illegally occupies the Company's funds, the listed company shall deduct the cash dividends distributed to the shareholder to repay the funds occupied by the shareholder.

If the external business environment or the listed company's own business conditions change greatly, the listed company may adjust its profit distribution policy for the current year. The adjusted profit distribution policy shall not violate the relevant provisions of the China Securities Regulatory Commission and the Shenzhen Stock Exchange. The board of directors shall formulate the adjusted profit distribution policy and explain the reasons for the adjustment of such profit distribution policy. The independent directors shall give their independent opinions, which shall be reviewed and approved by the board of directors and submitted to the shareholders' meeting for review and approval by more than 2/3 of the voting rights held by the shareholders present at the shareholders' meeting.

The independent directors are required to review and express prior opinions on the changes to the profit distribution policy and whether the new profit distribution policy is in line with the principles of the profit distribution policy and in line with the interests of the listed company. The new profit distribution policy shall be submitted to the shareholders' meeting for review, and the decision-making process for special resolutions of the shareholders' meeting must be followed. The shareholders' meeting shall provide online voting format.

If the board of directors of the listed company has not made a plan for cash profit distribution, the reason for the non-dividend distribution and the purpose for the funds not used for dividend distribution retained by the Company shall be disclosed in the regular report. The independent directors shall express independent opinions on this matter.

Article 169 The Company shall attach importance to the reasonable return on investment to shareholders, implement active profit distribution methods, and adopt cash, stock or other reasonable methods that comply with laws and administrative regulations for profit distribution to shareholders. In the profit distribution method, compared to stock dividends, the Company prioritizes the use of cash dividends as the profit distribution method. If the Company meets the conditions for cash dividends, it shall distribute profit by cash dividends. If the Company uses stock dividends for profit distribution, it should have real and reasonable factors such as company growth and dilution of net assets per share.

When the Company distributes dividends, the distributable profit after tax based on shall be determined according to the lower of the following two data:

(1) The cumulative distributable profit after tax in the financial statements prepared in accordance with Chinese accounting standards audited by the accounting firm;

(2) The cumulative distributable profit after tax in the financial statements adjusted in accordance with international accounting standards on the basis of the audited financial statements prepared in accordance with Chinese accounting standards.

The foreign exchange conversion rate of dividends of foreign capital stocks listed in China shall be determined in accordance with the resolution of the shareholders' meeting. If there is no provision in the resolution of the shareholders' meeting, it shall be calculated in accordance with the central parity rate of RMB for foreign exchange published by the People's Bank of China on the first working day after the resolution of the shareholders' meeting.

On the premise of complying with laws, regulations, regulatory provisions, and meeting the conditions for profit distribution, the profit distribution plan of the listed company shall be formulated by the board of directors based on factors such as the Company's business development plan and current operating performance:

(1) The overall business condition of the listed company is good, the operation is stable, and all the businesses are carried out normally. There are no expected adverse factors that seriously affect the Company's development;

(2) The financial condition of the listed company is good, with no abnormal changes in various financial indicators. The company's operating performance has steadily improved, and its cash flow is in line with the Company's current business development status;

(3) The listed company has no significant capital expenditure in the next 1 to 2 years, or has significant capital expenditure and sufficient investment funds have been reserved, and cash dividends will not affect the Company's business development;

(4) The external financing environment of the listed company is conducive to the Company to adopt equity financing or debt financing tools to obtain development funds, the financing channels are smooth, the social capital cost is relatively low, which can meet the Company's capital needs, and is conducive to maximizing the interests of the Company's shareholders.

If the board of directors considers that the stock price of the listed company does not match the size of the Company's capital stock, it may adopt the method of stock dividends for profit distribution.

On the premise of ensuring the normal operation and long-term development of the listed company, after fully reserving the statutory provident fund and surplus provident fund, the listed company shall distribute profit in cash every year no less than 10% of the distributable profit realized in the current year. On the premise of ensuring sufficient cash distribution of profit, the listed company can separately increase the stock dividend distribution and convert of provident fund into additional shares.

The undistributed profits retained by the listed company after the completion of profit distribution in the current year are mainly used for major investments and cash expenditures related to its main business, such as external investment, asset acquisition, equipment purchase, etc., gradually expanding its business scale, optimizing its financial structure, promoting the rapid development of the listed company, and achieving the future development planning goals of the listed company in a planned and step-by-step manner, ultimately achieving the maximization of shareholder interests.

Section 2 Internal audit

Article 170 The Company shall implement an internal audit system and appoint full-time auditors to conduct internal audit and supervision on the financial revenue and expenditure and economic activities of the Company.

Article 171 The Company's internal audit system and the duties of its auditors shall be implemented after approval by the board of directors. The audit leader is responsible to the board of directors and reports on their work.

Section 3 Appointment of an accounting firm

Article 172 The Company shall employ an accounting firm "qualified for securities-related business" to conduct auditing of financial statements, verification of net assets and other related consulting services. The employment term is one year and may be renewed.

Article 173 The employment of an accounting firm by the Company shall be decided by the shareholders' meeting, and the board of directors shall not employ an accounting firm before the decision is made by the shareholders' meeting.

Article 174 The Company guarantees to provide the accounting firm it employs with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials, and shall not refuse, conceal or make false statements.

Article 175 The audit fees of an accounting firm shall be determined by the shareholders' meeting.

Article 176 When the Company dismisses or no longer renews an accounting firm, it shall notify the accounting firm 30 days in advance. When the shareholders' meeting of the Company votes on the dismissal of the accounting firm, the accounting firm shall be allowed to state its opinions. If the accounting firm resigns, it shall explain to the shareholders' meeting whether the Company has any improper circumstances.

Chapter 10 Notice and announcement

Section 1 Notice

Article 177 The Company's notice shall be issued in the following forms:

- (1) Sent by dedicated personnel;
- (2) Sent by email;
- (3) By announcement;
- (4) Other forms stipulated in the Articles of Association.

Article 178 If a notice issued by the Company is made by announcement, once it is announced, it shall be deemed that all relevant personnel have received the notice.

Article 179 The notice of the Company's convening of a shareholders' meeting shall be made by announcement.

Article 180 The notice of a meeting of the board of directors held by the Company shall be sent by dedicated personnel or by telephone, fax, mail, email or signed short message.

Article 181 The notice of a meeting of the board of supervisors held by the Company shall be sent by dedicated personnel or by telephone, fax, mail, email or signed short message.

Article 182 If the Company's notice is sent by dedicated personnel, the recipient shall sign (or stamp) on the delivery receipt, and the date of receipt signed by the recipient shall be the date of delivery; If the Company's notice is sent by mail, the 10th working day from the date of delivery to the post office shall be the delivery date; If the Company's notice is sent by announcement, the date of the first announcement shall be the date of delivery.

Article 183 If a meeting notice is not sent to a person entitled to receive notice due to accidental omission or if such person does not receive the meeting notice, the meeting and the resolutions made at the meeting shall not be invalid.

Section 2 Announcement

Article 184 The Company designates *Securities Times*, *Ta Kung Pao* of Hong Kong, and <http://www.cninfo.com.cn> as the media for publishing the Company's announcements and other information that needs to be disclosed.

Chapter 11 Merger, division, capital increase, capital reduction, dissolution and liquidation

Section 1 Merger, division, capital increase and capital reduction

Article 185 The merger of the Company may take the form of merger by absorption or merger by new establishment.

Absorption of other companies by one company is merger by absorption, and the absorbed companies are dissolved. The merger of two or more companies to establish a new company is merger by new establishment, and the merged parties shall be dissolved.

Article 186 In the event of a company merger, the merged parties shall sign a merger agreement and prepare a balance sheet and an inventory of property. The company shall notify its creditors within 10 days from the date of making the merger resolution, and make an announcement in *Securities Times*, *Ta Kung Pao* of Hong Kong within 30 days. Creditors may request the company to repay their debts or provide corresponding guarantees within 30 days from the date of receiving the notice, or within 45 days from the date of announcement if they do not receive the notice.

Article 187 When companies merge, the creditor's rights and debts of the merged parties shall be inherited by the surviving or newly established company after the merger.

Article 188 When a company is divided, its property shall be divided accordingly. In case of division, a balance sheet and an inventory of property shall be prepared. The company shall notify its creditors within 10 days from the date of the decision on division, and make an announcement in *Securities Times* and *Ta Kung Pao* of Hong Kong within 30 days.

Article 189 The debts of the company before division shall be jointly and severally liable by the company after division. Except as otherwise agreed in the written agreement between the company and its creditors on debt repayment before the division.

Article 190 When a company needs to reduce its registered capital, it must prepare a balance sheet and an inventory of property.

The company shall notify its creditors within 10 days from the date of making a resolution to reduce its registered capital, and make an announcement in *Securities Times* and *Ta Kung Pao* of Hong Kong within 30 days. Creditors shall have the right to require the Company to repay their debts or provide corresponding guarantees within 30 days from the date of receiving the notice, or within 45 days from the date of announcement if they do not receive the notice.

The registered capital of the company after capital reduction shall not be lower than the statutory minimum limit.

Article 191 In the event of merger or division of the Company and any change in the registered items, the Company shall handle the change registration with the company registration authority in accordance with the law; If the Company is dissolved, it shall handle the cancellation of company registration in accordance with the law; If a new company is established, it shall be registered in accordance with the law.

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

Section 2 Dissolution and liquidation

Article 192 The Company shall be dissolved due to the following reasons:

- (1) The expiration of the business term specified in the Articles of Association or the occurrence of other dissolution reasons specified in the articles of Association;
- (2) Dissolution by resolution of the shareholders' meeting;
- (3) Dissolution is required due to the merger or division of the Company;
- (4) Its business license is revoked, it is ordered to close down or it is revoked according to law;
- (5) If there are serious difficulties in the operation and management of the Company and its continued existence would cause significant losses to the interests of shareholders, which cannot be resolved through other means, shareholders holding more than 10% of the voting rights of all shareholders of the Company may request the people's court to dissolve the Company.

Article 193 If the Company falls under the circumstances specified in Article 178 (1) of the Articles of Association, it may survive by amending the Articles of Association.

The amendment to the Articles of Association in accordance with the provisions of the preceding paragraph shall be approved by more than 2/3 of the voting rights held by the shareholders attending the shareholders' meeting.

Article 194 If the Company is dissolved due to the provisions of Article 192 (1), (2), (4) and (5) of the Articles of Association, a liquidation team shall be established within 15 days from the date when the cause of dissolution occurs and the liquidation shall commence. The liquidation team is composed of directors or personnel determined by the shareholders' meeting. If a liquidation team is not established within the prescribed time limit for liquidation, creditors may apply to the people's court to designate relevant personnel to form a liquidation team for liquidation.

Article 195 The liquidation team shall exercise the following powers during the liquidation period:

- (1) Settling the Company's property and preparing a balance sheet and an inventory of property separately;
- (2) Notifying and announcing the creditors;

- (3) Dealing with the Company's outstanding business related to liquidation;
- (4) Paying off outstanding taxes and taxes generated during the liquidation process;
- (5) Settling claims and debts;
- (6) Disposing the remaining property of the Company after paying off its debts;
- (7) Participating in civil litigation activities on behalf of the Company.

Article 196 The liquidation team shall notify creditors within 10 days from the date of its establishment, and make an announcement in *Securities Times* and *Ta Kung Pao* of Hong Kong within 60 days. Creditors shall declare their claims to the liquidation team within 30 days from the date of receiving the notice, or within 45 days from the date of announcement if they have not received the notice.

In declaring the creditor's rights, the creditor shall explain the relevant matters of the creditor's rights and provide proof materials. The liquidation team shall register the creditor's rights.

During the period of declaring creditor's rights, the liquidation team shall not pay off the creditor.

Article 197 After settling the Company's property, preparing a balance sheet and an inventory of property, the liquidation team shall formulate a liquidation plan and submit it to the shareholders' meeting or the people's court for confirmation.

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

During the liquidation period, the Company exists but cannot carry out business activities unrelated to liquidation. The Company's property shall not be distributed to shareholders until it has been paid off in accordance with the provisions of the preceding paragraph.

Article 198 If the liquidation team finds that the Company's property is insufficient to repay its debts after settling the Company's property and preparing a balance sheet and an inventory of property, it shall apply to the people's court for bankruptcy declaration in accordance with the law.

After the Company is declared bankrupt by ruling of the people's court, the liquidation team shall transfer the liquidation affairs to the people's court.

Article 199 Upon completion of the liquidation of Company, the liquidation team 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, and announce the termination of the Company.

Article 200 Members of the liquidation team shall be faithful to their duties and perform their liquidation obligations according to law.

Members of the liquidation team shall not take advantage of their powers to accept bribes or other illegal income or encroach on the Company's property.

If a member of the liquidation team causes losses to the Company or creditors due to intent or gross negligence, he/she shall be liable for compensation.

Article 201 If the Company is declared bankrupt in accordance with the law, bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

Chapter 12 Amendment to the Articles of Association

Article 202 The Company shall amend its articles of association under any of the following circumstances:

- (1) After the revision of the *Company Law* or relevant laws and administrative regulations, the matters stipulated in the articles of association conflict with the provisions of the revised laws and administrative regulations;
- (2) The situation of the Company changes and is inconsistent with the matters recorded in the articles of association;
- (3) The shareholders' meeting has decided to amend the articles of association.

Article 203 If an amendment to the articles of association passed by the resolution of the shareholders' meeting needs to be approved by the competent authority, it must be submitted to the competent authority for approval; If it involves company registration matters, change registration shall be handled in accordance with the law.

Article 204 The board of directors shall amend the articles of association in accordance with the resolutions of the shareholders' meeting to amend the articles of association and the approval opinions of relevant competent authorities.

Article 205 If amendments to the articles of association are information required to be disclosed by laws and regulations, they shall be announced as required.

Chapter 13 Supplementary provisions

Article 206 Interpretation

- (1) A controlling shareholder refers to a shareholder whose shares account for more than 50% of the total share capital of the Company; A shareholder who holds less than 50% of the shares but whose voting rights are sufficient to exercise significant influence on the resolutions of the shareholders' meeting based on the shares he holds.
- (2) An actual controller refers to a person who, although not a shareholder of the Company, can actually control the Company's action through investment relationships, agreements or other arrangements.
- (3) Affiliated relationships refer to the relationships between the controlling shareholders, actual controllers, directors, supervisors, senior management personnel of the Company and their directly or indirectly controlled enterprises, as well as other relationships that may lead to the transfer of Company's interests. However, enterprises controlled by the state do not have affiliated relationships because they are both controlled by the state.

Article 207 The board of directors may formulate detailed rules of the articles of association in accordance with the provisions of the articles of Association. The detailed rules of articles of association shall not conflict with the provisions of the articles of association.

Article 208 The Articles of Association are written in Chinese. In case of any ambiguity between any other language or different versions of the articles of association and the Articles of Association, the Chinese version of the articles of association that has been approved and registered with the Automobile Industry Development Zone Branch of Changchun Administration for Industry and Commerce shall prevail.

Article 209 The terms "above", "within", "below" and "not exceeding" as used in the Articles of Association shall include the number; 'beyond', 'less than', 'more than' and 'exceeding' do not include this number.

Article 210 The board of directors shall be responsible for the interpretation of the Articles of Association.

Article 211 The annexes to the Articles of Association include the rules of procedure of the shareholders' meeting, the rules of procedure of the board of directors, and the rules of procedure of the board of supervisors.

Article 212 The Articles of Association shall take effect and be in force from the date of review and approval by the shareholders' meeting.