

Shandong Pharmaceutical Glass Co., Ltd.

Articles of Association



Revised in December 2025

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Chapter I General Provisions

Article 1 In order to safeguard the legitimate rights and interests of creditors, and regulate the organization and conduct of the company, these Articles of Association are hereby formulated pursuant to the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), "Securities Law of the People's Republic of China" (hereinafter referred to as the "Securities Law"), "Constitution of the Communist Party of China" (hereinafter referred to as the "Constitution") and other relevant provisions.

Article 2 The Company shall be a joint stock limited company (hereinafter referred to as the Company) established in accordance with the Pilot Measures for Joint-Stock Enterprises, the Standard Opinions on Joint-Stock Companies and other relevant regulations.

With the approval of Shandong Zibo Economic System Reform Commission (ZTGG Zi [1993] Document No. 61), the Company was established by private placement; and was registered with the Yiyuan County Administration for Industry and Commerce on November 8, 1993, and obtained the Business License for Enterprise Legal Person.

In 1996, the Company was standardized in accordance with the Company Law, and obtained the Letter of Consent to Confirm Shandong Pharmaceutical Glass Co., Ltd. (LTGH Zi [1996] No. 161) from Shandong Provincial Economic System Reform Commission and the Approval Certificate for Shandong Pharmaceutical Glass Co., Ltd. (LZG Zi [1996] No. 73) from Shandong Provincial People's Government. The Company re-registered with the Shandong Administration for Market Regulation and obtained the Business License (3700001807872). On March 10, 2017, the Company obtained a new business license with a unified social credit code of 91370000168611868Q.

Article 3 On January 24, 2002, approved by the China Securities Regulatory Commission (CSRC), the Company issued 32,000,000 RMB ordinary shares to the public for the first time and was listed on the Shanghai Stock Exchange on June 3, 2002.

Article 4 The registered name of the company:

In Chinese: 山东省药用玻璃股份有限公司公司

In English: SHANDONG PHARMACEUTICAL GLASS CO., LTD.

Article 5 Company Domicile: No.1 Yaobo Road, Yiyuan County, Zibo City, Postal Code: 256100

Article 6 The registered capital of the Company is RMB 663,614,113.

Article 7 The company shall be a perpetual company limited by shares.

Article 8 The director or manager who executes corporate affairs on behalf of the Company shall be the legal representative of the Company. The director who executes corporate affairs on behalf of the Company and the legal representative shall be confirmed by the Board of Directors; the legal representative may be changed pursuant to a resolution adopted by the Board of Directors. If a director or senior manager serving as the legal representative

resigns, he/she shall be deemed to have resigned as the legal representative at the same time. If the legal representative resigns, the company shall designate a new legal representative within 30 days from the date of the legal representative's resignation.

Article 9 The legal consequences of civil activities performed by the legal representative in the name of the Company shall be borne by the Company.

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

If the legal representative causes damage to others while performing his duties, the company shall bear civil liability. After the company assumes civil liability, it may seek compensation from the legal representative who is at fault in accordance with the law or these articles of association.

Article 10 The shareholder bears the responsibilities in term of its purchased stocks and the company bears the responsibilities in term of all its assets.

Article 11 These Articles of Association shall, as of the date of its entry into force, become the lawfully documents binding the relations between the organization and conduct of companies, the company and its shareholders and relations between shareholders, as well as those of the company, shareholders, directors and senior managers. According to these Articles of Association, shareholders can sue other shareholders, shareholders can sue the Company's directors and senior managers. Shareholders can sue the Company. The Company can sue the shareholders, directors and senior managers.

Article 12 The "senior managers" mentioned in these Articles of Association refer to the general manager, deputy general managers, finance chief, board secretary, and other personnel specified in these Articles of Association.

Article 13 Organization of the Communist Party of China is established in the Company in accordance with provisions of the Constitution of the Communist Party of China to carry out activities of the Party. The company provides the necessary conditions for the Party organizations to carry out their activities.

Chapter II Business Tenet and Scope

Article 14 Business Philosophy of the Company: Abide by national laws and regulations, operate in accordance with the law, improve economic benefits, maximize the interests of the Company and shareholders, promote the development of China's pharmaceutical packaging industry, and build the Company into an international modern enterprise with advanced standards in the same industry.

Article 15 With the approval of the registration authority, the Company's business scope covers production and sales of medical devices within the scope of the license; auto cargo freight; packaging decoration and printing; production and sales of pharmaceutical packaging materials and containers within the scope specified in the

Registration Certificate for Pharmaceutical Packaging Materials and Containers (operation shall be conducted in accordance with the registration certificate); retail of refined oil products (limited to branch operations); (the valid period of the above items shall be subject to the license); production and sales of domestic glass products; processing and sales of cartons; manufacturing and sales of special equipment for glass production; production, processing and sales of glass packaging containers; import and export business within the registered scope. (For the items subject to approval, business activities are carried out after getting approval by relevant authorities).

Chapter III Shares

Section 1 Issue of Shares

Article 16 The shares of the Company shall take the form of share certificates.

Article 17 The issuance of shares of the Company shall be conducted in an open, fair and just manner. Each share of the same type should have the same rights. Each of the shares of the same type shall be issued under the same conditions and at the same price in each issuance. The price payable per share subscribed by the subscriber shall be the same.

Article 18 The par value of the shares issued by the Company shall be denominated in RMB, with each share being RMB 1.

Article 19 Shares issued by the company are centrally stored at the Shanghai branch of China Securities Depository and Clearing Corporation Limited.

Article 20 The total number of ordinary shares approved for issuance when the Company was established in 1993 was 22,808,800 shares. Shandong Pharmaceutical Glass General Factory (predecessor of the Company), the initiator, subscribed to 13,628,800 shares with its entire operating assets, accounting for 59.75% of the total share capital. The initiator shares (state-owned shares) were held by Yiyuan County State-owned Assets Administration Bureau, the owner of the factory, after the factory was fully restructured into the company and subsequently ceased to exist.

Article 21 The total shares issued by Company are 663,614,113. The Company's capital structure consists of 663,614,113 common shares.

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

For the benefit of the company, the company may, with the resolution of the shareholders assembly or the resolution of the board of directors in accordance with these Articles of Association or the authorization of the shareholders assembly, provide financial assistance to others to acquire shares of the company or its parent

company, but the total amount of financial assistance shall not exceed 10% of the total issued share capital. A resolution of the board of directors shall be passed by more than two-thirds of all directors.

Note: If the Company or its subsidiaries (including its affiliated enterprises) engage in the acts in this clause, it/they shall comply with laws, administrative regulations, and the provisions of the China Securities Regulatory Commission and the stock exchange.

Section 2 Shares Increase, Reduction and Buyback

Article 23 The Company may, in accordance with the operation and development as well as laws and rules, adopt the following means to increase capital provided that the resolution has been made by the shareholders assembly:

- (1) The offering of shares to the unspecified investors;
- (2) The offering of shares to the specified investors;
- (3) Offering bonus stock to the current shareholder;
- (4) By transferring capital reserve to share capital;
- (5) Other methods stipulated by laws, administrative regulations and the China Securities Regulatory Commission.

Article 24 The Company can reduce its registered capital. The reduction of the registered capital of the company shall be handled in accordance with the company law, other relevant provisions and the procedures stipulated in the articles of association.

Article 25 The Company shall not purchase its own shares. except where:

- (1) to reduce the registered capital of the company
- (2) to merger with other companies that hold shares of the Company;
- (3) use shares for employee stock ownership plans or equity incentives;
- (4) to demand the company to withdraw the shares of the shareholder who raise an objection to the merger and division resolution adopted by the shareholders assembly;
- (5) use shares in converting convertible corporate bonds issued by the company;
- (6) Where the company deems necessary in order to maintain the company's value and shareholders' rights and interests.

Article 26 Where the company purchases its own shares, the purchase may be carried out via open and centralized trading, or by other means approved by laws and regulations and CSRC.

Where the Company purchases its own shares due to the circumstances stipulated in Subparagraph (3), (5) or (6) of

Paragraph 1 of Article 25, the purchase shall be carried out via open and centralized trading.

Article 27 Where the Company purchases its own shares due to the circumstances stipulated in Subparagraph (1) or (2) of Paragraph 1 of Article 5, it shall be subject to resolution adopted by the shareholders assembly; where the company purchases its own shares due to the circumstances stipulated in Subparagraph (3), (5) or (6) of Paragraph 1 of Article 25, it shall be subject to resolution adopted by the meeting of the board of directors attended by more than two-thirds of the directors in accordance with the provisions of these Articles of Association or the authorization of the shareholders assembly.

Where the stock of the Company is purchased in accordance with Paragraph 1 of Article 25 of these Articles of Association, it shall be canceled within ten days upon its purchase. Where the stock of the company is purchased in accordance with paragraph (2) or (4) in Article 24 of the articles of association, it shall be transferred or canceled within six months upon its purchase. Where the stock of the company is purchased in accordance with paragraph (3), (5) or (6) in Article 24 of the articles of association, the total number of shares of the company held by the company shall not exceed 10% of the total issued shares of the company and shall be transferred or canceled within 3 years.

Section 3 Transfer of Shares

Article 28 The shares of the Company shall be transferred according to law.

Article 29 The Company shall not accept its own shares as the subject matter of a mortgage.

Article 30 Shares issued prior to the public issue by a company shall not be transferred within one year from the date the shares of the company are listed and traded at stock exchanges.

Directors and senior managers of the Company shall declare to the Company the numbers of the company's shares held by them and the changes of the shares they hold, and the number of the company's shares annually transferred by each of them during their term of office determined at the time of appointment shall not exceed 25 percent of the total number of the company's shares of the same class held by them respectively; and the company's shares held by them shall not be transferred within one year from the date the shares of the company are listed and traded. The company's shares held by the persons mentioned above shall not be transferred within six months after they leave office.

Article 31 Where the directors and senior managers who hold or jointly hold more than 5% of the shares of the company sell the company's shares or other equity securities held by them within 6 months after buying, or buy them again within 6 months after selling, the proceeds from this shall belong to the company, and the board of directors of the company will recover the proceeds. However, the case that a securities company holds more than 5% of the shares of the Company, which are the residual stocks after sale by proxy as purchased thereby and other cases stipulated by China Securities Regulatory Commission are excluded.

Above mentioned stocks or other equity securities held by directors, senior managers and natural person shareholders include stocks or other equity securities held by their spouses, parents and children or held in the account of others.

Should the board of directors of the Company fail to comply with the requirements set out in the paragraph 1 of this article, a shareholder shall have the right to request the board of directors to effect the same within 30 days. Should the board of directors fail to do so within the said time limit, a shareholder shall have the right to initiate proceedings in the People's Court directly in his own name for the interests of the Company.

Should the board of directors of the Company fail to comply with the requirements set out in the paragraph 1 of this article, the responsible director(s) shall assume joint and several liabilities under laws.

Chapter IV Shareholder and Shareholders Assembly

Section 1 General Provisions on Shareholders

Article 32 The company shall, in accordance with the certificate provided by the securities registration and settlement authority, establish stock ledge, which serves sufficient evidence of the shareholding. The shareholder shall enjoy rights and bear responsibilities in line with the volume of its shareholding; the shareholders with the same kind of stock shall enjoy equal rights and bear same obligations.

Article 33 In case of convention of shareholders assembly, stock dividend distribution, liquidation and such acts as the identification of the shareholders needing certification, the convener of the board of directors or shareholders assembly shall be responsible for deciding the date of the equity registration. Shareholders registered after the closing of the date of the equity registration are shareholders who have relevant interests.

Article 34 Shareholders of the Company are entitled to the following rights:

- (1) to obtain dividends and other forms of benefit distribution based on their shareholding;
- (2) to require to hold, convene, preside over, attend or entrust shareholders agent to attend the meeting of the shareholders assembly and performing the relevant voting power;
- (3) to supervise the performance of the company, raising proposal or inquiry;
- (4) to transfer, donate or pledge its shareholding in accordance with laws, administrative rules and the provisions hereof;
- (5) to refer to and copy the Company's Articles of Association, register of members, meeting minutes of shareholders assembly, resolutions of board meetings, and financial reports; shareholders who meet the requirements can access the Company's accounting books and vouchers;
- (6) to participate in the distribution of the remaining assets of the Company according to the number of shares held

In the event of the termination or liquidation of the Company;

(7) to demand the company to withdraw the shares of the shareholder who raise an objection to the merger and division resolution adopted by the shareholders assembly;

(8) Other rights prescribed in laws, administrative rules, regulations or the Articles of Association.

Article 35 A shareholder requesting to refer to or copy related materials of the Company shall comply with the provisions of the Company Law, Securities Law and other laws and administrative regulations.

Shareholders who have individually or collectively held more than 3% of the company's shares for more than 180 consecutive days may request to inspect the Company's accounting books and accounting vouchers. Shareholders who request to inspect the Company's accounting books and accounting vouchers shall submit a written request to the Company, stating the purpose. Where the company deems, on reasonable grounds, that it is for illegitimate purposes that the shareholder requests to consult its accounting books and accounting vouchers, which may damage the lawful interests of the company, the company may refuse to provide its accounting books for the shareholder to consult, and shall, within 15 days from the date the shareholder submits the written request, give a written reply to the shareholder and state its reasons. Shareholders shall comply with the provisions of laws and administrative regulations concerning the protection of state secrets, trade secrets, personal privacy, and personal information when reviewing and copying relevant materials.

Article 36 Where the resolution adopted by the shareholders assembly or the board of directors violates laws and administrative rules, the shareholders are entitled to demanding the people's court to announce the verdict of its nullity.

Where the procedures for convening the meeting of the shareholders assembly, or the board of directors, or the voting formulas are against laws, administrative regulations or the articles of association, or the content of the resolution adopted is against the articles of association, the shareholders may, within 60 days from the date the resolution is adopted, request the people's court to rescind the resolution. However, this does not apply if the convening procedure or voting mode of the meeting of the shareholders assembly and board of directors is slightly defective and has not generated sustainable influence on resolution.

In case of any dispute among the Board of Directors, shareholders or other relevant parties regarding the effectiveness of the resolution of shareholders assembly, they shall promptly file a lawsuit with the people's court. Before the people's court renders a judgment or ruling to rescind the resolution, such relevant parties shall implement the resolution of shareholders assembly. The Company and its directors and senior managers shall fulfill their duties effectively to ensure the normal operation of the Company.

In the event that the people's court renders a judgment or ruling on relevant matters, the Company shall fulfill its information disclosure obligation in accordance with laws, administrative regulations, and the provisions of the

China Securities Regulatory Commission and the stock exchange, fully explain the impact, and actively cooperate with the enforcement after the judgment or ruling becomes effective. In case of any correction related to previous matters, it shall be promptly handled and corresponding information disclosure obligation shall be fulfilled.

Article 37 A resolution of the shareholders' assembly or the Board of Directors is not established in any of the following circumstances:

- (1) A resolution is adopted without convening a meeting of shareholders assembly or the Board of Directors.
- (2) The shareholders assembly and the Board of Directors do not vote on the resolution matters at the meeting;
- (3) The number of attendees or the voting rights represented does not meet the requirements stipulated by the Company Law or the Company's Articles of Association.
- (4) The number of persons voting in favor of the resolution or the voting rights they hold does not reach the requirements stipulated by the Company Law or the Company's Articles of Association.

Article 38 Where a director or a senior manager other than a member of the audit committee violates the provisions of laws, administrative regulations or the provisions of these Articles of Association in carrying out his duties in the company, and causes loss to the company, the shareholders who hold more than 1% shares of the company independently or jointly for 180 consecutive days have the right to request in writing the audit committee to take legal proceedings at the people's court. If the audit committee violates the provisions of laws, administrative regulations or the provisions of these Articles of Association in carrying out his duties in the company, and causes loss to the company, the aforementioned shareholders may request in writing the board of directors to take legal proceedings at the people's court.

Where the audit committee or the board of directors refuses to take legal proceedings after receiving the written request from the shareholders as specified in the preceding paragraph, or fails to take legal proceedings within 30 days from the date it/he receives such request, or under emergency situations, failure to take legal proceedings immediately results in irreparable damage to the interests of the company, the shareholders specified in the preceding paragraph shall have the right, in their own names, directly to bring a lawsuit to a people's court in the interests of the company.

Where another person infringes upon the lawful rights and interests of a company and thus causes losses to the company, the shareholders specified in the first paragraph of this Article may bring a lawsuit to a people's court in accordance with the provisions of the preceding two paragraphs.

In case that a director, supervisor, or senior manager of a wholly-owned subsidiary of the Company violates laws, administrative regulations, or the provisions of these Articles of Association while performing his/her duties, causing losses to the Company, or that other person infringes upon the legitimate rights and interests of the wholly-owned subsidiary of the Company and causes losses, a shareholder or group of shareholders who have held

more than 1% of the Company's shares continuously for over 180 days may, in accordance with the first three paragraphs of Article 189 of the Company Law, submit a written request to the board of supervisors or board of directors of the wholly-owned subsidiary to file a lawsuit with the people's court, or file a lawsuit directly in their own name.

For a wholly-owned subsidiary that does not establish supervisors or a board of supervisors, but instead sets up an audit committee, the provisions of the first and second paragraphs of this article shall apply accordingly.

Article 39 Where a director or senior manager violates the provisions of laws, administrative regulations or the Articles of Association and thus damages the interests of the shareholders, the shareholders may bring a lawsuit to a people's court.

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

- (1) to comply with laws, administrative regulations and these Articles of Association;
- (2) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) not to withdraw the share capital other than as provided by laws or regulations;
- (4) shall not abuse their shareholders' right to prejudice the interests of the Company or other shareholders; shall not abuse the independence of the Company as a legal person and the limited liabilities of shareholders to prejudice the interests of creditors of the Company;
- (5) Other obligations imposed by laws, administrative regulations and these Articles of Association.

Article 41 Where the shareholder of the Company abuses the rights of shareholders and thus causes losses to the company or other shareholders, he shall be liable for compensation according to law. Where the shareholder of the Company abuses the independent status of the Company as a legal person or the limited liability of shareholders, evades debts and thus seriously damages the interests of the creditors of the Company, he shall assume joint and several liabilities for the debts of the Company.

Section 2 Controlling shareholder and actual controller

Article 42 The controlling shareholder and actual controller of the Company shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, and the provisions of the China Securities Regulatory Commission (CSRC) and stock exchange, and shall safeguard the interests of the listed company.

Article 43 The controlling shareholder and actual controller of the Company shall comply with the following provisions:

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

- (2) To strictly fulfill the public statements and commitments made, and shall not make unauthorized changes or exemptions;
- (3) To strictly fulfill the information disclosure obligation in accordance with relevant regulations, actively cooperate with the Company in information disclosure, and promptly inform the Company of major events that have occurred or are planned;
- (4) Not to occupy company funds in any way;
- (5) Not to force, instruct, or require the Company and related personnel to provide guarantees in violation of laws and regulations;
- (6) Not to use material non-public information of the Company for personal gain, disclose in any manner material confidential information related to the Company, or engage in illegal and irregular activities such as insider trading, short-term trading, market manipulation, etc.;
- (7) Not to harm the legitimate rights and interests of the Company and other shareholders through unfair related-party transactions, profit distribution, asset restructuring, external investments, or any other means;
- (8) to ensure the integrity of the Company's assets, independence of personnel, finances, organization and business, and shall not affect the Company's independence in any way.
- (9) Other provisions of laws, administrative regulations, regulations of the China Securities Regulatory Commission, business rules of stock exchange, and these Articles of Association.

In the event that the controlling shareholder or actual controller of the Company does not serve as a director but actually conducts company affairs, the provisions of the Articles of Association on the duties of loyalty and care applicable to directors shall apply.

If the controlling shareholder or actual controller of the Company instructs directors or senior managers to engage in acts that harm the interests of the Company or shareholders, they shall jointly and severally liable with such directors or senior managers.

Article 44 If the controlling shareholder or actual controller pledges the Company's stocks they hold or actually control, they shall maintain the Company's control and the stability of production & operation.

Article 45 If the controlling shareholder or actual controller transfers their shares in the Company, they shall comply with the restrictive provisions on share transfer in laws, administrative regulations, the regulations of the China Securities Regulatory Commission and the stock exchange, as well as the commitments made on the transfer of restricted share.

Section 3 General Provisions of Shareholders Assembly

Article 46 The Shareholders Assembly of the Company composed by all shareholders. The shareholders assembly is the organ of power of the company and shall exercise its functions and powers according to the law:

- (1) to decide on the operational policy and investment plan of the Company;
- (2) to elect or replace director who are not representatives of the staff and workers, and to decide on matters concerning the remuneration of the directors;
- (3) to examine and approve reports of the board of directors;
- (4) to examine and approve the company's plans for profit distribution and for making up losses;
- (5) to adopt resolutions on the increase or reduction of the registered capital of the company;
- (6) to adopt resolutions on the issue of corporate bonds;
- (7) to adopt resolutions on the merger, division, dissolution, liquidation or transformation of the company;
- (8) to revise the articles of association;
- (9) to make the resolution on the appointment or dismissal of the accounting firm undertaking the auditing business of the Company;
- (10) to examine and approve the guarantee particulars prescribed in Article 47 hereof;
- (11) to examine the purchases or sales of any material asset of the Company, within one (1) year, which exceeds thirty percent (30%) of the latest audited total assets of the Company;
- (12) to examine and approve the change in use of proceeds from fund raising;
- (13) to examine the equity incentive plan and employee stock ownership plan;
- (14) to examine the related party transactions which has a transaction amount of more than RMB 30 million and which accounts for more than 5% of the absolute value of the Company's latest audited net assets.
- (xv) Deliberate the following transaction matters (excluding providing guarantees and financial assistance):
 1. The total assets involved in the transaction (where both the book value and the appraised value exist, the higher shall prevail) account for more than 50% of the company's latest audited total assets;
 2. The net assets involved in the transaction target (such as equity) (if there are both book value and appraisal value, whichever is higher) account for more than 50% of the Company's latest audited net assets, and the absolute amount exceeds RMB 50 million;
 3. The volume of transactions of transaction (including bearing liabilities and fees) accounts for more than 50% of

the audited net assets of the latest accounting year of the Company, and the absolute amount is more than RMB 50 million;

4. The profits generated by the transaction account for more than 50% of the audited net profit of the Company in the latest fiscal year, or the absolute amount is more than RMB 5 million;

5. The operating income of subject matter of the transaction (such as equity) in the latest fiscal year accounts for more than 50% of the audited operating income of the latest accounting year of the Company, and the absolute amount is more than RMB 50 million;

6. The transaction target (such as equity) in the most recent fiscal year related net profit accounted for more than 50% of the Company's audited net profit in the most recent fiscal year, and the absolute amount exceeded RMB 5 million;

7. When the Company engages in transactions involving the “purchase or sale of assets”, regardless of whether the transaction targets are related, if the total amount of assets involved or the transaction value exceeds 30% of the Company's latest audited total assets within 12 consecutive months through cumulative calculation, in addition to being disclosed and audited or evaluated, such transactions shall also be submitted to the shareholders assembly for review and approved by more than two-thirds of the voting rights held by shareholders present at the meeting.

If the data involved in the calculation of the above indicators is a negative value, the absolute value is calculated.

The transaction specified in the article is the transaction defined in the Listing Rules of Shanghai Stock Exchange (except for providing guarantees or financial assistance). The aforementioned purchases and sales of assets do not include the purchase of raw materials, fuel, and power, or the sale of products, commodities, and other assets related to daily operations. However, if asset swaps involve the purchase or sale of such assets, they are still included.

In any of the following circumstances, the Company may be exempted from submitting the matters to the shareholders assembly for deliberation, but shall fulfill the information disclosure obligation as required:

1. The Company engages in transactions in which the Company receives donated cash assets, debt relief, or similar benefits that do not involve payment of consideration and do not carry any obligation;

2. The transactions conducted by the Company only meet the transaction criteria in point 4 or point 6 above, and the absolute value of the Company's earnings per share for the most recent fiscal year is less than RMB 0.05.

(xvi) Deliberate the following “financial assistance” transactions of the Company:

1. The amount of a single financial assistance exceeds 10% of the Company's latest audited net assets; 2. The most recent financial statements of the recipient show a debt-to-asset ratio exceeding 70%; 3. The cumulative amount of financial assistances provided within the past 12 months exceeds 10% of the Company's latest audited net assets;

2. When other situations stipulated by Shanghai Stock Exchange or the Articles of Association occur.

If the assisting object is a holding subsidiary within the scope of the company's consolidated statements, and the other shareholders of the holding subsidiary do not include the controlling shareholders, actual controllers and related persons of the company, the provisions of the preceding two paragraphs may be exempted from application.

(17) to examine any other matters that are subject to determination of the shareholders assembly as specified in the laws, administrative regulations, department rules or the Articles of Association.

The shareholders assembly may authorize the board of directors to adopt resolutions on the issue of corporate bonds;

The Company may issue stocks or convertible corporate bonds through a resolution of the shareholders assembly or authorized by the Articles of Association or the shareholders assembly through a resolution of the Board of Directors. The specific implementation shall comply with laws, administrative regulations, and the regulations of the China Securities Regulatory Commission and the stock exchange.

Except as otherwise provided by laws, administrative regulations, the China Securities Regulatory Commission, or the rules of the stock exchange, the aforesaid authority of shareholders assembly shall not be exercised by the board of directors or other authorities and individuals by means of authorization.

Article 47 The below external guarantee acts shall be approved by the shareholders assembly.

- (1) A guarantee, the amount of which exceeds 10% of the latest audited net assets of the Company;
- (2) Any guarantee as provided after the total amount of guarantees provided by the Company and its controlling subsidiaries exceeds 50% of the latest audited net assets;
- (3) Any guarantee as provided after the total amount of guarantees provided by the Company and its controlling subsidiaries exceeds 30% of the latest audited total assets;
- (4) A guarantee provided to others exceeding 30% of the Company's latest audited total assets in accordance with the accumulated calculation principle for the amount of guarantee for twelve consecutive months;
- (5) A guarantee provided to a party whose asset-liability ratio is higher than 70%;
- (6) A guarantee provided to the shareholder, beneficial controller or their respective connected parties.
- (7) Other guarantees provided by the Shanghai Stock Exchange or these Articles of Association.

Any personnel who exceeds authority or fails to perform duties in approving or signing external guarantee contracts without following the authority and procedures stipulated in the Articles of Association, thereby causing actual losses to the Company, shall be held legally liable by the Company; if no actual loss is caused to the Company, the Company may still impose penalties on the responsible personnel according to its regulations.

When the board of directors approves matters of guarantees, in addition to being examined and approved by more than half of all directors, it must also be examined and approved by more than two-thirds of the directors attending the board meeting. When the shareholders assembly examine on the guarantee matters in in paragraph 1, subsection (iv) of this article,, it must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

When the guarantee proposal provided for the shareholder, the actual controller and the affiliated party is reviewed by the meeting of the shareholders assembly, it is prohibited to allow the shareholder or the shareholder subject to the actual controller to take part in the voting. The voting must be approved by more than 2/3 of the voting rights held by other shareholders present at the meeting.

Article 48 The shareholders assembly falls into annual shareholders assembly and interim shareholders assembly. The annual meeting of shareholders assembly shall be held once every year, within 6 months after the conclusion of the preceding fiscal year.

Article 49 An interim meeting of the shareholders assembly shall be held within two months when one of the following circumstances occurs:

- (1) When the number of directors is less than the number prescribed by the Company Law, or less than two-thirds of the number required by these Articles of Association;
- (2) When the amount of the losses that the company has left unrecouped reaches one-third of the total share capital received;
- (3) When a shareholder individually holding, or the shareholders together holding, more than 10% of the company's shares request(s) to convene such a meeting;
- (4) When the board of directors deems it necessary;
- (5) When the Audit Committee proposes to convene such a meeting;
- (6) Other circumstances prescribed in laws, administrative rules, regulations or the Articles of Association.

Article 50 The place where the Company holds the meeting of the shareholders assembly is the company's domicile or the place specified in the notice of the meeting of the shareholders assembly. The meeting of shareholders assembly shall be held in a designated venue as an on-site meeting, and may also be conducted simultaneously via electronic communication method. The Company will provide shareholders with online voting for the convenience of shareholders.

After the notice on the meeting of shareholders assembly is issued, the place for convening the on-site meeting of shareholders assembly shall not be changed without justification. Where it is indeed necessary to change, the convener shall make an announcement and explain the reasons at least 2 working days before the date of the on-site

meeting.

Article 51 The Company shall employ a lawyer to give legal advice the relevant notification in the time of the convention of the meeting of the shareholders assembly;

(1) Whether or not the convening of the shareholders' meeting and its procedures are in compliance with the provisions of laws, administrative regulations and the Articles of Association;

(2) Verification of the validity of the eligibility of attendees and the convener;

(3) Whether or not the voting and the voting results of the meeting is lawful and valid;

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

Section 4 Convention of Shareholders Assembly

Article 52 The Board of Directors shall convene the meeting of shareholders assembly on time within the prescribed period.

With the consent of more than half of all independent directors, the independent directors have the right to propose the convention of interim meeting of the shareholders assembly to the board of directors. In response to an independent director's proposal to convene an interim meeting of the shareholders assembly, the board of directors shall provide written feedback on agreeing or disagreeing with the convening of the interim meeting of the shareholders assembly within 10 days after receiving the proposal in accordance with laws, administrative regulations and the Articles of Association.

In the event that the Board of Directors agrees to hold an interim meeting of shareholders assembly, a notice of holding the meeting of shareholders assembly will be issued within five (5) days after the resolution of the Board of Directors is made. If the Board of Directors does not agree to hold an interim meeting of shareholders assembly, the reasons shall be announced.

Article 53 The audit committee shall submit a written proposal to the board of directors to convene an interim meeting of the shareholders assembly. The board of directors shall provide written feedback on agreeing or disagreeing with the convening of the interim meeting of the shareholders assembly within 10 days after receiving the proposal in accordance with laws, administrative regulations and the Articles of Association.

In the event that the Board of Directors agrees to hold an interim meeting of shareholders assembly, the notice of the meeting will be issued within five (5) days after the resolution adopted by the board of directors. Any changes to the original proposal made in the notice shall require prior approval of the audit committee.

In the event that the Board of Directors does not agree to hold an interim meeting of shareholders assembly or does not furnish any reply within ten days after receiving such proposal, the Board of Directors shall be deemed as incapable of performing or failing to perform the duty of holding a meeting of shareholders assembly, in which

case the audit committee may convene and preside over such meeting on an unilateral basis.

Article 54 Such shareholders as singly or jointly hold more than 10% of the shares of the Company have the right to propose in written form the convening of interim meeting of the shareholders assembly to the board of directors. The board of directors shall provide written feedback on agreeing or disagreeing with the convening of the interim meeting of the shareholders assembly within 10 days after receiving the request in accordance with laws, administrative regulations and the Articles of Association.

In the event that the Board of Directors agrees to hold an interim meeting of shareholders assembly, the notice of the meeting shall be issued within five (5) days after the resolution adopted by the board of directors. Any changes to the original request made in the notice shall be subject to the consent of the relevant shareholders.

In the event that the Board of Directors does not agree to convene an interim meeting of the shareholders assembly or does not furnish any reply within 10 days after receiving such proposal, shareholders individually or collectively holding 10% or more of the Company's shares shall be entitled to propose to the audit committee the convening of the interim meeting of the shareholders assembly, provided that such proposal shall be made in writing.

In the event that the audit committee agrees to convene an interim meeting of the shareholders assembly, the notice of the meeting shall be issued within five (5) days of receiving the request. Any changes to the original request made in the notice shall require prior approval of the relevant shareholders.

Failure of the audit committee to issue the notice of the meeting of the shareholders assembly shall be deemed as failure of the audit committee to convene and preside over a meeting of the shareholders assembly individually or collectively holding ten percent (10%) or more of the Company's shares for ninety (90) consecutive days or more may convene and preside over the meeting on an unilateral basis.

Article 55 Where the audit committee or shareholders decide convening the meeting of the shareholders assembly independently, they shall notify the board of directors in written form and put on record in the stock exchange.

The audit committee or the convening shareholder shall submit relevant evidence to stock exchange upon the issuance of the notice of shareholders assembly and the announcement of the resolutions of the shareholders assembly.

The shareholding of the convening shareholders shall not be lower than 10% prior to the announcement of the shareholders assembly.

Article 56 The board of directors and the secretary of the board of directors shall show cooperation for the shareholders assembly convened independently by the audit committee or shareholders. The Board of Directors shall provide the register of shareholders as of the date of record.

Article 57 Where the shareholders assembly is held independently by the audit committee or shareholders, the

necessary cost of the meeting shall be borne by the Company.

Section 5 Proposal and Notification of Shareholders Assembly

Article 58 The content of the proposals shall be kept within the scope of the functions and powers of the shareholders assembly, have clear topics and specific resolutions, and comply with the relevant provisions of laws, administrative regulations and the Articles of Association.

Article 59 When the Company convenes a shareholders assembly, the board of directors, the audit committee, and shareholders who individually or collectively hold more than 1% of the company's shares have the right to make proposals to the Company.

A shareholder individually holding, or the shareholders together holding, more than 1% of the shares of the company may make provisional proposals and submit them in writing to the convener 10 days prior to the convening of the meeting of the shareholders assembly. The convener shall issue a supplementary notice of the meeting of the shareholders assembly within two days of receiving the proposal, announce the contents of the temporary proposal, and submit the temporary proposal to the shareholders assembly for examination. However, this does not apply to temporary proposals that violate laws, administrative regulations, or the company's articles of association, or that are not within the scope of the meeting of the shareholders assembly's functions and powers.

Except the circumstances specified in the preceding paragraph, the convener shall not modify the proposals already set forth in the notice of the shareholders assembly or add new proposals after sending the notice of the shareholders assembly.

Proposals that are not listed in the notice of the meeting of shareholders assembly or that do not comply with the provisions of the Articles of Association shall not be voted and resolved at the meeting of shareholders assembly.

Article 60 The convener shall notify all the shareholders 20 days before the convention of the annual meeting of shareholders assembly. For the interim meeting of shareholders assembly, it shall be notified to all the shareholders 15 days before its convention.

Article 61 The notice of the shareholders assembly shall include the following contents:

- (1) Time, place and time limit of the meeting;
- (2) The proceedings and resolutions submitted to the meeting for its examination and approval;
- (3) Emphasizing with striking words: all the ordinary shareholders have the right to attend the meeting of the shareholders assembly and may entrust their agents to attend the meeting and participate in its voting, the shareholder's agent may not necessarily be the shareholders hereof.
- (4) Having the right to attend the stock registration date of the meeting of the shareholders assembly;

(5) Name and telephone number of the standing staff in charge of meeting affairs;

(6) Voting time and voting procedures for the online meeting or meetings held via other methods.

Note: 1. The notice and supplementary notice of the meeting of shareholders assembly shall fully and completely disclose the specific contents of all proposals. Where presentation of opinions is necessary to be made by independent shareholder(s) on items subject to discussion, such opinions and reasons making such opinions also shall be disclosed in the notice or supplementary notice of the shareholders assembly.

2. The beginning time for voting via internet or other ways for the meeting of the shareholders assembly shall not be earlier than 3:00 p.m. of the day prior to the meeting of the shareholders assembly, and shall not be later than 9:30 a.m. of the day when the onsite meeting of the shareholders assembly is convened and its closing time shall not be earlier than 3:00 of the day when the onsite meeting of the shareholders assembly is closed.

3. The interval between the date of record and the date of the meeting shall be no more than seven working days. Once the date of record is specified, it shall not be altered.

Article 62 Where the proceedings of directors election are scheduled to be discussed, the notice shall reveal the detailed information about the directors, including at least the following contents:

(1) Educational background, work experiences, concurrent positions, and other personal information;

(2) Whether it has associations with the company and its controlling shareholders and the actual share controller;

(3) The number of shares of the Company held by them;

(4) Whether he has been subjected to the punishment of the CSRC or any other relevant department or the reprimand of the stock exchange.

A single proposal shall be put forward for each candidate for directors except for the directors that are elected by way of cumulative voting system.

Article 63 Once the notice is issued, the meeting of shareholders assembly shall not be postponed or canceled without justifiable cause and the proposals listed in the notice of the shareholders assembly shall not be canceled. Once postponement or cancellation occurs, the convener shall announce and explain the reasons at least 2 working days before the scheduled date of convening.

Section 6 Convocation of Shareholders Assembly

Article 64 The board of directors and other convener of the company shall take necessary measures to ensure the normal order hereof. The board of directors and other convener of the company shall take measures to prevent such acts interference of the order of the meeting of the shareholders assembly, provocation and infringement of the lawful rights of the shareholders and report them promptly to the relevant authorities for investigation and

persecution.

Article 65 All ordinary shareholders registered on the equity registration date or their agents shall have the right to attend the meeting of the shareholders assembly. And exercise voting rights in accordance with relevant laws and regulations and the Articles of Association.

The shareholders may either attend the meeting of the shareholders assembly of their own, or entrust their agent to attend the meeting and made the relevant resolution.

Article 66 Where the individual shareholder attends the meeting, he/she shall show his/her identification card or other valid certificate of his/her identification; those who attend the meeting on behalf of others shall show his/her valid certificate of his/her identification, the proxy statement issued by the shareholder.

The legal shareholder shall entrust its lawful representative or other agent entrusted by the shareholder to attend the meeting. If the legal representative attends the meeting, he/she shall present his own identity card and valid proof of his legal representative status; if a proxy attends the meeting, he/she shall present his own identity card and a lawful written proxy statement issued by the legal representative of the legal person shareholder.

Article 67 The proxy statement issued by the shareholder where the shareholders entrust their agent to attend the meeting of the shareholders assembly shall contain the following items:

- (i) The name or title of the principal, and the type and number of company shares held;
- (2) The name of the proxy;
- (3) Specific instructions from shareholders, including indication of approval, opposition or abstention vote upon every scheduled vote listed in the meeting of the shareholders assembly;
- (4) The date of issuance and term of validity of the proxy;
- (5) Signature (or seal) of the person making the authorization. If the principal is the corporate shareholder, the seal of the corporate shall be affixed.

Article 68 Where the proxy statement is signed by the person entrusted by the principal, the signature of the authorized proxy statement or other authorized documents shall be notarized. The proxy statement with notarization or other authorized documents as well as the vote proxy statement shall be placed in the domicile of the company or at other place prescribed in the notice of the meeting convention.

Article 69 The register of meetings of the persons attending the meeting shall be prepared by the company. The registration document contains the names of persons (or names of organizations) attending the meeting, identity card numbers, the number of shares held or representing the voting rights, and names (or name of organizations) of the principals.

Article 70 The convener and the lawyer employed by the company, shall, in accordance with the register provided by the securities registration and clearing institutions, jointly verify the legality of the quality of the shareholders, register full name (or name) of the shareholders. Prior to the announcement of the total volume of the shares held by the shareholders and agents as well as those who have the right to vote, the registration shall be ceased.

Article 71 Where the shareholders assembly requests directors or senior managers to be present at its meeting, the latter shall attend the meeting as non-voting participants and subject themselves to inquiries by the shareholders.

Article 72 A meeting of the shareholders assembly shall be presided over by the chairman of the board of directors. Where the chairman of the board of directors is unable or fails to perform functions, the deputy chairman (if the company has two or more deputy chairmen, a deputy chairman elected by half or more of directors shall preside over the meeting) of the board of directors shall preside over the meeting, and, if the deputy chairman is unable or fails to perform functions, a director elected by half or more of directors shall preside over the meeting.

The meeting of shareholders assembly convened by the Audit Committee shall be presided over by the convener of the Audit Committee. When the convener of the Audit Committee is unable or fails to perform his/her duties, a member of the Audit Committee shall be jointly nominated by a majority of the members to preside over the meeting.

The meeting of the shareholders assembly convened by the shareholders themselves shall be chaired by the convener or their elected representative.

If, at the time of convening the meeting of the shareholders assembly, the moderator of the meeting violates the rules of procedure and thus the meeting cannot continue, the shareholders assembly may, with the consent of a simple majority of the shareholders who attend the meeting with voting rights, elect a person to serve as the moderator of the meeting.

Article 73 The company shall formulate the rules of procedure of the shareholders assembly, prescribe the detailed procedures for convening, holding and voting hereof, including notice, registration, examination of the resolution, ballot, vote calculation, announcement of the voting results, formulation of the resolutions of the meeting, minutes of the meeting and its signature, announcement as well as the principle of delegation from the meeting of the shareholders assembly to the board of directors which shall be definite and specific. The rules of procedure of the shareholders assembly shall serve as annex to the Articles of Association and shall be formulated by the board of directors and approved by the shareholders assembly.

Article 74 At the annual meeting of the shareholders assembly, the board of directors shall report to the shareholders assembly on the work in the preceding year. Each independent shareholder shall also make a work report.

Article 75 The directors and senior managers shall explain and explain the shareholders' questions and suggestions

at the meeting of the shareholders assembly.

Article 76 The presider of the meeting shall, prior to the vote, the total voting shares held by the present shareholders and the agents which take the meeting registration as a criterion.

Article 77 The meeting of the shareholders assembly shall have meeting minutes and the secretary of the board of directors shall be responsible. The minutes shall have the following contents:

- (1) The time, place, rules of procedure of the meeting, the name of the convener;
- (2) The name of the conductor of the meeting and the names of the directors and senior managers attending the meeting as a non-voting attendant;
- (3) The number of shareholders and agents that attend the meeting, the total amount of their voting shares and its proportion to the total amount of shares of the company;
- (4) The process of deliberation of each proposal, the minutes of the speeches and the voting results;
- (5) The opinions or suggestions of the shareholders and the corresponding answers or explanations;
- (6) The name of lawyers, vote counters, and supervisors; and
- (7) Other contents that should be included in the meeting minutes as stipulated in these Articles of Association.

Article 78 The convener shall guarantee the authenticity, preciseness and intactness of the meeting record. The directors, the secretary of Board of Directors, the convener or his/her representative that attend the meeting or attend the meeting as a non-voting attendant and the presider of the meeting shall affix their signatures to the records of the meeting. The minutes shall be kept together with the signed list of shareholders attending the meeting, and the power of attorney for attending the meeting, and the valid data on the network and other voting information. The storage life shall not be less than ten (10) years.

Article 79 The convener shall ensure the continuity of the meeting of the shareholders assembly until the final resolution is adopted. Where such specific cause as force majeure results the suspension or failure to make a resolution, necessary measures shall be taken to resume the meeting of the shareholders assembly as soon as possible or put an end to the meeting and make immediate proclamation. Meanwhile, the convener shall report to the local branch of China Securities Regulatory Commission and the securities exchange.

Section 7 Voting and Resolution of Shareholders Assembly

Article 80 The resolution adopted by the shareholders assembly falls into common resolution and special resolution.

The common resolution to be made by the shareholders assembly requires more than half of the vote of the present shareholders (including the shareholders agent) who have the voting power.

The special resolution to be made by the shareholders assembly requires at least 2/3 of the vote of the present shareholders (including the shareholders agent) who have the voting power.

Article 81 The following requires the approval of the meeting of the shareholders assembly by common resolution:

- (1) Work report of the board of directors;
- (2) Profit distribution plans and loss recovery plans drew up by the Board of Directors;
- (3) Appointment, removal, payment of remuneration for members of the board of directors;
- (4) Other proceedings except those shall be passed by special resolutions means in accordance with provisions of laws, administrative rules or the Articles of Association.

Article 82 The following requires the approval of the shareholders assembly by special resolution:

- (1) Increase or reduction of the registered capital of the company;
- (2) Company division, split, merger, dissolution and liquidation;
- (3) Amendment to the Articles of Association;
- (4) The Company's purchase or sale of any material assets or the amount of guarantee, within one year, which exceeds 30% of the latest audited total assets of the Company;
- (5) Equity incentive plan;
- (6) Other proceedings prescribed in the provisions of laws, administrative rules or the Articles of Association, deemed by common resolution adopted by the shareholders assembly as having significant potential influence upon the company, and thereby needing to be passed by special proceedings.

Article 83 The shareholders (including shareholders agent enjoy voting power in line with the volume of their holding shares on the basis of one share having one voting.

When the shareholders assembly considers major matters affecting the interests of small and medium investors, the votes on small and medium investors should be counted separately. The results of individual counting should be disclosed in a timely manner.

The shares in the company held by its own shareholders shall not enjoy the right to vote and shall not be calculated in the total voting share held by the present shareholders.

If a shareholder purchases voting shares of the company in violation of the provisions of Article 63 (1) and (2) of the Securities Law, the portion of the shares exceeding the prescribed proportion shall not exercise voting rights within 36 months after the purchase, and shall not be included in the total number of voting shares present at the meeting of the shareholders assembly.

The company's board of directors, independent directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the China Securities Regulatory Commission may publicly solicit shareholders' voting rights. The voting power of shareholders collected shall fully reveal the specific intention of voting and other related information to the person whose voting power has been collected. It is forbidden to solicit the voting right of shareholders in a paid or disguised paid manner. Except for statutory conditions, the Company shall not impose a minimum shareholding limit on the solicitation of voting right of shareholders.

Article 84 When the shareholders assembly deliberates on matters related to related transactions, the related shareholders shall not participate in voting, and the number of shares with voting rights they represent shall not be included in the number of shares with effective voting rights; the announcement of the resolution of the shareholders assembly shall fully disclose the voting of non-related shareholders. If the related shareholder fails to withdraw in a special circumstance, the company, the Company may, after obtaining the approval of the competent department, put the matter to vote in accordance with the normal procedures and specify in detail in the announcement for resolutions of the shareholders assembly; at the same time, the voting situation of non-related shareholders will be specially counted and disclosed in the announcement for resolution.

When the meeting of shareholders assembly deliberates on matters of a related-party transaction, it shall comply with the relevant national laws and regulations, and the stock listing rules of the Shanghai Stock Exchange. Shareholders (including shareholder proxies) with a related interest in the related-party transaction may attend the shareholders' meeting and may present their views to attending shareholders in accordance with the meeting procedure; provided that they shall abstain from voting and shall not interfere in any way with the Company's decision.

Article 85 Except in special circumstances such as the Company in crisis, the Company shall not sign a contract with the person except the directors and other senior managers covering the transfer of the important or even the whole business hereto without prior approval of the shareholders general assembly in special resolution method.

Article 86 The candidate name list of the directors shall be submitted to the shareholders general assembly for approval.

The candidates for the first board of directors shall be nominated by the Company's promoter(s). Subsequently, the candidates for the board of directors shall be nominated by the previous board of directors or by shareholders who individually or jointly hold more than 3% of the Company's issued shares.

The directors appointed by the representatives of the staff and workers shall be elected by the meeting of leaders of workers' delegations of the Company.

The board of directors shall provide the resume and basic information of the candidate directors to the shareholders.

The meeting of the shareholders assembly adopts a cumulative voting system in the election of directors, that is, each share has the same number of voting rights as the number of directors to be elected, and the voting rights held by shareholders can be used collectively. The implementation measures are as follows:

(1) The product of the number of company shares held by each shareholder (including shareholder proxies) attending the meeting of shareholders assembly multiplied by the number of directors to be elected at the meeting of shareholders assembly shall be the cumulative number of votes cast by that shareholder in the election of current meeting of shareholders assembly;

(2) Shareholders (including shareholder proxies) attending the meeting of shareholders assembly shall have the right to freely distribute the cumulative total voting rights for the election of director candidates. The minimum unit of voting rights allocated to each director candidate by each shareholder (including shareholder proxy) attending the meeting of shareholders assembly shall be the voting rights represented by one share. The total number of voting rights allocated by each shareholder to all director candidates shall not exceed but may be lower than the cumulative total voting rights calculated above, and the difference shall be deemed as a waiver of voting rights by that shareholder for that portion;

(3) It shall be valid only if it meets the following conditions:

1. Passed by more than half of the voting rights (i.e. the cumulative total voting rights calculated above divided by the number of directors to be elected at the meeting of shareholders assembly) represented by the number of shares held by shareholders (including shareholder proxies) attending the meeting of shareholders assembly;

2. The number of directors elected shall not exceed the number of directors to be elected by the meeting of shareholders assembly (when the number of director candidates exceeds the number of directors to be elected, the candidates shall be ranked by the number of votes they receive, and those with more votes shall be elected;

(4) If the number of elected directors is less than the number of directors to be elected by the meeting of shareholders assembly, the shareholders assembly shall, after excluding the elected directors, take the number of directors yet to be elected as the new number of directors to be elected, and conduct a new director election at the same meeting of shareholders assembly until the number of directors to be elected by the meeting of shareholders assembly is reached. However, if no director is elected in a certain director election, the meeting of shareholders assembly shall conclude the director election regardless of whether it has elected the intended number of directors, and the difference between the number of directors to be elected by the meeting of shareholders assembly and the actual number of directors elected should be made up at the next meeting of shareholders assembly; if the actual number of directors elected at the meeting of shareholders assembly is less than two-thirds of the number stipulated in the Articles of Association, the difference shall be made up by convening an extraordinary meeting of shareholders assembly within two months after the end of this meeting of shareholders assembly;

(5) If a shareholder (including the shareholder proxy) attending the meeting of shareholders assembly conducts the

director election in violation of the provisions of the Articles of Association, such shareholder shall be deemed to have waived the voting rights for all directors. Any director election conducted in violation of the Articles of Association by the meeting of shareholders assembly shall be invalid, and any person elected thereby shall not be deemed a director of the Company; any resulting director vacancy shall be filled through a new election.

Article 87 Except the cumulative voting, the shareholders assembly may take a vote on all the resolutions item by item. Where different resolutions remain for the same proceedings, it shall be voted in accordance with the time sequence of the resolution's submission. The shareholders assembly shall not postpone or refuse the resolution's voting unless such particular causes as force majeure results in its failure of fulfillment.

Article 88 The shareholders assembly shall, on the occasion of examining the resolutions, not revise the resolution, otherwise, the relevant alteration shall be deemed as a new resolution which shall not be voted herein.

Article 89 For the same voting rights, only one of on-site, online or other voting method can be selected. In case of repeated voting of the same voting right, the first voting result shall prevail.

Article 90 Vote in the meeting of the shareholders assembly shall adopt open ballot.

Article 91 Prior to the vote on the resolution, two shareholders shall be chosen to participate in vote calculation and vote supervision. Where the matters to be considered are related to the shareholders, the relevant shareholders and agents shall not participate in the vote counting and checking.

When the shareholders general assembly is voting the resolution, the lawyer and shareholder representative shall be jointly responsible for vote calculation, vote supervision and the announcement the voting result which shall be recorded in the meeting record.

The shareholders or their agents who vote through the Internet or other means have the right to check their voting results by means of the appropriate voting system.

Article 92 The termination of the on-site meeting of the shareholders assembly where the presider shall announce the voting result of every resolution and thereon its approval or disapproval, shall not be earlier than the internet or other means.

Before the voting result is formally announced, the company, vote counters, vote supervisors, shareholders and the network service provider, etc. involved in the voting of the shareholders assembly on the spot, on-line and other voting methods shall be obliged to keep secrets to themselves.

Article 93 The present shareholders shall air their opinions on the resolution: approval, disapproval or abstention. The securities registration and clearing institution, as the nominal holder of stocks under trading interconnection mechanism between Mainland and Hong Kong Stock Markets, shall, in accordance with the actual holder's means, make a declaration.

The blank, falsely-filled and unreadable vote as well as failure of voting shall be deemed as abstention, and the voting result upon its holding shares shall be filled with "abstention";.

Article 94 Where the chairman of the meeting has any doubt upon the voting result, he(she) may count the number of vote; where the chairman of the meeting fails to do so and the present shareholder or shareholder agent challenge the voting result, they are authorized to require counting vote upon the announcement of the voting result and the chairman of the meeting shall organize vote calculation immediately.

Article 95 The resolutions of the shareholders assembly shall be announced promptly where the number of shareholders and agent, the proportion of the voting shares herein, means of voting, voting result of every resolution their the particulars shall be set forth.

Article 96 If the proposal is not adopted, or the current of shareholders assembly changes the resolution of the previous of shareholders assembly, special tips shall be made in the announcement of the resolution of the of shareholders assembly.

Article 97 If the shareholders assembly adopts the proposal of election of directors, the new directors shall take office immediately after the meeting.

Article 98 Where the shareholders assembly approves the resolutions including bonus in cash, bonus issue or converted and increased capital stock of cumulative fund, the company shall give effect to the detailed plan within two (2) months after the end of the meeting of the shareholders assembly.

Chapter V Party Committee

Article 99 The Company shall adhere to the major political principle of CPC's leadership over state-owned enterprises, and set up an organization of members of the CPC (hereinafter referred to as the "Party Committee of the Company") of Shandong Pharmaceutical Glass Co., Ltd. in the Company in accordance with the Company Law of the People's Republic of China and the Constitution of the Chinese Communist Party to carry out Party activities and provide necessary conditions for the activities of the Party organization.

Article 100 The party organization in the Company is the leading and political core of the corporate governance structure, and other corporate governance subjects of the Company should consciously maintain this core.

(1) The Party Committee of the Company shall ensure the implementation of the policies, major decisions and deployments of the Party and the state in the enterprise, and carefully study and put forward opinions and suggestions on major issues related to the Company's reform, development and stability, major business management matters, and the vital interests of employees; the Party Committee of the Company assumes the primary responsibility for comprehensive and strict Party governance, strengthening the political, ideological, organizational, disciplinary, and institutional development of Party organization, and leading the Company's

spiritual civilization building, corporate culture development, and mass organizations such as trade union and Communist Youth League.

(2) The Party Committee of the Company, the Board of Directors and the Management have clear boundaries of power and responsibility, realize the seamless connection of the system and mechanism, and form a corporate governance mechanism characterized by distinct roles, coordinated operations and effective checks and balances; adhere to and improve the leadership system of “dual entry and cross appointment”; eligible members of the Party organization leadership team may enter the Board of Directors and the Management through legal procedures; eligible Party members among the Board of Directors and the Management may enter the Party organization’s leadership team in accordance with relevant regulations and procedures.

(3) The Company shall establish a Party affairs department and ensure adequate and strong Party personnel; the organizational structure of the Party organization and its personnel staffing are incorporated into the Company’s management structure and staffing, and the funds for Party building activities are included in the Company’s administrative expenses.

Chapter VI Directors and Board of Directors

Section 1 General Provisions on Directors

Article 101 Where the director is a natural person, it shall not act as director in one of the following circumstances:

- (1) a person who has no or limited capacity for civil conduct;
- (2) a person who was sentenced to criminal punishment for embezzlement, bribery, seizure of property or misappropriation of property or for sabotage of the socialist market economic order or a person who was deprived of his political rights for the commission of a crime, where less than five years have elapsed after the expiration of the period of execution, and the person has been given a suspended sentence, the period of two years since the expiration of the probation period has not exceeded;
- (3). a person who, being a director or the head or manager of a company or enterprise that went into bankruptcy and liquidation, was personally liable for the bankruptcy of the said company or enterprise, where less than 3 years have elapsed from the date liquidation of the company or enterprise is completed;
- (4) a person who, being the legal representative of a company or an enterprise, the business license of which was revoked for violation of law and which was ordered to close down, was personally liable for the above, where less than 3 years have elapsed since the date on which the business license of the company or enterprise was revoked and ordered to close;
- (5) a person who has a relatively large debt that is not repaid when due and is listed as a dishonest debtor by the People's Court;

(6) Market access prohibition measures adopted by China Securities Regulatory Commission and the deadline has not yet expired;

(7) is publicly considered as unfit for the posts of directors and senior management of the listed companies by the Stock Exchange and the deadline has not yet expired;

(8) Other content as prescribed by laws, administrative regulations or departmental rules.

If directors are elected or appointed in violating the provisions of this article, then the election, appointment or employment is invalid. If a director falls under any of the circumstances described in this clause during their term of office, the Company will remove them from their position and cease them from performing their duties.

Article 102 The directors who are not representatives of the staff and workers shall be elected or replaced by the shareholders assembly with each term of 3 years and may be removed from their positions by the shareholders assembly before the expiration of their term of office. It can be re-elected upon expiration of the term of office.

The term of office of a director shall be calculated from the date of inauguration until the expiration of the term of the current Board of Directors. Where no election is conducted in time before the expiration of the term of office of a director, the existing director shall, before the director-elect takes office, continue to perform his duty as a director in accordance with the provisions of laws, administrative regulations, departmental regulations or the articles of association.

The post of directors may be concurrently served by the senior managers, but the total number of directors who hold the duties of the senior managers and the directors who are the representatives of the staff and workers shall not exceed 1/2 of the total number of directors of the company. There should be one representatives of the staff and workers among the members of the board of directors of the Company. The representatives of the staff and workers on the board of directors are elected at the company's employee representative delegation leaders' meeting.

Article 103 The directors shall comply with laws, administrative regulations, and the provisions of these Articles of Association, be loyal to the Company and take measures to avoid conflicts of interest with the Company, and shall not use their powers to seek improper benefits.

Directors shall have the following duties of loyalty to the Company:

(1) shall not to misappropriate company property or misappropriate company funds;

(2) shall not to open an account in his own name or in the name of another person to deposit the funds of the Company;

(3) shall not to use one's power to bribe or accept other illegal income;

(iv) Without reporting to the Board of Directors or Shareholders Assembly and the approval from the Board of Directors or Shareholders Assembly in accordance with the provisions of the Articles of Association, no direct or

indirect contract or transaction shall be entered into with the Company;

(v) A director shall not, by taking advantage of his or her position, seek business opportunities belonging to the Company for himself or herself or others, except where the director reports to the Board of Directors or the shareholders assembly and obtains approval through a resolution of the shareholders assembly, or where the Company is unable to take advantage of such business opportunities pursuant to laws, administrative regulations or the provisions of these Articles of Association.

(vi) A director shall not operate on his or her own behalf or for others any business of the same type as that of the Company, unless the director has reported to the Board of Directors or the shareholders assembly and obtained approval through a resolution of the shareholders assembly.

(7) shall not to take into his own possession the commissions from transactions conducted by another person with the company;

(8) Shall not disclose secrets of the Company without authorization;

(9) Shall not take advantage of their affiliated relations to damage the interests of the company.

(10) Other faithful duties prescribed in laws, administrative rules, regulations and the Articles of Association;

Where the income of the director arises from his(her) acts against the aforesaid provisions, it shall be possessed by the company; where the director causes damage to the company, he(she) shall bear his(her) compensation liability.

The close relatives of directors and senior managers, enterprises directly or indirectly controlled by directors, senior managers, or their close relatives, and other related parties with related relationship to directors or senior managers, when entering into contracts or conducting transactions with the Company, shall be subject to the provisions of paragraph (4) of Article 2 of this clause.

Article 104 A director shall comply with laws, administrative regulations, and the provisions of these Articles of Association, have a duty of care to the Company, and exercise the reasonable care normally due to a manager in the best interests of the Company when performing his or her duties.

A director shall have the following duties of care to the Company:

(1) In line with national laws, administrative rules as well as the various requirements of the national economic policies, exercise meticulously, gravely and assiduously the rights authorized by the company so as to ensure the company's business act within the scope prescribed in the business license;

(2) Give fair treatment to all the shareholders;

(3) Investigate the performance of the company;

(4) Shall sign written confirmation comments with respect to the regular reports of the Company; ensure that the

information disclosed by the company is true, accurate and complete;

(5) Shall provide genuinely the relevant information and material to the audit committee, and not impede the audit committee to exercise its functions and powers;

(6) Other diligence obligations prescribed in relevant laws, administrative rules, regulations and Articles of Association.

Article 105 Where the directors fails to attend the meeting for two consecutive times and fails to consign other directors hereto, he(she) shall be deemed incapable to perform his(her) duty and the board of directors shall propose the shareholders assembly to reshuffle the director.

Article 106 A director may tender resignation before the expiry of their term of office. The resignation of a director shall be submitted in writing to the Company, and the resignation shall take effect on the date when the Company receives the resignation letter. The Company will disclose relevant information within two trading days.

Where the total number of member of the board of directors is lower than the minimum quorum, the former directors shall, prior to the assumption of the reelected directors, perform its directorship in accordance with the relevant laws, administrative rules, regulations and the Articles of Association.

The Company shall complete the replacement of the director within sixty days from the date of the occurrence of the aforesaid fact.

Article 107 The Company shall establish a director resignation management system to clarify the guarantee measures for pursuing and recovering liabilities for unfulfilled public commitments and other outstanding matters. Where the resignation of the director come into force or his(her) term of office expires, the director shall handle proper transfer procedure in the board of directors and his(her) faithful obligations born to the company and shareholders shall not be discharged and remain effective within the reasonable time limit prescribed in the Articles of Association. A director's liabilities incurred in the performance of duties during the term of office shall not be exempted or terminated due to the departure from office. The director's obligation to maintain the business secrets of the company shall still remain until the secrets become public information.

Article 108 The shareholders assembly may resolve to dismiss a director, and the dismissal shall take effect on the date of the resolution.

If a director is dismissed before the expiration of his term of office without just cause, the director may request the Company to provide compensation.

Article 109 No director may act in their own name on behalf of the Company or the board of directors without the provisions of these Articles of Association or the lawful authorization of the board of directors. When the directors act in their own name, the director shall declare his position and identity in advance if the third party reasonably

believes that the director is acting on behalf of the company or the board of directors.

Article 110 Where a director causes harm to others in the performance of its duties, the Company shall bear the liability for compensation; where the director has intentional or gross negligence, he shall also be liable for compensation.

Where the director, on the occasion of performing his(her) duty hereof, violates laws, administrative rules, regulations or provisions in the Articles of Association and has caused damage to the company, the director shall honor indemnity compensation.

Section 2 The Board of Directors

Article 111 The Company has a board of directors consisting of nine directors, including five outside directors (including three independent directors) and one employee representative director; the Company shall have a chairman and, if necessary, one or two vice chairmen. The chairman and vice chairman shall be elected by the Board of Directors with a majority vote of all directors.

The Board of Directors and the Management should listen to the views of the party committee before determining major issues of the company.

Article 112 The board of directors shall exercise the following functions and powers:

- (1) to convene the meeting of the shareholders assembly, and to report on its work to the shareholders assembly;
- (2) to implement the resolutions adopted by the shareholders assembly;
- (3) to decide on the business plans and investment plans of the Company;
- (4) to draw up plans for profit distribution and plans for making up losses of the company;
- (5) to draw up plans for the increase or reduction of the registered capital of the company, issue bonds or other securities and listing;
- (6) to draw up plans of major purchase, purchase the company's stock, merger, division. dissolution and transformation of the company;
- (7) to make decision within the authorization scope such proceedings as external investment, purchase or sale of assets, pledge, external guarantee, entrusting financing, related transaction and external donations;
- (8) to decide on the establishment of the internal administrative bodies of the company;
- (9) to appoint or dismiss the Company's manager or secretary to the board and other senior managers, and decide on their remuneration and rewards and punishments; and, based on the recommendations of the manager, to appoint or dismiss the deputy general manager, the persons in charge of financial affairs and other senior managers and decide on their remuneration and rewards and punishments;

- (10) to formulate the basic management system of the company.
- (11) to formulate the revision plan of the Articles of Association;
- (12) to manage the information revelation proceedings;
- (13) to propose the shareholders assembly to employ or replacing the certified public accountant of the company;
- (14) to hear reporting from the Company's general manager and inspect the performance of the general manager;
- (15) Other authorities authorized by laws, administrative rules, regulations and the Articles of Association.

Matters that exceed the scope of authorization of the board of directors shall be submitted to the shareholders' meeting for deliberation.

Article 113 The board of directors of the company shall explain to the shareholders assembly the non- standardized audit opinion issued by the certified public accountant to the company.

Article 114 The board of directors shall formulate the rules of procedure of the board of directors to ensure that the board of directors implements the resolutions adopted at the shareholders assembly, improve the efficiency and ensure scientific decision-making.

Article 115 The board of director shall set forth the scope of authorities such as external investment, purchase and sale of assets, pledge, external guarantee, entrusting finance, related transaction and external donations, establish strict examination and decision-making procedure; the major investment items shall be subject to the examination and approval of the relevant experts and the approval of the shareholders assembly.

(1) Authority to review transaction matters (excluding providing guarantees and financial assistance) by the Board of Directors:

1. The total assets involved in the transaction (where both the book value and the appraised value exist, the higher shall prevail) account for more than 10% of the company's latest audited total assets;
2. The net assets involved in the transaction target (such as equity) (if there are both book value and appraisal value, whichever is higher) account for more than 10% of the Company's latest audited net assets, and the absolute amount exceeds RMB 100 million;
3. The volume of transactions of transaction (including bearing liabilities and fees) accounts for more than 10% of the audited net assets of the latest accounting year of the Company, and the absolute amount is more than RMB 100 million;
4. The profits generated by the transaction account for more than 10% of the audited net profit of the Company in the latest fiscal year, or the absolute amount is more than RMB 1 million;

5. The operating income of subject matter of the transaction (such as equity) in the latest fiscal year accounts for more than 10% of the audited operating income of the latest accounting year of the Company, and the absolute amount is more than RMB 100 million;

6. The transaction target (such as equity) in the most recent fiscal year related net profit accounted for more than 10% of the Company's audited net profit in the most recent fiscal year, and the absolute amount exceeded RMB 1 million;

If the data involved in the calculation of the above indicators is a negative value, the absolute value is calculated.

The transaction specified in the article is the transaction defined in the Listing Rules of Shanghai Stock Exchange (except for providing guarantees or financial assistance). The aforementioned purchases and sales of assets do not include the purchase of raw materials, fuel, and power, or the sale of products, commodities, and other assets related to daily operations. However, if asset swaps involve the purchase or sale of such assets, they are still included.

(2) Authority to review and approve related-party transactions (excluding providing guarantees and financial assistance):

1. Transactions with related natural persons exceeding RMB 300,000 (including debts and expenses assumed);
2. Transactions with related legal persons (or other organizations) exceeding RMB 3 million (including debts and expenses assumed), and representing more than 0.5% of the absolute value of the company's most recent audited net assets.

(3) For transactions involving "financial assistance," in addition to approval by a majority of all directors, approval by more than two-thirds of the directors present at the board meeting is required, and such transactions must be disclosed promptly.

(4) For transactions involving "providing guarantees," in addition to approval by a majority of all directors, approval by more than two-thirds of the directors present at the board meeting is required, and such transactions must be disclosed promptly.

Where non-routine business transactions such as external investment, acquisition and sale of assets, asset mortgage, entrusted asset management, and related-party transactions of the Company do not meet the calculation standards required by the Articles of Association for submission to the Board of Directors, the Manager's Office may make an approval decision.

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

- (1) to preside over the meeting of shareholders assembly, and to convene and preside over meetings of the board of directors;

(2) to press and supervise the implementation of the resolution of the board of directors;

(4) to proposing to the board of directors to appoint or dismiss the Company's general manager and secretary of the board of directors;

(4) to exercise other functions and powers granted by the board of directors.

The Chairman shall assume primary responsibility for the Company's information disclosure management.

Article 117 The deputy chairman shall assist the chairman with work. If the chairman is unable or fails to perform his duties, the deputy chairman shall perform such duties (if the company has two or more deputy chairmen, a deputy chairman jointly recommended by half or more of directors shall perform such duties); if the deputy chairman of the board of directors is unable or fails to perform his duties, a director who is jointly recommended by half or more of the directors shall perform such duties.

Article 118 The board of directors shall convene at least two meetings annually by the chairman of the board who shall notify the whole directors ten days in advance of the convention of the meeting.

Article 119 Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors, or the audit committee may propose to convene an interim meeting of the board of directors. The chairman of the board shall convene and preside over such a meeting within 10 days from the date he receives the proposal.

Article 120 The notice of convening an interim board meeting shall be given in writing, by telephone, WeChat or email, etc.; the notice period shall be 10 days in advance of the meeting.

Article 121 The notice of the meeting of the board of directors shall include the following:

(1) Dates and venue of the meeting

(2) Time limit;

(3) Reason and topic;

(4) Date of the notice issuing.

Article 122 A meeting of the board of directors shall be held only if more than half of all the directors are present. Any of the resolutions made by the board of directors shall be subject to adoption by more than half of all the directors.

The one-person one-vote system shall be practiced for voting on resolutions of the board of directors.

Article 123 A director who has a related relationship with the enterprise or individual involved in the matters under resolution at a board meeting shall promptly report in writing to the Board of Directors. Directors with related party relationships may not exercise voting rights on this resolution, nor may they act as proxies for other directors in

exercising voting rights. Such a meeting of the board of directors may be held with the attendance of more than half of the directors who are not affiliated with the enterprise, and the resolution made at the meeting of the board shall be subject to adoption by more than half of the unaffiliated directors. Where the number of unaffiliated directors present at the meeting of the board is less than 3 persons, the matters shall be submitted to the shareholders assembly of the company for deliberation.

Article 124 Voting methods for board resolutions shall be: registered and written voting.

The interim meeting of the board of directors may, on the condition of guaranteeing the right of the directors to fully air opinions, may be held via communication, and a resolution can be made accordingly and signed by the directors.

Article 125 The meeting of the Board of Directors requires the attendance of the directors themselves; where the directors is unable to attend, they shall entrust other directors to attend by means of proxy statement where the name of the agent, entrusted proceedings, scope of authorization and valid of time limit shall be set forth and the autograph or seal is required. The director entrusted to attend the meeting shall exert the rights within scope of authority. Independent directors shall not entrust non-independent directors with voting on their behalf. Where a director fails to attend a meeting of directors and fails to send a representative to attend, he/she is deemed to abandon his voting right in that meeting.

Article 126 Decisions on matters discussed at a meeting of the board of directors shall be minuted down, and the minutes of the meeting shall be signed by the directors present.

The time limit for the storage of the minutes of the meeting of the Board of Directors as the company's file shall not be less than 10 years.

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

- (1) Date, place and name of the convener;
- (2) Names of the present directors and the present entrusted directors(agent);
- (3) The meeting agenda;
- (4) Main points of the director's speech;
- (5) Means of voting and its result of every resolution (the voting result shall set forth approval, opposition or abstention).

Section 3 Independent Directors

Article 128 Independent directors shall conscientiously fulfill their duties in accordance with the provisions of laws, administrative regulations, the China Securities Regulatory Commission, the stock exchange and these Articles of

Association, play a role in participating in decision-making, supervising and balancing, and providing professional consultation in the Board of Directors, safeguard the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders.

Article 129 Independent directors must maintain their independence. The following persons shall not serve as independent directors:

- (1) Personnel employed by the company or its affiliated enterprises, and their spouses, parents, children, and close social relations;
- (2) Holding more than 1% of the issued shares of the company directly or indirectly, or being a natural person shareholder and his/her spouses, parents, and children of the top ten shareholders of the Company;
- (3) Persons holding more than 5% of the stocks issued by the Company directly or indirectly, or of the top five shareholders of the Company and their spouses, parents, and children;
- (4) Persons who hold positions in the affiliated enterprises of the Company's controlling shareholder or actual controller, and their spouses, parents, and children;
- (5) Persons who have significant business dealings with the Company, its controlling shareholder, actual controller, or their respective affiliated enterprises, or who serve in entities that have significant business dealings with the Company and their controlling shareholders or actual controllers;
- (6) Persons who provide financial, legal, consulting, sponsorship, or other services to the Company, its controlling shareholder, actual controller, or their respective affiliated enterprises, including but not limited to all members of the project teams, review personnel at all levels, signatories on reports, partners, directors, senior managers, and key responsible personnel from the intermediaries providing the aforesaid services;
- (7) Persons who have had any of the circumstances listed in items (i) - (vi) within the last twelve months;
- (8) Other persons who are not independent as stipulated by laws, administrative regulations, regulations of CSRC, business rules of stock exchanges and these Articles of Association.

The affiliated enterprises of the controlling shareholders and actual controllers of the Company mentioned in items (4) to (6) of the preceding paragraph do not include enterprises that are controlled by the same state-owned asset management institution as the Company and have not formed a related relationship with the Company according to relevant regulations.

Independent directors shall conduct an annual self-assessment of their independence status and submit the findings to the Board of Directors. The Board of Directors shall annually assess the independence of incumbent independent directors and issue a special opinion thereon, which shall be disclosed concurrently with the annual report.

Article 130 An independent director of the Company shall meet the following conditions:

- (1) Being qualified as directors of the listed company in accordance with the laws, administrative regulations and other relevant regulations;
- (2) Meet the independence requirements stipulated in the Articles of Association;
- (3) Possessing basic knowledge of the operation of listed companies and being familiar with relevant laws, administrative regulations and rules;
- (4) Having more than five-year legal, economic or other necessary working experience to perform the duties of an independent director;
- (5) With good personal character and no record of major dishonesty or other adverse records.
- (6) Other conditions of laws, administrative regulations, regulations of the China Securities Regulatory Commission, business rules of stock exchange, and these Articles of Association.

Article 131 As members of the Board of Directors, independent directors have a duty of loyalty and care to the Company and all shareholders, and prudently fulfill the following responsibilities:

- (1) To participate in the decision-making of the Board of Directors and express clear opinions on the matters under discussion;
- (2) To monitor potential material conflicts of interest between the Company and its controlling shareholders, actual controllers, directors, and senior managers, and protect the legitimate rights and interests of minority shareholders;
- (3) To provide professional and objective advice on the Company's business development, and promote the improvement of the decision-making level of the Board of Directors;
- (4) Other responsibilities stipulated by laws, administrative regulations, the China Securities Regulatory Commission, and these Articles of Association.

Article 132 Independent directors shall exercise the following special functions and powers:

- (1) To independently engage intermediaries to conduct audits, consultations, or examinations on specific matters of the Company;
- (2) to propose to the board of directors the convening of an interim meeting of shareholders assembly;
- (3) to proposed to convene the meeting of the board of directors;
- (4) To publicly solicit shareholder rights from shareholders in accordance with the law;
- (5) To express independent opinions on matters that may harm the rights and interests of the Company or minority shareholders;
- (6) Other functions and powers as stipulated by laws, administrative regulations, the China Securities Regulatory

Commission, and these Articles of Association.

Independent directors shall obtain the approval of more than half of all independent directors to exercise the powers listed in items (i) to (iii) of the preceding paragraph.

If independent directors exercise the powers listed in the first paragraph, the Company will disclose it in a timely manner. If the aforesaid powers cannot be exercised normally, the Company will disclose the specific circumstances and reasons.

Article 133 The following matters shall be submitted to the Board of Directors for deliberation with the approval of more than half of all independent directors.

- (1) Related-party transactions to be disclosed;
- (2) The proposal to change or waive commitments by the Company and its related parties.
- (3) The decisions and measures taken by the board of directors of a listed company under acquisition in response to the takeover;
- (4) Other matters stipulated by laws, administrative regulations, the China Securities Regulatory Commission, and these Articles of Association.

Article 134 The Company establishes a special meeting mechanism composed entirely of independent directors. When the Board of Directors deliberates on related-party transactions and other matters, such transactions and other matters shall be approved in advance by the special meetings of independent directors.

The Company shall hold special meetings of independent directors on a regular or irregular basis. The matters listed in Article 132, Paragraph 1, Items (1) to (3), and Article 133 of these Articles of Association shall be reviewed by the special meeting of independent directors.

The special meeting of independent directors may discuss other matters of the Company as needed. The special meeting of independent directors shall be convened and chaired by one independent director jointly nominated by a majority of the independent directors; when the convener fails to perform or is unable to perform his duties, two or more independent directors may convene and elect a representative to preside over the meeting.

The special meeting of independent directors shall be documented in meeting minutes as required, and the opinions of the independent directors shall be clearly recorded therein. Independent directors shall sign and confirm the meeting minutes.

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

Section 4 Special Committee of the Board of Directors

Article 135 The Board of Directors shall establish an Audit Committee to exercise the powers of the board of supervisors as stipulated in the Company Law.

Article 136 The Audit Committee consists of 3 directors who do not hold senior management positions in the Company, including 2 independent directors, with the convener being an independent director who is an accounting professional. A representatives of the staff and workers among the board members may serve as a member of the Audit Committee.

Article 137 The Audit Committee shall review the Company's financial information and its disclosure, and oversee and evaluate internal and external audit work and internal control. The following matters shall be approved by a majority of the Audit Committee members before submitted to the Board of Directors for deliberation:

- (i) Disclosure of the financial information in financial reports and periodic reports and internal control evaluation reports;
- (2) to engage or dismiss the accounting firm undertaking the auditing services of the Company;
- (6) to engage or dismiss the person in charge of financial affairs of the listed company;
- (iv) Changes in accounting policies, estimates, or significant accounting errors due to reasons other than changes in accounting standards;
- (5) Other matters stipulated by laws, administrative regulations, the China Securities Regulatory Commission, and these Articles of Association.

Article 138 The Audit Committee shall hold at least one meeting every quarter. An interim meeting may be convened when proposed by two or more members or deemed necessary by the convener. A meeting of the audit committee must be held only more than two thirds of the members are present.

The resolution of the Audit Committee shall be passed by a majority of the members of the Audit Committee.

The one-person one-vote system shall be practiced for voting on resolutions of the audit committee.

The resolution of the Audit Committee shall be recorded in meeting minutes as required, and the members of the Audit Committee attending the meeting shall sign on the meeting minutes.

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

Article 139 The Board of Directors establishes special committees for strategy and sustainable development (ESG), nomination, and remuneration and appraisal, all of which are composed of directors of the Company; the special committees shall perform their duties in accordance with these Articles of Association and the authorization of the Board of Directors, and their proposals shall be submitted to the Board of Directors review and approval. The

working rules of the special committees shall be formulated by the Board of Directors.

In the Nominating Committee and the Remuneration and Appraisal Committee, independent directors shall constitute a majority, and the chairperson of the committees shall be an independent director.

Article 140 The Strategy and Sustainable Development (ESG) Committee shall study and make recommendations on the Company's long-term development strategy, sustainable development (ESG) strategic objectives and policies, and major investment decisions, and make recommendations to the Board of Directors on the following matters:

- (1) to study and make recommendations on the Company's long-term development strategic plan;
- (2) Gain a comprehensive understanding of the Company's market position, primary business, human resources, and technological reserve, conduct a thorough assessment of strategic risks, and provide recommendations to avoid potential strategic missteps that could lead to over-expansion or missed development opportunities;
- (3) Study and make recommendations on major capital operations, significant investment and financing proposals, and asset management projects that require approval from the Board of Directors as stipulated in the Articles of Association;
- (4) Study and make recommendations on the Company's environmental, social, and governance (ESG) or sustainable development goals, plans, and governance structure (collectively referred to as "sustainable development");
- (5) Identify and monitor sustainable development-related risks and opportunities that have a significant impact on the Company, and guide the Management to take appropriate response measures to risks and opportunities related to sustainable development;
- (6) Review and submit reports related to the Company's sustainable development to the Board of Directors;
- (7) Study and make recommendations on other major matters that impact the development of the Company;
- (8) Conduct supervision and inspection on the implementation of the above matters;
- (9) Other matters granted by the board of directors.

Article 141 The Nominating Committee is responsible for formulating the selection criteria and procedures for directors and senior managers, screening and reviewing their candidates and qualifications, and making recommendations to the Board of Directors on the following matters:

- (1) to nominate, engage or dismiss the directors;
- (2) to engage or dismiss the senior managers;

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

If the Board of Directors fails to adopt or fully adopts the recommendations of the Nominating Committee, it shall record the opinions of the Nominating Committee and the specific reasons for not adopting the recommendations in the board resolution, and make a disclosure.

Article 142 The Remuneration and Appraisal Committee is responsible for establishing assessment standards for directors and senior managers and conducting assessments, formulating and reviewing the remuneration policies and plans for directors and senior managers, including decision mechanisms, decision-making procedures, payment, suspension and recovery arrangements, and making recommendations to the Board of Directors on the following matters:

- (1) Remuneration of directors and senior managers;
- (2) Develop or change the stock incentive plan, employee stock ownership plan, and the achievement of conditions for grant and exercise of rights by the incentive objects;
- (3) Arrange shareholding plans for directors and senior managers in the proposed spin-off subsidiary;
- (4) Other matters stipulated by laws, administrative regulations, the China Securities Regulatory Commission, and these Articles of Association.

If the Board of Directors fails to adopt or fully adopts the recommendations of the Remuneration and Appraisal Committee, it shall record the opinions of the Remuneration and Appraisal Committee and the specific reasons for not adopting the recommendations in the board resolution, and make a disclosure.

Chapter VII Senior Managers

Article 143 The Company shall have one general manager who shall be appointed or dismissed by the board of directors; The Company shall have several vice general managers who shall be appointed or dismissed by the Board of Directors.

Article 144 The provisions of these Articles of Association regarding circumstances under which a person may not serve as a director and the resignation management system shall also apply to senior managers.

The provisions of these Articles of Association regarding the directors' loyalty and diligence obligations shall apply to senior executives.

Article 145 Persons who hold administrative positions other than directors and supervisors in the controlling shareholder of the company shall not act as senior managers of the Company.

Senior managers of the company only receive salaries in the company and are not paid by controlling shareholders.

Article 146 The general manager shall hold office for a term of three years and may be re-elected.

Article 147 The general manager shall be accountable to the board of directors and shall exercise the functions and powers hereunder:

- (1) to take charge of production, operation and management of the company and organize implementation of the resolutions of the board of directors, and to report on its work to the board of directors;
 - (2) to organize implementation of the annual operational plan and the investment plan of the company;
 - (3) to draw up plans for establishment of the internal administrative bodies of the Company;
 - (4) to draw up the basic management system of the Company;
 - (5) to formulate the specific rules of the Company;
 - (6) to recommend the engagement or dismissal of the deputy general manager(s) and of the persons in charge of financial affairs of the company;
 - (7) to decide on the engagement or dismissal of the persons in charge of management other than the ones the engagement or dismissal of whom is to be decided by the board of directors; and
 - (8) to exercise other functions and powers granted by the articles of association or the board of directors.
- (ix) The general manager and deputy general manager who are not directors of the Company may attend the board meeting as non-voting delegates.

Article 148 The Company shall formulate rules of procedure for the management office meeting, which shall be implemented after approval by the board of directors.

Article 149 The rules of procedure for the management office meeting shall include the following:

- (1) Conditions, procedure and participants of the meeting;
- (2) Responsibilities of the general manager and other senior managers of the Company;
- (3) Fund of the company, asset application, signature of the authorities of important contract, report system to the board of directors;
- (4) Other proceedings deemed necessary by the board of directors.

Article 150 The general manager may tender resignation before the expiry of their term of office. The actual procedure and method concerning the General Manager's resignation shall be regulated by the employment contract between the General Manager and the Company.

Article 151 In accordance with its own circumstances, the Company shall stipulate the appointment and removal

procedures of the vice general manager, the relationship between the vice general managers and the general manager in the Articles of Association and may stipulate the functions and powers of the vice general managers.

Article 152 The secretary of board of directors shall be established by the Company to be responsible for the preparation of the meeting of the shareholders general assembly and the meeting of the board of directors, record keeping as well as the keeping of the shareholders material, and the handling of information disclosure and investor relations matters.

The secretary of board of directors shall abide by the relevant provisions of laws, administrative regulations, departmental rules and the articles of association.

Article 153 The Company shall bear liability for compensation if a senior manager causes damage to others in the performance of duties; the senior manager with intentional or gross negligence shall also bear liability for compensation.

Where the senior managers violate laws, administrative rules, regulations and the relevant provisions in these Articles of Association on the occasion of performing his(her) duty and caused losses to the company, it shall honor the compensation liability.

The senior managers of the company shall faithfully perform their duties and safeguard the best interests of the company and all shareholders.

If the Company's senior managers cause damage to the interests of the company and public shareholders due to failure to faithfully perform their duties or breach of fiduciary obligations, they shall be liable for compensation in accordance with the law.

Chapter VIII Financial and Accounting System, Profit Distribution and Auditing

Section 1 Financial and Accounting System

Article 154 The Company shall formulate the financial and accounting systems in accordance with the provisions of laws, administrative regulations and the regulations set forth by relevant state departments.

Article 155 The company shall submit and disclose the annual report to the dispatched offices of the China Securities Regulatory Commission and the Stock Exchange within 4 months from the end of each fiscal year, and submit and disclose the interim reports to the dispatched offices of the China Securities Regulatory Commission and the Stock Exchange within 2 months from the end of the first half of each fiscal year.

The above-mentioned annual report and interim report shall be worked up in accordance with the relevant laws, administrative rules and provisions of China Securities Regulatory Commission and stock exchanges.

Article 156 Except the statutory accounting books, the Company does not set up separate accounting books. No

accounts shall be opened in the name of any individual for deposit of the funds of the Company.

Article 157 The Company shall allocate 10% of the profit to the Company's statutory surplus fund when distributing the after-tax profit at that year. Where the accumulated amount of the statutory surplus fund of the company exceeds 50% of its registered capital, further allocation may be dispensed with.

Where the statutory surplus fund of a company is insufficient to make up the company's losses of the previous year, the company shall, first of all, apply its annual profits to making up its losses prior to allocation for the statutory surplus fund in accordance with the provisions of the preceding paragraph.

After allocating after-tax profits for the statutory surplus fund, a company may, upon resolution adopted by the shareholders assembly, allocate after-tax profits for its discretionary surplus fund.

After making up its losses and making allocations for its surplus fund, the company shall distribute them to its shareholders in proportion to the shares held by each shareholder, except where the articles of association stipulate that such profits shall not be distributed in proportion to the shares held.

In case that the shareholders assembly violates the Company Law by distributing profits to shareholders, the shareholders shall return the profits distributed in violation of the regulations to the Company; in case of any loss to the Company, the shareholders and responsible directors and senior managers shall be liable for compensation.

The shares of the company held by the company are not involved in the distribution of profits.

Article 158 The surplus fund of the Company shall be used to make up for the company's losses or to expand production and operation of the Company, or shall be converted into an increase in the Company's registered capital.

When using reserves to make up for the company's losses, the discretionary reserves and statutory reserves should be used first; if the losses still cannot be made up, the capital reserves may be used in accordance with regulations.

Where the statutory surplus fund is converted into increased registered capital, the remaining amount of such surplus fund shall not be less than 25% of the registered capital prior to such conversion.

Article 159 After the Company's shareholders assembly makes a resolution on the profit distribution plan, or after the company's board of directors formulates a specific plan based on the interim dividend conditions and upper limit approved on the annual meeting of the shareholders assembly, the distribution of dividends (or shares) shall be completed within two months.

Article 160 The Company's profit distribution policies are:

(1) Considerations for formulating the shareholder return plan

With a focus on long-term and sustainable development, the Company comprehensively considers its business

development plan, shareholder wishes and requirements, cash flow status, external financing environment and capital costs to establish a continuous, stable and scientific return plan and mechanism for investors, thereby making institutional arrangements for profit distribution to ensure the continuity and stability of profit distribution policies.

(2) Principles for formulating the shareholder return plan

The formulation of the shareholder return plan shall comply with relevant laws, regulations, and normative documents, and attach importance to reasonable investment returns for investors while taking into account the actual business condition and sustainable development of the Company in the current year; deal with the relationship between short-term interests and long-term development of the Company while fully taking into account the interests of shareholders, determine a reasonable profit distribution plan, and maintain the continuity and stability of the Company's profit distribution policy.

(3) Basic principles of shareholder return:

1. The shareholder return of the Company should attach importance to the reasonable investment return to investors and fully safeguard the right of shareholders to enjoy asset return in accordance with the law.
2. The shareholder return policy should maintain continuity and stability, with consideration to the company's long-term interests, the overall interests of all shareholders and the company's sustainable development.
3. The Company may distribute profits in cash, stock, a combination of cash and stock, or other methods permitted by laws and regulations. In compliance with the conditions for shareholder return and profit distribution, the Company shall prioritize cash dividends as the preferred method of profit distribution.
4. Subject to relevant laws, regulations, and the Company's articles of association on profit distribution principles and cash dividend conditions, the Company generally distributes cash dividends once a year; the Board of Directors may propose interim cash dividends based on the Company's profitability and capital needs.

(4) The Company shall implement cash dividends only if the following conditions are met simultaneously:

If annual distributable profit (i.e., the after-tax profit remaining after the company has made up for losses and set aside reserves) of the Company is positive and has increased compared to the previous year, the Company can distribute cash dividends.

In the event that the Company has a major investment project with the amount reaching or exceeding the distributable profits realized in that year, based on the actual situation of long-term and sustainable development and in order to meet long-term development needs and enhance future growth, the Company may refrain from cash dividend distribution with the approval from the shareholders assembly.

The significant investment plan or significant cash expenditures: refer to: the accumulated expenses for the

Company's external investment or purchase of assets in the future twelve (12) months shall reach or exceed 10% of the Company's latest audited net assets and reach or exceed RMB 50 million.

(5) Time interval and proportion of profit distribution

Under the condition of meeting the cash dividend requirement, the Company's cumulative cash dividends each year should, in principle, be no less than 30% of the average annual distributable profits realized in the most recent three years. The specific cash dividend ratio for each year shall be proposed by the Board of Directors based on relevant regulations and the Company's annual operating performance, and shall be determined after review and approval by the shareholders assembly. The Company may also distribute interim profits.

The board of directors of the Company shall propose differentiated cash dividend policy, with full consideration to the characteristics of the industry, the stage of development, the mode of operation of the business, the level of profitability and whether there are significant capital expenditure arrangements:

1. When the company reaches mature development stage and has no major capital expenditure arrangements, the lowest proportion of cash dividend in the profit distribution should reach 80%;
2. When the company reaches mature development stage and has no major capital expenditure arrangements, the lowest proportion of cash dividend in the profit distribution should reach 40%;
3. When the company reaches the growth stage and has major capital expenditure arrangements, the lowest proportion of cash dividend in the profit distribution should reach 20%;

If the company's development stage is not easily clear but has significant capital expenditure arrangements, it may be dealt with according to the preceding paragraph.

(6) Based on the cumulative distributive profits, surplus fund and cash flow, and on the premise of ensuring sufficient cash dividends and a reasonable share capital, the company may distribute profits by issuing additional stock dividends. The Company shall comprehensively consider reasonable factors such as its growth potential and dilution of net assets per share to determine the proportion of stock dividend distribution.

(7) Decision-making mechanism for the shareholder return plan

1. The Company's profit distribution plan shall be proposed and drafted by the company's board of directors in conjunction with the provisions of the Company's articles of association, profitability, and capital supply and demand, and shall be submitted to the shareholders assembly for examination and approval after being examined and approved by the board of directors. When reviewing the specific cash dividend plan, the Board of Directors shall carefully study and demonstrate the timing, conditions and minimum proportion of the Company's cash dividends, the conditions for adjustment and the requirements for decision-making procedures.

2. Before the shareholders assembly examines the cash dividend specific plan, it shall communicate and exchange

opinions with shareholders, especially small and medium shareholders, actively via multiple channels (including but not limited to investor hotlines, investor emails, interactive platforms, etc.), listen to their opinions and needs fully, and reply their questions timely.

Shareholders assembly should provide shareholders with online voting options. The dividend distribution plan shall be approved by shareholders or their proxies present at the meeting of shareholders assembly with more than half of their voting rights.

3. If the Company is profitable in the given year but the board of directors has not made a cash profit distribution plan, it shall disclose in its periodic reports the reasons for not distributing dividends, the purpose and usage plan of the funds not used for dividends retained by the Company.

(8) Profit distribution policy adjustment mechanism

When the Company needs to adjust its profit distribution policy based on its production and operation situation, investment plans and long-term development needs, it should take the protection of shareholders' rights as the starting point. The adjusted profit distribution policy shall not violate the provisions of relevant laws, regulations and normative documents. The proposal to adjust the profit distribution policy shall be submitted to the company's meeting of the shareholders assembly for approval after being reviewed by the company's board of directors, and shall be passed by more than 2/3 of the voting rights held by the shareholders present at the meeting of the shareholders assembly.

Section 2 Internal Audit

Article 161 The Company shall implement an internal audit system to clarify the leadership structure, responsibilities and authorities, staffing, fund guarantee, application of audit results, and accountability of the internal audit work.

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

Article 162 The internal audit organization of the Company shall supervise and inspect the Company's business activities, risk management, internal control, financial information, etc.

The internal audit organization shall maintain its independence and be staffed with full-time auditors, and shall not be placed under the leadership of the finance department or work jointly with the financial department.

Article 163 The internal audit organization shall be accountable to the Board of Directors.

Article 162 The internal audit organization shall accept the supervision and guidance of the Audit Committee in the supervision and inspection of the Company's business activities, risk management, internal control, and financial information. The internal audit organization shall immediately report to the Audit Committee directly if it finds

relevant major problems or clues.

Article 164 The internal audit organization shall be responsible for the specific organization and implementation of the Company's internal control evaluation. The Company issues its annual internal control evaluation report based on the assessment report and related materials provided by the internal audit organization and reviewed by the Audit Committee.

Article 165 The internal audit organization should actively cooperate and provide necessary support and collaboration when the Audit Committee communicates with the accounting firm and national audit agency or other external audit units.

Article 166 The Audit Committee participates in the assessment of the person in charge of internal audit.

Section 3 Appointment of Certified Public Accountants

Article 167 The certified accountants office that complies with the provisions of the Securities Law shall be employed, whose term of employment is one year and who may be reemployed, by the company to undertake fiscal statement auditing, net assets verification and other related consultant service.

In principle, the same accounting firm should not be continuously engaged for more than 8 years. When it is necessary to continue engaging the same accounting firm for over 8 years due to business needs, the Company shall take into account the firm's prior audit quality, shareholder feedback, and regulatory authorities' opinions. After corporate governance procedures and internal decision-making processes are completed, the engagement period may be extended appropriately, but the total consecutive engagement must not exceed 10 years.

Article 168 The engagement and dismissal of an accounting firm by the Company shall be subject to the decision of the shareholders assembly. The Board of Directors shall not appoint an accounting firm before the shareholders assembly makes a decision.

Article 169 The company shall guarantee to provide to the employed certified accountant office sincere and intact accountant certificate, accountant book, financial statement and other relevant documents, with refusal, concealment and false report forbidden.

Article 170 The audit fees of certified accountant office shall be subject to the decision of the shareholders assembly.

Article 171 When the company dismisses or does not continue the appointment of an accounting firm, it shall notify the accounting firm 10 days in advance. The shareholders assembly of the company shall allow the accounting firm to express its opinions when voting on the dismissal of the accounting firm.

The certified accountant office shall, on the occasion of raising resignation, report to the shareholders assembly whether abnormal situation exists in the Company.

Chapter IX Notices and Announcements

Section 1 Notification

Article 172 The notification of the Company shall be distributed by the following means:

- (1) Special person;
- (2) Mail;
- (3) to be conducted by way of announcement;
- (4) Other means prescribed in the Articles of Association.

Article 173 When the Company issues a notice in the form of an announcement, once the announcement is made, it shall be deemed that all relevant personnel have received the notice.

Article 174 A notice of the Company on convening the meeting of shareholders assembly shall be sent out by way of announcement.

Article 175 A notice of the Company on convening the meeting of the board of directors shall be made in email, written notice, telephone, WeChat, etc.

Article 176. If a company notice is delivered by a designated person, the recipient shall sign (or affix a seal) the delivery registration form, and the date of receipt by the recipient shall be the date of service. If a company notice is delivered by email or WeChat communication, the date of successful transmission shall be the date of service. If a company notice is delivered by public announcement, the date of publication of the first announcement shall be the date of service.

Article 177 Where the notice fails to be delivered to or reach the entitled receiver because of negligence, the validity of the notice shall not be affected.

Section 2 Proclamation

Article 178 The Company shall designate one or more newspapers, such as the China Securities Journal and the Shanghai Securities Journal as the media that shall publish the publication of the company's bulletin and other information required to be disclosed.

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

Section 1 Merger, Division, Capital Increase and Capital Reduction

Article 179 The merger of the company may be undertaken by merger or consolidation.

When a company has another company amalgamated with it, it is merger by amalgamation, and the amalgamated company shall be dissolved. When two or more companies merge to establish a new company, it is merger for new

establishment, and all parties being merged shall be dissolved.

Article 180 Where a consideration paid for a company merger does not exceed ten percent of the Company's net assets, it may not be subject to a resolution of the shareholders assembly, unless otherwise stipulated in the Articles of Association.

If the Company merges without a resolution of the shareholders assembly pursuant to the preceding provisions, it shall be subject to the resolution of the Board of Directors.

Article 181 The merger of companies requires the merger contract signed by all the relevant parties and the balance sheet and inventory of property. The Company shall notify the creditors within 10 days from the date of adopting resolution for merger and announce it in the China Securities Journal, the Shanghai Securities Journal or on the National Enterprise Credit Information Publicity System within 30 days.

The creditors may, within 30 days from the date they receive the written notice, or within 45 days from the date the announcement is made in case of those who have not received the written notice, claim full repayment of their debts or provision of a corresponding guarantee from the company.

Article 182 When companies merge, the claims and debts of all the parties to the merger shall be succeeded to by the company that continues to exist after the merger or by the newly established company.

Article 183 In case of division of the company, its assets shall be divided correspondingly.

In case of division of the company, balance sheets and checklists of properties shall be worked out. The Company shall notify the creditors within 10 days from the date of adopting resolution for division and announce it in the China Securities Journal, the Shanghai Securities Journal or on the National Enterprise Credit Information Publicity System within 30 days.

Article 184 The companies after the division shall assume joint and several liability for the debts prior to the division. Unless otherwise agreed in the written agreement reached between the Company and the creditors on redemption of debt before the division.

Article 185 Where the Company needs reducing registered capital, it shall formulate balance sheet and inventory of property.

The Company shall notify the creditors within 10 days from the date of adopting resolution by the shareholders assembly to reduce its registered capital and announce it in the China Securities Journal and the Shanghai Securities Journal or on the National Enterprise Credit Information Publicity System within 30 days. The creditors may, within 30 days from the date they receive the written notice, or within 45 days from the date the announcement is made in case of those who have not received the written notice, claim full repayment of their debts or provision of a corresponding guarantee from the company.

When the Company reduces its registered capital, it shall reduce its capital contribution or shares accordingly in proportion to the shares held by its shareholders, unless otherwise stipulated by law or these articles of association.

Article 186 If the Company still has losses after making up for them in accordance with the provisions of Article 158, paragraph 2 of these Articles of Association, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for losses, the Company shall not distribute to shareholders, nor shall it exempt shareholders from the obligation to make capital contributions or share payments.

If the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of Article 185, paragraph 2 of these Articles of Association shall not apply, but it shall be announced on the China Securities Journal, the Shanghai Securities News or the National Enterprise Credit Information Publicity System within 30 days from the date when the shareholders assembly makes the resolution to reduce the registered capital.

After the Company reduces its registered capital in accordance with the preceding two paragraphs, it shall not distribute profits until the aggregate amount of legal reserve and discretionary surplus reserve reaches 50% of the registered capital.

Article 187 In case that the registered capital is reduced in violation of the Company Law and other relevant regulations, shareholders shall return the funds received, and any reduction in capital contribution shall be restored to the original state; in case of any loss to the Company, the shareholders and responsible directors and senior managers shall be liable for compensation.

Article 188 Shareholders do not have preemptive rights to subscribe to new shares issued for increasing registered capital, unless otherwise provided in the Articles of Association or decided by a resolution of shareholders assembly.

Article 189 Where the merger or division of a company involves changes in the registered items, such changes shall, in accordance with law, be registered with the company registration authority; where a company is dissolved, it shall apply for cancellation of its registration according to law; and where a new company is incorporated, it shall have its incorporation registered according to law.

In the case of increasing or reducing its registered capital, a company shall go through modification registration with the company registration authority according to law.

Section 2 Dissolution and Liquidation

Article 190 A company shall be dissolved for one of the following reasons:

- (1) Where the term of business operation as stipulated in the articles of association expires or other causes for dissolution as stipulated in the articles of association occur;
- (2) Where a resolution on dissolution is adopted by the shareholders assembly;

- (3) Where merger or division of the company necessitates its dissolution;
- (4) Where the business license of the company is revoked, or the company is ordered to close down, or its registration is cancelled, according to law; or
- (5) Where a company is confronted with serious difficulties in operation and management, its continued existence may cause grievous losses to the interests of its shareholders and the difficulties cannot be surmounted through other channels, the shareholders holding more than 10 percent of the voting rights held by all the shareholders of the company may request a people's court to dissolve the company.

If the company encounters the reasons for dissolution as stipulated in the preceding paragraph, it shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten days.

Article 191 If the company falls under the circumstances described in Article 190, Paragraph (1) or (2) of these Articles of Association and has not yet distributed assets to its shareholders, it may continue to exist by amending these Articles of Association or by a resolution of the meeting of the shareholders assembly.

The revision of these Articles of Association in accordance with the provisions of the preceding article or the resolution adopted by the shareholders assembly shall be subject to adoption by the shareholders present at the meeting of the shareholders assembly, which hold more than two-thirds of the voting rights.

Article 192 Where the Company is dissolved because of the provisions in Item(1), Item(2), Item(4) and Item(5) of Article 190 of the articles of association, it shall be liquidated. The directors are the persons obligated to liquidate the company. The company shall form a liquidation team to carry out liquidation within 15 days from the date when the cause for dissolution occurs.

The liquidation committee shall be composed of directors, unless otherwise provided in the Articles of Association or other persons are appointed in a resolution of shareholders assembly.

If the person with liquidation obligations fails to perform his liquidation obligations in a timely manner, causing losses to the company or creditors, he shall bear liability for compensation.

Article 193 During the period of liquidation, a liquidation team shall exercise the following functions and powers:

- (1) to check up on the property of the company and draw up a balance sheet and an inventory of its assets separately;
- (2) to notify the creditors by notice or announcement;
- (3) to dispose of and liquidate the company's unfinished business;
- (4) to pay off the tax arrears and the taxes generated in the process of liquidation;
- (5) to clear up claims and debts;

(6) to distribute of the property remaining after the company pays off its debts;

(7) to participate in civil lawsuits on behalf of the company.

Article 194 The liquidation team shall notify the creditors within ten days from the date of its establishment and announce it in China Securities Journal, Shanghai Securities News or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall declare their claims to the liquidation team within 30 days from the date they receive the written notice, or within 45 days from the date the announcement is made, in the case of those who have not received such notice.

When declaring his claims, a creditor shall specify the matters in respect of each claim, and provide supporting materials. The liquidation team shall register the claims.

During the period when creditors declare their claims, the liquidation team shall not pay off the debts to them.

Article 195 The liquidation team shall, after having liquidated the company's asset, formulated balance sheet and the inventory of property, formulate liquidation plan and submit them to the shareholders assembly or the people's court for confirmation.

The remaining asset shall, after having paid the liquidation expense, salary of the staff, social insurance expense and the legal premium, the arrears and liquidated the company's debt, be distributed proportionally in accordance with the shares held by the shareholders.

During the period of liquidation, the company shall continue to exist, but it shall not engage in any operational activities not related to liquidation. The property of the company shall not be distributed to its shareholders before it has made the payments as specified in the provisions of the preceding paragraph.

Article 196 If, after checking up on the property of a company and drawing up the balance sheet and the inventory of its property, a liquidation team discovers that the property of the company is insufficient to pay off its debts, it shall, in accordance with law, apply to a people's court for declaration of bankruptcy liquidation of the company.

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

Article 197 After the liquidation of a company is completed, the liquidation team shall prepare a liquidation report and submit the report to the shareholder assembly or the people's court for confirmation, and shall submit it to the registration authority in order to apply for cancellation of the registration of the company.

Article 198 The members of the liquidation team shall fulfill their liquidation duties and have the obligations of loyalty and care.

Members of the liquidation team who fail to perform their liquidation duties and cause losses to the Company shall bear liability for compensation; those who causes losses to the creditors intentionally or through gross negligence,

he (she) shall be liable for compensation.

Article 199 Where the company is lawfully announced bankruptcy, it shall enforce bankruptcy liquidation in accordance with the relevant bankruptcy law.

Chapter XI Revision of Articles of Association

Article 200 The Company shall revise the Articles of Association in one of the following circumstances:

- (1) The provisions in the Articles of Association runs against the revised laws, administrative rules after the revision of Company Law or other relevant laws, administrative rules;
- (2) The changes in the company is in conformity with the proceedings prescribed in the Articles of Association;
- (3) The shareholders assembly decided to amend the articles of association.

Article 201 Where the proceedings in the Articles of Association adopted by the shareholders assembly needs the examination and approval of the authorities in charge, it shall be submitted hereto for approval; where the registration proceedings are involved, the registration shall be handled lawfully.

Article 202 The Board of Directors shall amend the articles of association in accordance with the resolutions of amending the articles of association adopted by the shareholders assembly and approval opinions of the relevant competent authorities.

Article 203 Where the revision of the Articles of Association is included in the requirements of laws and provisions, it shall be made proclamation in accordance with the relevant provisions.

Chapter XII Supplementary Articles

Article 204 Interpretations

- (1) Proprietary shareholder means such a shareholder as controls more than 50% of the total volume of share in the joint-stock company; or having great influence upon the decision made by the shareholders assembly by means of its holding voting share albeit its holding share is less than 50% hereof.
- (2) An actual controller means a natural person, legal person or other organization that can practically to govern the behavior of a company through investment relations, agreements or other arrangements.
- (3) Related party relationships mean the relations between the proprietary shareholder, actual controller, director and senior manager of a company with the enterprises which are directly or indirectly under their control, and other relations which may lead to transfer of the company's interests. However, affiliated relations do not exist among the holding companies of the state although their shares are held by the state in common.

(4) An affiliated enterprise refers to an enterprise that is directly or indirectly controlled by a relevant entity.

(5) Main social relationships refer to siblings, spouses of siblings, parents of spouses, siblings of spouses, spouses of children, and parents of children's spouses, etc.

(6) A major shareholder refers to a shareholder who holds more than 5% of the shares of a listed company, or holds less than 5% but has significant influence over the listed company.

(7) A minority shareholder refers to a shareholder who individually or collectively holds less than 5% of the company's shares and does not serve as a director or senior manager of the company.

Article 205 The board of directors may, in accordance with the provisions of the Articles of Association, formulate the details of the Articles of Association. The bylaws of Articles of Association shall not be against the regulations of the Articles of Association.

Article 206 These Articles of Association shall be written in Chinese. If there is any discrepancy between the Articles of Association and other versions of Articles of Association or other Articles of Association in other language, the Chinese version of the Articles of Association last approved and registered by Zibo Administrative Approval Service Bureau shall prevail.

Article 207 Such terms as "above" and "within" as mentioned herein shall include in the amount the figures listed; such terms as "over", "beyond", "lower than", and "more than" shall not include the figures listed.

Article 208 The Articles of Association shall be interpreted by the board of directors of the company.

Article 209 The appendix of the Articles of Association shall include the rules of procedure of the shareholders assembly, the rules of procedure of the board of directors.

Article 210 The Articles of Association should become effective on the date when it is approved by the shareholders assembly of the Company.